



GEL.CS.018/2566

14 November 2023

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

To: Director and Manager
The Stock Exchange of Thailand

The Board of Director's meeting No. 9/2023 of General Engineering Public Company Limited ("the Company") held on November 14, 2023 has approved and verified the financial statements of the Company and its subsidiaries for the third quarter of 2023 which reviewed by the auditor of the Company. Details are as follows.

1. The Operating Results Analysis

For the third quarter of 2023, ended September 30, 2023

The financial statement showing net profit at the amount of Baht 41 million, comparing with the same period of previous year, the net loss at the amount of Baht 52 million which was increased by Baht 93 million which details are as following;

(1) Revenue from sales

For the third quarter of 2023, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,337 million, which increased from the same period of previous year by Baht 584 million or 78%. 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 1,134 million, which increased from the same period of previous year by Baht 422 million or 59%. 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 203 million, which increased from the same period of previous year which was total gross profit were Baht 162 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 254 million, which increased from the same period of previous year by Baht 83 million or 49% due to the allowance for bad debts, bank fees increasing from increase in credit facilities from financial institutions, professional fees and other expenses for acquisition of its subsidiaries and record selling and the



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

(5) Other profit (loss)

The Company had warrants (MILL-W7) at amounted of 146.10 million units and measured fair value for the quarter at a price of Baht 0.09 per unit, resulting in an increase in profit of Baht 7.03 million.

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

In the third quarter of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 4 million and the loss sharing amount of Baht 6 million from Wisdom Tree Investment (S) PTE. Limited. Total share of loss from investment in associated company and joint ventures for the amount of Baht 2 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 7 million.

2. The Operating Results Analysis

For the 9-month of 2023, ended September 30, 2023

The financial statement showing net loss at the amount of Baht 29 million, comparing with the same period of previous year, the net loss at the amount of Baht 108 million which was decreased by Baht 79 million which details are as following;

(1) Revenue from sales

For the 9-month of 2023, the Company and its subsidiaries had total revenue from sales at the amount of Baht 2,975 million, which increased from the same period of previous year by Baht 989 million or 50%. The increase was due to the increase was due to the increase of revenue from spun pile and the recognition in revenue from sales and services of Inno Precast Co., Ltd., the Company's subsidiary since June 1, 2023, in this quarter.

(2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 2,648 million, which increased from the same period of previous year by Baht 792 million or 43% due to increase in revenue from sales and the recognition in cost of sales and services of Inno Precast Co., Ltd., the Company's subsidiary since June 1, 2023, in this quarter.

(3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 327 million, which increased from the same period of previous year by Baht 197 million or 152%. The increase was due to increase in revenue from sales and 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 254 million, which increased from the same period of previous year by Baht 83 million or 49% 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) Other profit (loss)

The Company had warrants (MILL-W7) at amounted of 146.10 million units and measured fair value for the quarter at a price of Baht 0.09 per unit, resulting in an increase in profit of Baht 11 million.

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

For the 9-month of 2023, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 14 million and the loss sharing amount of Baht 13 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 35 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 13 million.

3. Financial Analysis

(Unit: Million Baht)

Items	30 September 2023	31 December 2022	Increase (Decrease)	%
Net Assets	10,997	7,065	3,932	55.65
Net Liabilities	6,838	3,157	3,681	116.59
Shareholders' equity	4,159	3,908	251	6.42

Assets

As at September 30, 2023, the Company and its subsidiaries had total assets of Baht 10,997 million, increased by Baht 3,932 million or 55.65% comparing with December 31, 2022 due to

1. Cash and cash equivalent at amount of Baht 128 million increased by Baht 128 million
2. An increase in trade and other current receivables at amount of Baht 176 million
3. An increase in inventories at amount of Baht 192 million
4. An increase in current contract assets at amount of Baht 25 million due to the completed of work but not collected from client
5. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 227 million due to market price was decrease from 0.78 Baht/share at 31 December 2022 to 0.47 Baht/share at 30 September 2023
6. Property, plant and equipment at amount of Baht 5,450 million increased by Baht 2,268 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter.
7. The recognition in goodwill at amount of Baht 235 million from the investment in Inno Precast Co., Ltd.
8. An increase in right-of-use assets at amount of Baht 1,065 million due to lease agreement of Inno Precast Co., Ltd.



9. An increase in retention receivables at amount of Baht 49 million.
10. An increase in current income tax assets at amount of Baht 18 million

Liabilities

As at 30 September 2023, the Company and its subsidiaries' liabilities was Baht 6,838 million, increased by Baht 3,681 million or 116.59% comparing with 31 December 2022 due to

1. Bank overdrafts and short-term loans from financial institution at amount of Baht 793 million decreased by Baht 115 million due to repayment loan
2. An increase in short-term loans from other company at amount of Baht 60 million
3. An increase in short-term loans from related company at amount of Baht 413 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The short-term loans from related company of Inno Precast Co., Ltd. was Baht 400 million.
4. An increase in long-term loans from financial institutions at amount of Baht 1,739 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 by Baht 61 million.
5. An increase in lease liabilities at amount of Baht 1,097 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 1,058 million from lease of land and factory for operation and 2 subsidiaries had lease liabilities increased by Baht 40 million due to lease factory and machinery.
6. An increase in trade and other current payables at amount of Baht 335 million due to consolidated of financial statement of Inno Precast Co., Ltd., the Company's subsidiary, in this quarter. The trade and other current payables of Inno Precast Co., Ltd. was Baht 348 million.
7. An increase in advance payment of customer at amount of Baht 106 million.

Shareholders' equity

As at 30 September 2023, the shareholders' equity of the Company and its subsidiaries were Bath 4,159 million, increased by Baht 251 million or 6.42% 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 227 million due to market price was increased from 0.78 Baht/share at 31 December 2022 to 0.47 Baht/share at 30 June 2023.
3. An increase in the Company and its subsidiaries record loss at amount of Baht 68 million.
4. Exchange rate difference from financial statement conversion increased by Baht 7 million.
5. An increase in non-controlling interests at amount of Baht 159 million.

Yours sincerely,

General Engineering Public Company Limited

-Signed-

(Mr. Wuttichai Sresthabutra)
Director