



GEL.CS.004/2566

28 February 2023

Subject: Management Discussion and Financial Analysis for the operating results of the year 2022, ended December 2022

To: Director and Manager
The Stock Exchange of Thailand

The Board of Director's meeting No. 2/2023 of General Engineering Public Company Limited ("the Company") held on 28 February 2023 has approved and verified the financial statements of the Company and its subsidiaries for the year 2022, ended 31 December 2022 which audited by the auditor of the Company. Details are as follows.

1. The Operating Results Analysis

Separate Financial Statement for the year 2022, ended December 31, 2022

The Company's showing operating profit after deducting financial costs at the amount of Baht 29.07 million, comparing with the same period of previous year, the Company had operating losses after deducting finance costs of Baht 59.66 million. The operating profit due to loss in impairment of investments in associates and joint ventures at the amount of Baht 36.55 million and Baht 61.79 million, respectively, together with income tax expenses at the amount of Baht 17.27 million, resulting in the Company showing net loss for the year ended December 31, 2022 at the amount of Baht 85.86 million.

Consolidated Financial Statement for the year 2022, ended December 31, 2022

The Company and its subsidiaries financial statement showing net loss at the amount of Baht 150 million, comparing with the same period of previous year, the net loss at the amount of Baht 107 million which the net loss was increased by Baht 43 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 2,771 million, which increased from the same period of previous year by Baht 1,109 million or 67%. The increase was due to the increase of revenue from percentage of completion (POC) and the increase of revenue from production.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 2,550 million, which increased from the same period of previous year by Baht 946 million or 59% due to the increase of revenue.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 221 million, which increased from the same period of previous year by Baht 163 million or 281% due to the increase of revenue.



(4) Administrative and Selling expenses

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 235 million, which increased from the same period of previous year by Baht 68 million or 41% due to the allowance for impairment of the joint venture company for the amount of Baht 36 million and the bank fee increasing from increase in credit facilities from financial institutions and other administrative expenses increased in proportion of increase in revenues.

(5) Financial cost

The Company and its subsidiaries' had financial cost from loan and permission note were Baht 75 million, which increased from the same period of previous year by Baht 9 million or 14%

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

In the year 2022, the Company recognized the profit from the sale of warrants (MILL-W6) for the amount of Bath 6 million and in the year 2021 the Company recognized the profit from the sale of warrants (MILL-W6) for the amount of Baht 61 million.

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

In the year 2022, the Company recognized the loss from the valuation of warrants (MILL-W6) for the amount of Bath 6 million and in the year 2021, the Company recognized the profit from the valuation of warrants (MILL-W6) for the amount of Bath 6 million

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

In the year 2022, the Company has recognized the total net loss sharing from Mctric Public Company Limited at amount of Baht 30 million and the total net loss sharing from Wisdom Tree Investment (S) PTE Limited at amount of Baht 55 million, comparing with the same period of previous year which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 17 million and the profit sharing from Wisdom Tree Investment (S) PTE. Limited at the amount of Baht 4 million.

(9) Others revenue

In the year 2022, the Company had others revenue for the amount of Baht 42 million and in the year 2021, the Company had others revenue for the amount of Baht 14 million as details below;

Unit: thousand baht

Details	Ended 31 December 2022	Ended 31 December 2021
Revenue from the sales of consumable	19,296	7,183
Profit from selling assets	4,205	635
Interest income	187	145
Gain on debt reversal	7,162	-
Others service fee	4,696	-

Others revenue	6,322	5,763
Total	41,868	13,726

(10) Tax expense (income)

In the year 2022, the Company recognized tax expense for the amount of Baht 19 million, which increased from the same period of previous year Baht 3 million due to the Company has accumulated tax loss of a high amount and the Company does not expect to exercise the right on this taxable asset therefore the Company transfers to income tax expense.

2. Financial Analysis

(Unit: Million Baht)

Items	31 December 2022	31 December 2021	Increase (Decrease)	%
Net Assets	7,065	6,544	521	7.96
Net Liabilities	3,157	2,590	567	21.89
Shareholders' equity	3,908	3,954	(46)	(1.16)

Assets

As at December 31, 2022, the Company and its subsidiaries had total assets of Baht 7,065 million, increased by Baht 521 million or 7.96% comparing with December 31, 2021 due to

1. An increase in cash and cash equivalent at amount of Baht 69 million
2. An increase in inventories at amount of Baht 91 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 382 million which increased from the same period of previous year by Baht 152 million due to the completed of work but not deliver to client
4. An increase in account receivable at amount of Baht 464 million
5. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 237 million due to
 - 5.1. Market price was decrease from 1.21 Baht/share at 31 December 2021 to 0.78 Baht/share at 31 December 2022 which affect to an increase in investment in available-for-sales by Baht 233 million
 - 5.2. Sales in investment in available-for-sales at amount of Baht 4 million.
6. A decrease in investments in associated company and joint venture at amount of Baht 93 million due to sharing from loss on investment in associated company and joint venture at amount of Baht 55 million and impairment on investment in associated company at amount of Baht 36 million
7. Transfer the account of deferred tax assets in the amount of Baht 63 million from the account because the Company has accumulated tax losses and the Company will not exercise the right in this tax
8. An increase in withholding tax at amount of Baht 16 million
9. An increase in restricted deposits with financial institutions at amount of Baht 34 million
10. An increase in current retention receivable at amount of Baht 39 million

Liabilities



As at December 31, 2022, the Company and its subsidiaries' liabilities was Baht 3,157 million, increased by Baht 567 million or 22% comparing with 31 December 2021 due to

1. An increase in short term loans from financial institution and short term loans from other person at the amount of Baht 280 million
2. An increase in trade and other payable at amount of Baht 145 million due to an increase in supplier and contractor
3. An increase in advance payment of customer at amount of Baht 210 million
4. A decrease in recorded current portion of liabilities under leases agreement at amount of Baht 8 million due to purchase in machine and equipment
5. A decrease in long term from financial institution at amount of Baht 77 million
6. An increase in deferred tax at amount of Bath 17 million
7. A decrease in liability of employee benefit for at amount of Baht 6 million

Shareholders' equity

As at December 31 2022, the shareholders' equity of the Company and its subsidiaries were Bath 3,908 million, decreased by Baht 46 million 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 233 million due to market price was increased from 1.21 Baht/share at 31 December 2021 to 0.78 Baht/share in December 31, 2022
3. A decrease in investment in available-for-sales securities (MILL) and has transferred tax income of Baht 44 million from the account because the Company has accumulated tax losses and will not be exercise this tax
4. Record gain in available-for-sales securities and increased in general investment at the amount of Baht 4 million
5. A recorded loss in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, increased by Baht 2 million.
6. An increase in shareholder's equity at the amount of Baht 6 million due to a decrease in employee benefit liabilities at the amount of Baht 6 million
7. Record loss from the parent company at the amount of Baht 140 million

Yours sincerely,

General Engineering Public Company Limited

-signed-

(Mr. Wuttichai Sresthabutra)
Company Secretary