



GEL.CS.010/2566

15 May 2023

Subject: Management Discussion and Financial Analysis for the operating results of the first quarter of 2023, ended March 31, 2023

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 4/2023 of General Engineering Public Company Limited ("the Company") held on May 15, 2023 has approved and verified the financial statements of the Company and its subsidiaries for the first quarter of 2023 which reviewed by the auditor of the Company. Details are as follows.

### **1. The Operating Results Analysis**

#### **For the first quarter of 2023, ended March 31, 2023**

The financial statement showing net loss at the amount of Baht 28 million, comparing with the same period of previous year, the net loss at the amount of Baht 27 million which was increased by Baht 1 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 768 million, which increased from the same period of previous year by Baht 190 million or 33%. The increase was due to the increase in revenue from precast concrete and the increase in revenue from production of goods that must be performed according to the contract.

#### (2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 720 million, which increased from the same period of previous year by Baht 36 million which is not in proportion to revenue. The increase was due to there are some products that are not able to produce according to their production capacity and there are some construction service projects that have been extended, causing the cost of sales was increased and the record in allowance for the value of the goods in this quarter increased.

#### (3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 48 million, which increased from the same period of previous year by Baht 1 million or 2% which is not in proportion to revenue but it was due to there are some products that are not able to produce according to their production capacity and there are some construction service projects that have been extended, causing incur of fix cost but cannot utilize revenue.



(4) Administrative and Selling expenses

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 62 million, which increased from the same period of previous year by Baht 6 million or 11% due to the allowance for other losses increased by Baht 4 million and bank fees and other administrative expenses increased.

(5) Financial cost

The Company and its subsidiaries' had financial cost from loan and permission note were Baht 25 million, which increased from the same period of previous year by Baht 8 million or 47%

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

In the first quarter of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 5 million and the loss sharing amount of Baht 2 million from Wisdom Tree Investment (S) PTE. Limited, comparing with the same period of previous year, which the Company recognized the loss sharing from Mctric Public Company at the amount of Baht 11 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 4 million.

**2. Financial Analysis**

(Unit: Million Baht)

Items	31 March 2023	31 March 2022	Increase (Decrease)	%
Net Assets	6,940	7,065	(125)	(1.77)
Net Liabilities	3,218	3,157	61	1.93
Shareholders' equity	3,723	3,908	(185)	(4.73)

**Assets**

As at March 31, 2023, the Company and its subsidiaries had total assets of Baht 6,940 million, decreased by Baht 125 million or 1.77% comparing with December 31, 2023 due to

1. A decrease in cash and cash equivalents at amount of Baht 48 million
2. An increase in current contract assets at amount of Baht 447 million which increased from the same period of previous year by Baht 65 million due to the completed of work but not collected from client
3. A decrease in account receivable at amount of Baht 26 million
4. An increase in retention at amount of Baht 17 million
5. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 147 million due to market price was decrease from 0.78 Baht/share at 31 December 2022 to 0.58 Baht/share at 31 March 2023
6. A decrease in investments in associated company and joint venture at amount of Baht 6 million due to sharing from loss on investment in associated company at amount of Baht 6 million and sharing from profit on joint venture at amount of Baht 5 million and Decreased from the recording of the difference from the translation of the joint venture's financial statements of Baht 8 million.
7. An increase in property, plant and equipment at amount of Baht 19 million from purchased in machine and equipment.
8. An increase in withholding tax at amount of Baht 3 million
9. An increase in restricted deposits with financial institutions at amount of Baht 34 million



### **Liabilities**

As at 31 March 2023, the Company and its subsidiaries' liabilities was Baht 3,218 million, increased by Baht 61 million or 1.93% comparing with 31 December 2022 due to

1. An increase in bank overdrafts at amount of Baht 4 million
2. An increase in short-term loans from financial institutions and others at amount of Baht 43 million
3. An increase in trade and other current payables at amount of Baht 61 million due to purchase in materials and sub-contractor increased
4. A decrease in advance payment of customer at amount of Baht 32 million
5. A decrease in recorded current portion of liabilities under leases agreement at amount of Baht 12 million
6. A decrease in current portion of long - term loans from financial institutions at amount of Bath 4 million

### **Shareholders' equity**

As at 31 March 2023, the shareholders' equity of the Company and its subsidiaries were Bath 3,723 million, decreased by Baht 185 million comparing with 31 December 2022 due to

1. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 147 million due to market price was increased from 0.78 Baht/share at 31 December 2022 to 0.58 Baht/share in first quarter of 2023
2. The Company recorded loss in exchange rate on investment joint venture, Wisdom Tree Investment (S) PTE. Limited, at amount of Baht 8 million
3. The Company recorded loss in this quarter at amount of Baht 28 million

Yours sincerely,

General Engineering Public Company Limited

*-signed-*

(Mr. Wuttichai Sresthabutra)  
Company Secretary