



GEL.CS.008/2567

14 May 2024

Subject: Management Discussion and Financial Analysis for the operating results of the first quarter of 2024, ended March 31, 2024

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 3/2024 of General Engineering Public Company Limited ("the Company") held on May 14, 2024 has approved and verified the financial statements of the Company and its subsidiaries for the first quarter of 2024 which reviewed by the auditor of the Company. Details are as follows.

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

#### **For the first quarter of 2024, ended March 31, 2024**

The financial statement showing net loss at the amount of Baht 66 million, comparing with the same period of previous year, the net loss at the amount of Baht 29 million which was increased by Baht 37 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 993 million, which increased from the same period of previous year by Baht 225 million or 29%. The increase was due to the recognition in revenue from sales and services of Inno Precast Co., Ltd. ("**Inno Precast**") since 1 June 2023 by way of the Entire Business Transfer in Inno Precast and one of the Company's subsidiary had increased its revenue comparing with the same period of previous year.

#### (2) Gross profit

The Company and its subsidiaries' total gross profit were Baht 87 million, which increased from the same period of previous year by Baht 39 million or 81% due to the increase in revenue from the recognition in revenue of Inno Precast which is the Company's subsidiary.

For the separate financial statement, the Company was gross lose mainly due to

- Some customers' late payments effecting to the Company's working capital had limitation and unable to produce and sell products as planned. In addition, due to the operating characteristics of some of the Company's products must be completed in order to receive 60% of the total amount and for the remaining 40%, the Company can be received when the product is delivered to the site. Therefore making the Company was insufficient working capital to produce according to the planned production capacity. As a result, the cost per unit will increase.
- Some construction project was extend resulting there were in additional expenses that exceed the cost estimates according to the planned. Some project was pending approval of construction drawings resulting to the cost of parking the machinery happened and the operation of machines cannot be performed according to production capacity due to uncontrollable obstacles, resulting in increased costs.



(3) Administrative and Selling expenses

The Company and its subsidiaries' had administrative and selling expenses for the amount of Baht 90 million, which increased from the same period of previous year by Baht 27 million or 41% due to the recognition in administrative and selling expenses of Inno Precast, a subsidiary, in the amount of Baht 20 million in this quarter and recording losses from estimating liabilities from guarantee increased from comparing rates as of 31 December 2023 which the Company recorded losses in the amount of Baht 165.57 million (exchange rate 34.3876 THB/USD). Bangkok Bank Public Company Limited, Silom Branch, then entered into a loan agreement to pay such Standby Letter of Credit ("SBLC") dated 25 March 2024 causing the Company there was a debt in the amount of Baht 175.50 million (exchange rate 36.45 THB/USD). Therefore, the Company recorded an additional loss from estimating liabilities from guarantees in the amount of Baht 9.93 million.

(4) Others losses

Recorded loss from valuation of MILL-W7 increased from 31 March 2024, the market closing price was 0.02 Baht/share, decreased compared to last year when the market closing price was 0.05 Baht/share, and resulting in recording a loss from the valuation of MILL-W7 in the first quarter of 2024 is Baht 4.38 million.

(5) Financial cost

The Company and its subsidiaries' had financial cost from loan and permission note were Baht 54 million, which increased from the same period of previous year by Baht 29 million or 116% due to recorded financial cost from Inno Precast, a subsidiary, since 1 June 2023.

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

In the first quarter of 2024, the Company recognized the loss sharing from Mctric Public Company Limited for the amount of Baht 8 million comparing with the same period of previous year, which the Company recognized the profit sharing at the amount of Baht 5 million.

**2. Financial Analysis**

(Unit: Million Baht)

Items	31 March 2024	31 March 2023	Increase (Decrease)	%
Net Assets	10,340	10,539	(199)	(1.89)
Net Liabilities	6,302	6,341	(39)	(0.62)
Shareholders' equity	4,038	4,198	(160)	(3.81)

**Assets**

As at March 31, 2024, the Company and its subsidiaries had total assets of Baht 10,340 million, decreased by Baht 199 million or 1.89% comparing with December 31, 2023 due to

1. Cash and cash equivalents at amount of Baht 60 million, increased by Baht 48 million.
2. An increase in current contract assets at amount of Baht 429 million which decreased from the same period of previous year by Baht 61 million due to the completed of work.
3. An increase in account receivable at amount of Baht 28 million.
4. Inventory at amount of Baht 575 million, decrease by Baht 31 million.



5. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 87 million due to market price was decrease from 0.38 Baht/share at 31 December 2023 to 0.25 Baht/share at 31 March 2024 and sold 6.48 million shares of such securities, representing a decrease in cost price of Baht 9 million.
6. A decrease in investments in associated company at amount of Baht 8 million due to sharing from loss on investment in associated company.
7. Property, plant and equipment at amount of Baht 5,543 million, decreased by Baht 56 million due to depreciation during the period.
8. Right-of-use assets at amount of Baht 1,096 million from the transaction by purchasing and accepting the transfer of the entire business in Inno Precast, decreased by Baht 34 million due to depreciation during the period.

### **Liabilities**

As at 31 March 2024, the Company and its subsidiaries' liabilities was Baht 6,302 million, decreased by Baht 39 million or 0.62% comparing with 31 December 2023 due to

1. An increase in bank overdrafts at amount of Baht 42 million.
2. An increase in short-term loans from others at amount of Baht 55 million.
3. A decrease in trade and other current payables at amount of Baht 92 million due to purchase in materials and sub-contractor increased.
4. A decrease in lease liabilities at amount of Baht 35 million.

### **Shareholders' equity**

As at 31 March 2024, the shareholders' equity of the Company and its subsidiaries were Bath 4,038 million, decreased by Baht 160 million comparing with 31 December 2023 due to

1. A decrease in investment in available-for-sales securities (MILL) at amount of Baht 87 million due to market price was increased from 0.38 Baht/share at 31 December 2023 to 0.25 Baht/share at 31 March 2024 and sold 6.48 million shares of such securities at a price of 0.27-0.29 Baht per share, amounting to Baht 1.77 million, through the Stock Exchange of Thailand. The Company had a loss from selling investments in in available-for-sales securities in the amount of Baht 7.30 million.
2. The Company recorded loss in this quarter at amount of Baht 66 million

Yours sincerely,

General Engineering Public Company Limited

*-signed-*

(Mr. Wuttichai Sresthabutra)  
Director