



GEL.CS.001/2564

1 March 2021

Subject: Management Discussion and Financial Analysis for the operating results of the year 2020  
December 31, 2020

To: Director and Manager  
The Stock Exchange of Thailand

The Board of Director's meeting No. 1/2021 of General Engineering Public Company Limited ("the Company") held on March 1, 2021 has approved and verified the financial statements of the Company and its subsidiaries for the year 2020 which audited by the auditor of the Company. Details are as follows.

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

#### **For the year ended December 31, 2020**

The operating results of the Company and its subsidiaries was described in the financial statement showing net loss at the amount of Baht 156 million, comparing with the same period of previous year, the net loss at the amount of Baht 285 million. In the year 2020, the net loss was decreased by Baht 129 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 1,596 million, which decreased from the same period of previous year by Baht 438 million or 22%. The decrease was affected by the outbreak of the coronary virus 2019 or Covid-19, causing customers to delay in work delivery of many projects although the Company has already been hired.

#### (2) Cost of sales

The Company and its subsidiaries had total cost of sales at the amount of Baht 1,563 million, which decreased from the same period of previous year by Baht 441 million or 22% due to the cost of sales varies according to the decrease in revenue.

#### (3) Gross profit

The Company and its subsidiaries' total gross profit were Baht 32 million which increased from the same period of previous year by Baht 2 million due to improvement of cost control.

#### (4) Administrative and Selling expenses

The Company and its subsidiaries had administrative and selling expenses at the amount of Baht 168 million, decreased from the same period of previous year by Baht 55 million or 25%.

#### (5) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 68 million or decreased from the same period of previous year by Baht 1 million due to the interest rate was decreased and repayment term loan.

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

In the year 2020, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 28 million and the profit sharing amount of Baht 1 million from Wisdom Tree Investment (S) PTE. Limited, which the Company recognized the net profit sharing Baht 29 million, comparing with the same period of previous year, which the Company recognized the profit sharing from Mctric Public Company at the amount of Baht 7 million and the loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 32 million.

(7) Income tax benefit

The Company and its subsidiaries' income tax benefit were Baht 15 million or increased from the same period of previous year by Baht 12 million or more than 100% due to allowance for doubtful accounts and allowance for devaluation of goods.

## 2. Financial Analysis

(Unit: Million Baht)

| Items                | 31 December 2020 | 31 December 2019 | Increase<br>(Decrease) | %      |
|----------------------|------------------|------------------|------------------------|--------|
| Net Assets           | 6,213            | 5,885            | 328                    | 5.57   |
| Net Liabilities      | 2,433            | 2,076            | 357                    | 17.20  |
| Shareholders' equity | 3,780            | 3,809            | (29)                   | (0.76) |

### Assets

As at December 31, 2020, the Company and its subsidiaries had total assets of Baht 6,213 million, increased by Baht 328 million or 5.57% comparing with December 31, 2019 due to

1. A decrease in inventories at amount of Baht 123 million which was due to better stock movement.
2. A decrease in trade accounts receivable and retention receivable at amount of Baht 35 million.
3. An increase in investment in available-for-sales securities (MILL) at amount of Baht 137 million due to market price was increased from 0.69 Baht/share at 31 December 2019 to 0.91 Baht/share at 31 December 2020
4. Recoded asset usage right in the year 2020 at amount of Baht 63 million (according to Thai Financial Reporting Standards TFRS 16 "Leases")
5. An increased in property, plant and equipment at amount of Baht 204 million due to construction in Segment project which started construction in the third quarter 2020.

### Liabilities

As at December 31, 2020, the Company and its subsidiaries' liabilities was Baht 2,433 million, increased by Baht 357 million or 17.20% comparing with 31 December 2019 due to

1. Trade and other payable was increased by Baht 158 million due to an increase in supplier and contractor.
2. Long – term loan from financial institutions due within one year was decreased by Baht 48 million due to repayment.
3. Long – term loan from financial institutions was increased by Baht 86 million due to Segment project loan.
4. Recorded liability under lease agreement over 1 year in the year 2020 increased by Baht 17 million (according to Thai Financial Reporting Standards TFRS 16 "Leases").
5. Employee benefit obligation was decreased by Baht 24 million due to decrease in employee.



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### **Shareholders' equity**

As at December 31, 2020, the shareholders' equity of the Company and its subsidiaries were Bath 3,780 million, decreased by Baht 29 million or 0.76% from 31 December 2019 due to the operating result of the Company and its subsidiaries in the year 2020 showing net loss Baht 156 million which resulting in a decrease in shareholders' equity.

Yours sincerely,  
General Engineering Public Company Limited

*-signed-*

(Mr. Wuttichai Sresthabutra)  
Director