



GEL.CS.014/2565

August 15, 2022

Subject Management Discussion and Financial Analysis for the operating results of the second quarter of 2022, ended June 30, 2022

To Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 7/2565 of General Engineering Public Company Limited ("the Company") held on August 15, 2022 has approved and verified the financial statements of the Company and its subsidiaries for the second quarter of 2022, ended June 30, 2022 which reviewed by the auditor of the Company. Details are as follow.

**1. The Operating Results Analysis**

**For the second quarter of 2022, ended June 30, 2022**

The financial statement showing net loss at the amount of Baht 28 million, comparing with the same period of previous year, the net profit was Baht 18 million. The company and its subsidiary has increased of loss equal to Baht 46 million which details are as following;

1. Revenue from sales

For second quarter, ended of June 30, 2022, the company and its subsidiary has revenue from sales equal to Baht 655 million, which increased from the same period of previous year at the amount of Baht 300 million or increase 85%. Due to recognition of revenue from completed of construction by progress of completion of the construction measuring method and increase of contract manufacturing revenue.

2. Cost of Goods Sold

The company and its subsidiaries had total cost of goods sold equal to Baht 613 million, which increase from the same period of previous year by Baht 263 million or 75% due to increase of revenue.

3. Gross Profit

The company and its subsidiaries has gross profit equal to Baht 42 million, which increase from the same period of previous year by Baht 5 million because of increase of sale.



4. Administrative and Selling expenses

The Company and its subsidiaries had administrative and selling expensed at the amount of Baht 55 million, which increased from the same period of previous year by Baht 11 million because of employee expenses and the fee of bank

5. Share of profit (loss) from investment in associated company and joint ventures

For the second quarter of 2022, the company has recognized the loss sharing from Mctric Public Company Limited and Wisdom Tree Investment (S) PTE. Limited the amount of Baht 9 million and Baht 3 million respectively. Total recognized the loss of sharing was Baht 12 million, comparing with the same period of previous year the total profit sharing was Baht 8 million.

6. Revenue from dividend

For the second quarter of 2022, the Company received dividend amount Baht 7 million from investment in common stock of MILL

7. Profit from sale of warrants (MILL-W6)

In the second quarter of 2021, the Company recognized the profit from sale of warrants (MILL-W6) for the amount of 91.46 million unit or Baht 44.76 million. Vice versa no MILL-W6 in this year.

8. Profit from the valuation of warrants (MILL-W6)

In the second quarter of 2021, the Company recognized the profit from valuation of warrants (MILL-W6) for the amount of 56.11 million unit or Baht 24.13 million. Vice versa no MILL-W6 in this year.

9. Tax expense (income)

In the second quarter of 2022, the Company has tax expense equal to Baht 1 million, which decrease from the same period of previous year amount Baht 4 million.

**2. The Operating Results Analysis**

**For the 6-month of 2022, ended June 30, 2022**

The operating result of the Company and its subsidiaries for the 6-month of 2022, ended June 30, 2022 was described in the financial statement showing net loss at the amount of Baht 55 million, comparing with the same period of previous year, the net loss equal to Baht 6 million. The Company and its subsidiaries had increased loss equal to Baht 49 million which details are as following;

1. Revenue from sales

For the 6-month of 2022, ended June 30, 2022, the company and its subsidiaries had total revenue from sale equal to Baht 1,233 million, which increase from the same period of previous year by Baht 490 million or 66%. Due to recognition



of revenue from completed of construction by progress of completion of the construction measuring method and increase of contract manufacturing revenue

2. Cost of Sales

The Company and its subsidiaries had total cost of sale amount of Baht 1,144 million, which increase from the same period of previous year by Baht 445 million or 64%

3. Gross Profit

The Company and its subsidiaries had total gross profit amount of Baht 89 million, which increase from the same period of previous year by Baht 45 million or 102%

4. Administrative and Selling expenses

The Company and its subsidiaries had total Administrative and Selling expenses amount of Baht 111 million, which increase from the same period of previous year by Baht 10 million or 10%

5. Share of profit (loss) from investment in associated company and joint ventures

For 6-month of 2022, ended of June 30, 2022, the company has recognized the loss sharing from Metric Public Company Limited and Wisdom Tree Investment (S) PTE. Limited the amount of Baht 21 million and Baht 6 million respectively. Total recognized the loss of sharing was Baht 14 million, comparing with the same period of previous year the total profit sharing was Baht 3 million.

