



No. GEL.CS.001/2568

Date 28 February 2025

Subject: Management Discussion and Analysis of the Financial Statements for the year 2024 ended December 31, 2024

To: Director and Manager  
The Stock Exchange of Thailand

Reference is made to the resolution of the Board of Directors' Meeting No. 1/2025 of General Engineering Public Company Limited (the "Company") held on 28 February 2025 which has resolved to approve and verify the financial statements and operating results of the Company and its subsidiaries for the year 2024, ended December 31, 2024, which has been reviewed by the auditor of the Company and its subsidiaries, it shall be summarized as follows:

**1. The Operating Results Analysis**  
**For the year, ended December 31, 2024**

The Company and its subsidiaries had a net loss of Baht 484 million, compared to the same period of previous year that having a loss of Baht 413 million. The Company and its subsidiaries had an increase in losses of Baht 71 million, with the details as follows:

**1. Revenue from sales**

The Company and its subsidiaries had revenue from sales and services of Baht 3,715 million, which was decreased, compared to the same period of previous year, of Baht 391 million or 9.52 percent due to the continuous contraction of real estate work in line with the economic situation. As a result, the sales of precast concrete wall panels and piles have been decreased this year. In addition, the production of precast concrete bridge beams was not at full capacity because one debtor who was in arrears, resulting in the cancellation of the contract and affecting sales.

**2. Gross profit**

The Company and its subsidiaries had gross profit according to the consolidated financial statements of Baht 155 million, compared to the same period of previous year, of Baht 225 million or 59.21 percent due to the decrease in the Company and its subsidiaries' revenue from sales.

□ The separate financial statements had a gross loss, mainly due to:

- Some customers made late payments, resulting in limited working capital for the Company and the inability to produce and distribute products as planned. In addition, the nature of the Company's operations of some product required the production to be completed before being able to receive payment for the work of 60 percent. The remaining 40 percent can be received when the products were delivered to the work site. Therefore, the Company had insufficient working capital to produce according to the planned production capacity, resulting in higher unit costs.

- The construction projects have increased expenses due to an increase in raw material prices and contractor labor costs. The construction contract was extended due to the outbreak of the COVID-19 virus,



causing expenses to increase from the estimates, resulting in a more negative adjustment of revenue recognized in this period.

- Recorded allowance for diminution in value of goods from sales and goods and raw materials increased by Baht 28.25 million.

### 3. Sales of goods and services cost

The Company and its subsidiaries had the sales of goods and services cost of Baht 3,560 million, a decrease of Baht 166 million or 4 percent, compared to the same period of previous year. The decrease was not proportional to revenue because the Company produced goods this year lower than last year due to the continuous contraction of real estate work in line with the economic situation, resulting in a decrease in sales of precast concrete walls and piles this year. However, the Company and its subsidiaries had fixed expenses, such as employee expenses, depreciation, rental, etc., resulting the increase of cost of goods from the previous year.

### 4. Administrative and Selling expenses

The Company and its subsidiaries had the administrative and selling expenses of Baht 318 million, which is an increase of Baht 26 million or 9 percent, compared to the same period of previous year, due to an increase in administrative expenses of its subsidiaries compared to the same period of previous year (which was from a subsidiary that has been consolidated since June 1, 2023) and an increase in losses from guaranteed debt of Baht 10 million due to an increase in exchange rates.

### 5. Loss from estimated liabilities

The Company brought its ordinary shares held in Wisdom Tree Investment (S) PTE. Limited as collateral for a credit line of an overseas joint venture with a bank. On January 31, 2024, a bank issued a letter to the Company requesting the Company to pay the Standby Letter of Credit according to collateral which of the guarantee of the said credit line to Millcon Thiha GEL Limited (a subsidiary of the joint venture) because Millcon Thiha GEL Limited was unable to repay such debt. The Company was charged with a claim of USD 4.81 million (equivalent to Baht 165.57 million). The Company's management has estimated the damages in the amount expected to be paid in full in the financial statements as of December 31, 2023. Later, on March 25, 2024, Bangkok Bank entered into a loan agreement to settle the SBLC Claim, resulting in the Company having a debt burden of Baht 175.50 million (exchange rate 36.45 THB/USD). The Company recorded an additional loss from such liabilities of Baht 10 million in the administrative and selling expenses.

### 6. Other (Profits and) Losses

As of December 31, 2024, the Company has no remaining Mill-W7 warrant to purchase ordinary shares because the warrants have been expired, resulting in a loss of Baht 7 million in this year.

### 7. Financial costs

The Company and its subsidiaries had the financial costs from loans from financial institutions and promissory notes of Baht 226 million, compared to the same period of previous year, which was an increase of Baht 40 million or 21.50 percent due to the recognition in financial costs of Inno Precast, a subsidiary, starting from June 1, 2023.

## 8. Allowance for expected credit losses

The Company set aside an allowance for expected credit losses this year of Baht 84 million, an increase of Baht 18 million compared to the same period of previous year.

## 9. Share of profit (loss) from joint venture

In this quarter, the Company recognized the share of profit from Mctric Public Company Limited of Baht 4 million, compared to the same period of the previous year, when it recognized the share of profit from Mctric Public Company Limited of Baht 13 million. This year, the Company did not record the share of profit (loss) from Wisdom Tree because in 2023, the Company set aside a full allowance for the impairment of investment in the joint venture.

