



WELL GRADED ENGINEERING PLC.

No. WGE-FN/2565/002

May 5, 2022

Subject: The Management Discussion and Analysis for the first quarter ending March 31, 2022

To: President
The Stock Exchange of Thailand

Well Graded Engineering Public Company Limited (“the Company”) would like to submit the Management Discussion and Analysis for the first quarter ending March 31, 2022 as follows:

Income from construction and services

For the first three-month of 2022, the Company's income from construction and services was 515.04 million baht, an increase of 371.58 million baht from the same period of 2021 or representing an increase of 259.01 per cent. An increase in revenue is a result of backlogs that have constantly accumulated from the previous year, mostly from public sector customers which accounted for approximately 50.38 per cent of the income from construction and services while the income from construction and services from private sector customers accounted for approximately 49.62 per cent.

Construction and service costs and Gross profit

For the first three-month of 2022, the Company had construction and service costs of 470.22 million baht, an increase of 333.43 million baht, or an increase of 241.26 per cent, from the same period of 2021. The Company's gross profit for the first three-month of 2022 amounted to 44.82 million baht, an increase of 39.15 million baht from the same period in 2021, or an increase of 690.49 per cent, mainly due to the fact that the Company is able to adapt to various situations under the epidemic of the COVID-19.



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Selling and administrative expenses

For the first three-month of 2022, the Company had selling and administrative expenses of 24.57 million baht. An increase from the same period of 2021 by 2.18 million baht or an increase of 9.75 per cent was mainly due to loss on exchange rates and increasing employee expenses such as salaries, bonuses and other expenses.

Net profit

For the first three-month of 2022, the Company had a net profit of 15.19 million baht, an increase from the same period of 2021 by 32.51 million baht or an increase of 187.66 per cent. The increase was mainly due to the price adjustment of the new contract in accordance with the current situation, resulting in the company's ability to make practical profits.

Asset

As of March 31, 2022, the Company had total assets of 1,725.58 million baht, an increase of 132.35 million baht compared to December 31, 2021, or an increase of 8.31 per cent. The main reasons for the increase was mainly from increased in unbilled revenue 52.22 million baht, increased in trade accounts receivable 21.89 million baht, increased in inventories 20.01 million baht, increased in retention deposit under construction contracts 19.34 million baht, increased in property, plant and equipment 35.05 million baht, respectively.

Liabilities

As of March 31, 2022, the Company had total liabilities of 1,040.75 million baht, an increase of 117.17 million baht compared to December 31, 2021, or an increase of 12.69 per cent. The reason for the increase came from accounts payable arising from transactions related to the normal business operations of the Company that were not yet due, an increase in long-term loans from financial institutions, for land cost of 49.44 million baht and machinery of 2.24 million baht, for asphalt plant construction to support the Company's expansion.



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Equity

As of March 31, 2022, the Company had total shareholders' equity of 684.83 million baht, an increase when compared with shareholders' equity at the end of December 31, 2021 of 15.19 million baht due to the company's operating profit of 15.19 million baht.

Please be informed accordingly,

Best regards,

– Mr. Kraingsak Buanoom –

Managing Director

Well Graded Engineering Public Company Limited