



GEL.CS.014/2566

15 August 2023

Subject: Management Discussion and Financial Analysis for the operating results of the second quarter of 2023, ended June 30, 2023

To: Director and Manager
The Stock Exchange of Thailand

The Board of Director's meeting No. 6/2023 of General Engineering Public Company Limited ("the Company") held on August 15, 2023 has approved and verified the financial statements of the Company and its subsidiaries for the second quarter of 2023 which reviewed by the auditor of the Company. Details are as follows.

1. The Operating Results Analysis

For the second quarter of 2023, ended June 30, 2023

The financial statement showing net loss at the amount of Baht 41 million, comparing with the same period of previous year, the net loss at the amount of Baht 28 million which was increased by Baht 13 million which details are as following;

(1) Revenue from sales

For the second quarter of 2023, the Company and its subsidiaries had total revenue from sales at the amount of Baht 870 million, which increased from the same period of previous year by Baht 215 million or 33%. The increase was due to the recognition in revenue from sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 794 million, which increased from the same period of previous year by Baht 181 million or 30%. The increase was due to the recognition in cost of sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 76 million, which increased from the same period of previous year which was total gross profit were Baht 42 million. The increase was due to the recognition in gross profit of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

(4) Administrative and Selling expenses

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 87 million, which increased from the same period of previous year by Baht 32 million due to the allowance for bad debts, bank fees increasing from increase in credit facilities from financial institutions, professional



and other expenses increase from the acquisition in Inno Precast Co., Ltd., the Company's subsidiary and the recognition in administrative and selling expenses of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

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

In the second quarter of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 6 million and the loss sharing amount of Baht 5 million from Wisdom Tree Investment (S) PTE. Limited. Total share of profit from investment in associated company and joint ventures for the amount of Baht 1 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 10 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 2 million.

2. The Operating Results Analysis

For the 6-month of 2023, ended June 30, 2023

The financial statement showing net loss at the amount of Baht 70 million, comparing with the same period of previous year, the net loss at the amount of Baht 55 million which was increased by Baht 15 million which details are as following;

(1) Revenue from sales

For the 6-month of 2023, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,638 million, which increased from the same period of previous year by Baht 405 million or 33%. The increase was due to the increase was due to the increase of revenue from percentage of completion (POC), the increase in revenue from production of goods that must be performed according to the contract and the recognition in revenue from sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 1,514 million, which increased from the same period of previous year by Baht 370 million or 32% 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, the record in allowance for the value of the goods in this quarter increased and the recognition in cost of sales and services of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 124 million, which increased from the same period of previous year which was total gross profit were Baht 35 million or 39%. The increase was due to the recognition in gross profit of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.



(4) Administrative and Selling expenses

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 152 million, which increased from the same period of previous year by Baht 41 million or 37% due to the allowance for bad debts, bank fees increasing from increase in credit facilities from financial institutions, professional and other expenses increase from the acquisition in Inno Precast Co., Ltd., the Company's subsidiary and the recognition in administrative and selling expenses of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.

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

For the 6-month of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 10 million and the loss sharing amount of Baht 7 million from Wisdom Tree Investment (S) PTE. Limited. Total share of profit from investment in associated company and joint ventures for the amount of Baht 3 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 21 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 6 million.

3. Financial Analysis

(Unit: Million Baht)

Items	30 June 2023	31 December 2022	Increase (Decrease)	%
Net Assets	10,924	7,065	3,859	54.62
Net Liabilities	6,852	3,157	3,695	117.04
Shareholders' equity	4,072	3,908	164	4.19

Assets

As at June 30, 2023, the Company and its subsidiaries had total assets of Baht 10,924 million, increased by Baht 3,859 million or 54.62% comparing with December 31, 2022 due to

1. An increase in trade and other current receivables at amount of Baht 171 million
2. An increase in inventories at amount of Baht 274 million
3. An increase in current contract assets at amount of Baht 79 million due to the completed of work but not collected from client
4. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 264 million due to market price was decrease from 0.78 Baht/share at 31 December 2022 to 0.42 Baht/share at 30 June 2023
5. Property, plant and equipment at amount of Baht 5,482 million increased by Baht 2,300 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.
6. The recognition in goodwill at amount of Baht 235 million from the investment in Inno Precast Co., Ltd.
7. An increase in right-of-use assets at amount of Baht 1,029 million due to lease agreement of Inno Precast Co., Ltd.
8. An increase in retention receivables at amount of Baht 31 million.

Liabilities

As at 30 June 2023, the Company and its subsidiaries' liabilities was Baht 6,852 million, increased by Baht 3,695 million or 117.04% comparing with 31 December 2022 due to



1. An increase in long-term loans from financial institutions at amount of Baht 1,776 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The long-term loans from financial institutions of Inno Precast Co., Ltd. was Baht 1,800 million, and the Company and 2 subsidiaries had long-term loans from financial institutions decreased at the amount of Baht 24 million.
2. An increase in lease liabilities at amount of Baht 1,026 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The lease liabilities of Inno Precast Co., Ltd was Baht 1,049 million from lease of land and factory for operation.
3. An increase in short-term loans from other company at amount of Baht 418 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The short-term loans from other company of Inno Precast Co., Ltd. was Baht 400 million.
4. An increase in trade and other current payables at amount of Baht 346 million.
5. An increase in advance payment of customer at amount of Baht 81 million.

Shareholders' equity

As at 30 June 2023, the shareholders' equity of the Company and its subsidiaries were Bath 4,072 million, increased by Baht 164 million or 4.19% comparing with 31 December 2022 due to

1. According to the resolution of the 2022 Annual General Meeting of Shareholders held on April 27, 2023 was resolved to approve an increase of the Company's registered capital affect to increase in issued and paid-up capital at the amount of Baht 1,337 million and discount on ordinary shares was Baht 959 million.
2. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 264 million due to market price was increased from 0.78 Baht/share at 31 December 2022 to 0.42 Baht/share at 30 June 2023.
3. An increase in the Company and its subsidiaries record loss at amount of Baht 74 million.
4. An increase in non-controlling interests at amount of Baht 140 million.

Yours sincerely,

General Engineering Public Company Limited

-signed-

(Mr. Wuttichai Sresthabutra)
Director