## 2. Summary of financial position

(Unit: Million Baht)

Items	December 31,2024	December 31,2023	Increase (decrease)	Percentage
Total assets	9,626	10,539	(913)	(9)
Total liabilities	6,114	6,341	(227)	(4)
Total shareholders' equity	3,512	4,198	(686)	(16)

### Assets

As of December 31, 2024, the Company and its subsidiaries had total assets of Baht 9,626 million, a decrease of Baht 913 million or 9 percent compared to December 31, 2023, due to:

1. Cash and cash equivalents of Baht 149 million, have been increased from the previous year of Baht 89 million.
2. Assets arising from revolving contracts of Baht 342 million, which have been decreased of Baht 87 million compared to the same period of previous year, due to the delivery of completed work to customers having been increased in the previous year.
3. Account and other receivable of Baht 641 million, decreased by Baht 129 million.
4. Receivables from performance guarantees of Baht 162 million, decreased by Baht 28 million.
5. Inventories of Baht 493 million, decreased by Baht 28 million.
6. Investments in available-for-sale securities and general investment, there was the available-for sales securities (MILL) with a decrease in value from the previous year by Baht 215 million compared to market price of Baht 0.10 per share as of December 31, 2024, compared to December 31, 2023, which was Baht 0.38 per share, resulting in a decrease in value of Baht 78 million. The said securities were sold for Baht 135 million through the Stock Exchange of Thailand.
7. Land, buildings and equipment amounted to Baht 5,329 million, decreased by Baht 269 million from depreciation.
8. Assets with rights to use under lease agreements amounted to Baht 982 million, under the land and factory lease agreement of Inno, decreased by Baht 146 million from depreciation during the period and termination of the lease agreement at the Company's factory.

### Liabilities

As of December 31, 2024, the Company and its subsidiaries had total liabilities of Baht 6,114 million, a net decrease of Baht 227 million or 4 percent compared to December 31, 2023, due to:

1. Bank overdrafts increased by Baht 26 million.
2. Trade creditor and other revolving creditors of Baht 48 million.



3. Liabilities arising from revolving contracts decreased by Baht 43 million.
4. Short-term loans from other persons and related persons increased by Baht 109 million.
5. The Company brought its ordinary shares held in Wisdom Tree Investment (S) PTE. Limited as collateral for a credit line of an overseas joint venture with a bank. On January 31, 2024, a bank issued a letter to the Company requesting the Company to pay the Standby Letter of Credit as the guarantee for the said credit line to Millcon Thiha GEL Limited (a subsidiary of the joint venture) because Millcon Thiha GEL Limited was unable to repay such debt. The Company was charged with a claim of USD 4.81 million (equivalent to Baht 165.57 million). The Company's management has estimated the damages in the amount expected to be paid in full in the financial statements as of December 31, 2023.
6. Recording liabilities under finance leases decreased by Baht 145 million.
7. Other current liabilities increased by Baht 30 million.
8. Personal income tax payable decreased by Baht 17 million because in 2024, the subsidiary had no tax liability to pay.

**Shareholders' equity**

As of December 31, 2024, the Company and its subsidiaries had total shareholders' equity of Baht 3,512 million, a net decrease of Baht 686 million compared to December 31, 2023, due to:

1. Investments in available-for-sale securities decreased from the market price of Baht 0.10 per share as of December 31, 2024, compared to Baht 0.38 per share as of December 31, 2023, resulting in a decrease in value of Baht 78 million and the sale of such securities, totaling 96.81 million shares at a price of Baht 0.09-0.29 per share, sold through the Stock Exchange of Thailand, resulting in a loss from the sale of investments of Baht 124 million.
2. Recording a loss this year of Baht 484 million.

**3. Cash flow analysis**

(Unit:Million Baht)

Cash Flow Statement	Increase (Decrease)		Increase (Decrease)	
	Consolidated financial statements		Separate financial statements	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net cash provided by (used in) operating activities	262	512	(124)	179
Net cash provided by (used in) investing activities	(19)	(73)	(34)	(12)
Net cash provided by (used in) financing activities	(153)	(463)	145	(219)
Net cash increase (decrease)	90	(24)	(12)	(52)

As of December 31, 2024, the Company and its subsidiaries had cash and cash equivalents of Baht 150 million, compared to Baht 60 million as of 31 December 2023, an increase of Baht 90 million from the previous year.

In 2024, the Company and its subsidiaries had net cash provided by operating activities of Baht 262 million, net cash used in investing activities of Baht 19 million, and net cash used in financing activities of Baht 153 million, since the Company had liabilities arising from guarantee of the Standby Letter of Credit to Millcon Thiha GEL Limited, a subsidiary of the joint venture, but was unable to repay the debt. Therefore, the Company was requested by a bank to pay the debt instead. Later, the Company entered into a loan agreement with the bank to repay the guaranteed debt, totaling Baht 175.50 million, resulting in net cash provided by financing activities being less negative than the previous year.

Yours sincerely,



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General Engineering Public Company Limited

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(Mr. Wuttichai Sresthabutra)  
Secretary of the Company