



WELL GRADED ENGINEERING PLC.

No. WGE-FN /2023/004

November 9, 2023

Subject: The Management Discussion and Analysis the nine-month period ending September 30, 2023

To: President

The Stock Exchange of Thailand

Well Graded Engineering Public Company Limited (“the Company”) would like to submit the Management Discussion and Analysis for the nine-month period ending September 30, 2023, as follows:

Revenue from construction and services

For the nine-month period ending September 30, 2023, the Company's construction and service income was 1,496.65 million baht, an increase of 197.19 million baht from the same period of 2022, or 15.17 per cent. The increase in revenue was a result of an increase in private sector jobs in the second quarter of 4 projects with a total value of 1,006.12 million baht. The Company recognized revenue from public sector in the proportion of approximately 51.07 per cent of the revenue from construction and services and from the private sector in the proportion of approximately 48.93 per cent.

Construction and service costs and Gross profit

For the nine-month period ending September 30, 2023, the Company has construction and service costs of 1,502.05 million baht, an increase of 182.63 million baht from the same period of 2022, or an increase of 13.84 per cent. While the Company's gross profit for the nine-month period ending September 30, 2023 amounted to (5.41) million baht, an increase from the same period in 2022 in the amount of 14.56 million baht, or an increase of 72.91 per cent. The increase in gross profit is due to an increase in construction revenue according to the projected plan.

บริษัท เวล เกรด เอ็นจิเนียริ่ง จำกัด (มหาชน)

50/1203 หมู่ 9 ตำบลบางพูด อำเภอปากเกร็ด จังหวัดนนทบุรี 11120 โทร. 02-9817992-4 แฟกซ์ 02-9817995



No.64759/A/0001/UK/En



WELL GRADED ENGINEERING PLC.

Selling and administrative expenses

For the nine-month period ending September 30, 2023, administrative expenses of the Company were 80.65 million baht, an increased from the same period in 2022 in the amount of 12.11 million baht, or representing an increase of 17.67 per cent, in which the nine-month period ending September 30, 2023, the administrative expenses rate was 5.25 per cent and 5.35 per cent of the total revenue for the period, respectively.

Net profit

For the nine-month period ending September 30, 2023, the Company had a net loss of 75.00 million baht, a decrease of net loss from the same period of 2022 by 4.59 million baht or equivalent to a decrease of 5.76 per cent. The decrease in the Company's net loss comes from an increase in construction revenue as per the projected plan.

Asset

As of September 30, 2023, the Company had total assets of 1,756.36 million baht, an increase compared to December 31, 2022 of 243.82 million baht, or an increase of 16.12 per cent. This was mainly due to (1) Other current financial assets increased by 84.05 million baht. (2) Inventories increased by 28.53 million baht. (3) The unbilled revenue from the government sector project such as the Natural Resources and Environmental Policy and Planning Office Building Project, the Phuket Airport Staff Housing Project and the Energy Regulatory Commission Office Building Project.

Liabilities

As of September 30, 2023, the Company had total liabilities of 1,312.30 million baht, an increase of 316.83 million baht compared to December 31, 2022, or an increase of 31.83 per cent. The major cause was from (1) trade payables arising from transactions related to the Company's normal business operations that were not due for an increase in the amount of 141.90 million baht (2) bank overdrafts and short-term loans from financial institutions due to the Company's use of bank credit products in terms of promissory notes (PN) and avals increased in the amount of 113.04 million baht.



WELL GRADED ENGINEERING PLC.

Equity

As of September 30, 2023, the Company had total shareholders' equity of 444.06 million baht, a decrease of 73.02 million baht compared with shareholders' equity at the end of December 31, 2022, which was mainly due to the Company's operating loss.

Please be informed accordingly,

Best regards,

– Mr. Kraingsak Buanoom –

(Mr. Kraingsak Buanoom)

Managing Director

Well Graded Engineering Public Company Limited

บริษัท เวล เกรด เอ็นจิเนียริ่ง จำกัด (มหาชน)

50/1203 หมู่ 9 ตำบลบางพูด อำเภอปากเกร็ด จังหวัดนนทบุรี 11120 โทร. 02-9817992-4 แฟกซ์ 02-9817995



No.64759/A/0001/UK/En