6. Profit from the sale of warrant (MILL-W6)

The Company recognized the profit from sale of warrants (MILL-W6) for the amount of Baht 6 million, which decrease from the same period of previous year by Baht 44.76 million.

7. Profit from the valuation of warrants (MILL-W6)

The Company had recognized the loss from the valuation of warrants (MILL-W6) in the amount of Baht 6 million, which decrease from the same period of the previous year by Baht 24.13 million.

8. Tax expenses (income)

In the second quarter of 2021 had tax expense in the amount of Baht 6.44 million. Vice versa no tax expense in this year.



### 3. Financial Analysis

(Unit : Million Baht)

Items	June 30, 2022	December 31, 2021	Increase (Decrease)	%
Net Assets	7,144	6,544	600	9.17
Net Liabilities	2,984	2,590	394	15.21
Shareholders' equity	4,160	3,954	206	5.21

#### Assets

As at June 30, 2022, the Company and its subsidiaries had total asset of Baht 7,144 million or increase 9.17% comparing with December 31, 2021 due to

1. Cash and cash equivalents increase Baht 212 Million
2. An increase in inventories at the amount of Baht 84 million due to delay of delivery in some project
3. An increase in contract asset at amount of Baht 193 million due to the completed of work but not collected from client
4. An increase in trade accounts receivable at the amount of Baht 247 million
5. An increase in restricted deposits with financial institutions at the amount of Baht 14 million.
6. An increase in right-of-use assets at amount of Baht 10 million due to lease of land
7. An increase in current retention receivables at amount of Baht 19 million.
8. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 150 million due to
  - Market price was decreased from 1.21 Baht/share in December 31, 2021 to 0.90 Baht/share in June 30, 2022
  - Sale in investment in available-for-sales at the amount of Baht 4 million

Because of decreasing of the asset as stated affect to increase in deferred tax assets at the amount of Baht 30 million

9. A decrease in investments in associated company and joint venture at amount of Baht 24 million due to sharing from loss on investment in associated company equal to Baht 27 million and record the profit from exchange of investment at the amount of Baht 2 million
10. A decrease in Land Building and Equipment at the amount of Baht 3,097 million due to depreciation

#### Liabilities

As at June 30, 2022, the Company and its subsidiaries' liabilities was Baht 2,984 million, which increase Baht 394 million or 15.21% comparing with December 31, 2021 due to

1. An increase in Bank overdraft and short-term loans from financial institutions and short-term loans from other person at the amount of Baht 726 million (Increase Baht 85 million) for working capital.
2. An increase in trade and other current payables at the amount of Baht 137 million due to trade payable and wage payable were increasing
3. An increase in advance payment of customer at the amount of Baht 226 million
4. The current portion of lease liabilities has increased Baht 10 million from purchase in machine and equipment
5. A decrease in current portion of long-term loans from financial institutions at the amount of Baht 87 million



### **Shareholders' equity**

As at June 30, 2022, the shareholders' equity of the company and its subsidiaries were Baht 4,160 million, increased Baht 206 million or 5.21% compare with December 31, 2021 due to

1. According to the Annual General Meeting of Shareholders of the Company for the year 2022, held on April 29, 2022 had approved and verified the capital increase affect to increase in issued and paid-up capital in the amount of Baht 1,395 million and increase in ordinary shares at the amount of Baht 1,019 million
2. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 145 million due to market price was decreased from 1.21 Baht/share at 31 December 2021 to 0.9 Baht/share in June 30, 2022 and effect to a decrease in shareholder's equity at amount of 30 million from recorded tax income
3. A recorded loss in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, increased by Baht 2 million
4. The Company and its subsidiaries had recognized increase in loss of Baht 50 million

Yours sincerely,

General Engineering Public Company Limited

-signed-

(Mr.Wuttichai Sresthabutra)

Director