



GEL.CS.016/2565

14 November 2022

Subject: Management Discussion and Financial Analysis for the operating results of the third quarter of 2022, ended September 30, 2022

To: Director and Manager
The Stock Exchange of Thailand

The Board of Director's meeting No. 9/2022 of General Engineering Public Company Limited ("the Company") held on November 14, 2022 has approved and verified the financial statements of the Company and its subsidiaries for the third quarter of 2022 which reviewed by the auditor of the Company. Details are as follows.

1. The Operating Results Analysis

For the third quarter of 2022, ended September 30, 2022

The financial statement showing net loss at the amount of Baht 52 million, comparing with the same period of previous year, the net loss at the amount of Baht 60 million which the net loss was decreased by Baht 8 million which details are as following;

(1) Revenue from sales

The Company and its subsidiaries had total revenue from sales at the amount of Baht 752 million, which increased from the same period of previous year by Baht 435 million or 137%. The increase was due to recognition of revenue from completed construction by progress of completion of the construction measuring method and revenue from the increase of contract manufacturing revenue.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 712 million, which increased from the same period of previous year by Baht 404 million or 131% due to the increase of revenue.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 40 million, comparing with the same period of previous year, the total gross profit at the amount Baht 9 million due to the increase of revenue.

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

In the third quarter of 2022, the Company has recognized the total net loss sharing from Mctric Public Company Limited at amount of Baht 15 million and the total net loss sharing from Wisdom Tree Investment (S) PTE Limited at amount of Baht 7 million, the total net loss sharing at amount of Baht 22 million, comparing with the same period of previous year which the Company recognized the loss sharing



from Mctric Public Company at the amount of Baht 0.3 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited at the amount of Baht 2 million.

(5) Profit from the sale of warrants (MILL-W6)

In the third quarter of 2021, the Company recognized the profit from the sale of warrants (MILL-W6) for the amount of Bath 15 million and the in third of quarter of 2022 the Company has no this transaction.

(6) Profit from the valuation of warrants (MILL-W6)

In the third quarter of 2021, the Company recognized the profit from the valuation of warrants (MILL-W6) for the amount of Bath 12 million and the in third of quarter of 2022 the Company has no this transaction.

2. The Operating Results Analysis

For the 9-month of 2021, ended September 30, 2021

The operating results of the Company and its subsidiaries for the 9-month of 2022, ended September 30, 2022 was described in the financial statement showing net loss at the amount of Baht 108 million, comparing with the same period of previous year, the net loss at the amount of Baht 66 million. In the 9-month of 2022, the net loss was increased by Baht 42 million which details are as following;

(1) Revenue from sales

In the 9-month of 2022, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,986 million, which increased from the same period of previous year by Baht 926 million or 87%. The increase was due to recognition of revenue from completed construction by progress of completion of the construction measuring method and revenue from the increase of contract manufacturing revenue.

(2) Cost of sales

In the 9-month of 2022, the Company and its subsidiaries had total cost of sales at the amount of Baht 1,856 million, which increased from the same period of previous year by Baht 848 million or 84% due to the increase of revenue.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 130 million, which increased from the same period of previous year by Baht 78 million or 150% due to the increase of revenue.

(4) Administrative and Selling expenses

The Company and its subsidiaries had administrative and selling expenses at the amount of Baht 170 million, increased from the same period of previous year by Baht 8 million or 4.9% due to the increase in the allowance for doubtful accounts.

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

In the 9-month of 2022, the Company recognized the loss sharing from Mctric Public Company Limited for the amount of Baht 35 million and the loss sharing amount of Baht 13 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the net loss sharing Baht 48 million, comparing with the same period of previous year, which the Company recognized the loss sharing from Mctric Public Company at the amount of Baht 14 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited at the amount of Baht 5 million.

(6) Profit from the sale of warrants (MILL-W6)

In the 9-month of 2022, the Company recognized the profit from the sale of warrants (MILL-W6) for the amount of Bath 6 million which decreased from the same period of previous year which at amount of Baht 60 million.

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

In the 9-month of 2022, the Company recognized the loss from the valuation of warrants (MILL-W6) for the amount of Bath 5 million, comparing with the same period of previous year which the Company recognized the profit from the valuation of warrants (MILL-W6) for the amount of Baht 12 million.

(8) Tax expense (income)

The Company had income tax expense for the amount of Baht 4 million due to the Company recognized the valuation of warrants, but in this quarter there was plus back to income tax expenses.

3. Financial Analysis

(Unit: Million Baht)

Items	30 September 2022	31 December 2021	Increase (Decrease)	%
Net Assets	7,227	6,544	683	10.43
Net Liabilities	3,167	2,590	577	22.28
Shareholders' equity	4,060	3,954	106	2.68

Assets

As at September 30, 2022, the Company and its subsidiaries had total assets of Baht 7,227 million, increased by Baht 683 million or 10.43% comparing with December 31, 2021 due to

1. An increase in trade and other current receivables at amount of Baht 444 million
2. An increase in inventories at amount of Baht 195 million which was due to delay of project on hand and trade terms which some projects that have to be produced according to the number of conditions in order to deliver the work
3. An increase in current contract assets at amount of Baht 198 million due to the completed of work but not collected from client
4. An increase in restricted deposits with financial institutions at amount of Baht 14 million
5. An increase in current retention receivable at amount of Baht 31 million



6. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 208 million due to
 - 6.1. Market price was decrease from 1.21 Baht/share at 31 December 2021 to 0.82 Baht/share at 30 September 2022 which affect to an increase in investment in available-for-sales by Baht 201 million
 - 6.2. Sales in investment in available-for-sales at amount of Baht 4 million in this quarter.
7. A decrease in investment in available-for-sales securities which affect to a increase in deferred tax asset at amount of Baht 41 million
8. A decrease in property, plant and equipment at amount of Baht 14 million due to depreciation
9. A decrease in investments in associated company and joint venture at amount of Baht 46 million due to sharing from loss on investment in associated company and joint venture

Liabilities

As at September 30, 2022, the Company and its subsidiaries' liabilities was Baht 3,167 million, increased by Baht 577 million or 22.28% comparing with 31 December 2021 due to

1. An increase of bank overdraft and short term loans from financial institution and short term loans from other person at the amount of Baht 325 million for working capital
2. An increase in trade and other payable at amount of Baht 114 million due to an increase in supplier and contractor
3. An increase in advance payment of customer at amount of Baht 202 million
4. A decrease in recorded current portion of liabilities under leases agreement at amount of Baht 3 million due to purchase in machine and equipment
5. A decrease in long term loans from financial institution at amount of Baht 77million
6. An increase in deferred tax at amount of Bath 14 million

Shareholders' equity

As at September 30 2022, the shareholders' equity of the Company and its subsidiaries were Bath 4,060 million, increased by Baht 106 million or 2.68% from 31 December 2021 due to

1. According to the resolution of 2022 Annual General Meeting of Shareholders which held on 29 April 2022 was a resolution to approve the increase of ordinary shares resulting to an increase in the issued and paid up capital at amount of Baht 1,395 million which less than the value of the ordinary share effect to discount on ordinary shares Baht 1,019 million
2. An decrease in investment in available-for-sales securities (MILL) at amount of Baht 204 million due to market price was increased from 1.21 Baht/share at 31 December 2021 to 0.82 Baht/share in September 30, 2022 and effect to a decrease in shareholder's equity at amount of 41 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. An increase in net loss from the Company and its subsidiaries at amount of Baht 108 million

Yours sincerely,

General Engineering Public Company Limited

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(Mr. Wuttichai Sresthabutra)
Director