



# GENERAL ENGINEERING PLC

บริษัท เจนเนอรัล เอนจิเนียริ่ง จำกัด (มหาชน)

## Management Discussion and Analysis

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No. GEL.CS.002/2026

March 2, 2026

Subject: Management Discussion and Analysis of the Financial Statements for the year 2025 ended December 31, 2025

Re: Director and Manager  
The Stock Exchange of Thailand

**Overview of Business Operations, Economy, and Industry Conditions Affecting the Industry**

The overall Thai economy in 2025 is projected to recover gradually, with a GDP growth rate of approximately 2.1 – 2.2 percent. This directly impacts the construction materials industry, with the following key aspects related to business operations:

**1. Business Overview**

**1.1 Government Construction Projects**

The government sector is expected to expand by approximately 3 percent, driven primarily by accelerated budget disbursement and mega projects. However, many projects are still in the pre-construction phase.

**1.2 Private Sector Construction Projects**

The private sector is projected to remain stable or expand only slightly by approximately 1 percent, particularly the housing sector, which remains sluggish due to slow recovery in purchasing power and high levels of household debt.

**1.3 Credit and Household Debt Constraints**

The high level of household debt, at almost 87 percent of GDP, has led financial institutions to tighten leading criteria. The rejection rate for real estate loans is as high

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as 39 – 40 percent, directly impacting the development of horizontal and condominium projects and slowing down the demand for construction materials in the housing sector.

#### 1.4 Concentration of Large-Scale Projects

Large-scale projects, especially those involving specialized components such as I-Girder, U-Girder and Segment, are concentrated in the hands of a few contractors. This makes it more difficult for medium and small-sized businesses to access such projects, potentially significantly impacting their core revenue.

### 2. Production Cost Issues

Cement prices have increased due to rising energy costs and environmental regulations, affecting the production costs of precast concrete production. However, raising selling prices may be limited due to intense market competition.

### 3. Technical and Labour Issues

#### Skilled Labour Shortage

The construction industry continues to face a shortage of specialized skilled labour, particularly welders and precast/segment installers. Errors in these skills can lead to delays and increased project costs.

#### Stronger Quality Standards

Following the recent earthquake, both the government and private sectors have increased the stringency of inspections of materials and construction processes. This has resulted in higher costs for quality control and material testing.

#### 4. Financial Liquidity Risk

Given the increasing trend of defaults by debtors in the past year, trade credit decisions must be made with greater caution and prudence. Furthermore, risk management plans and cash flow contingency plans must be in place to address potential uncertainties during operations.

#### Summary of Key Events and Developments

On July 9, 2025, the Company registered an increase in its paid-up capital of 1,400.00 Baht, comprising 2,888 shares, from holders of warrants who exercised their rights to purchase the Company's GEL-W5 ordinary shares with the Department of Business Development, Ministry of Commerce. This resulted in the Company having a total paid-up capital of 7,320,241,695.05 Baht, divided into 8,612,049,053.00 ordinary shares with a par value of 0.85 Baht per share.

The remaining 820,716,560 unexercised GEL-W5 warrants expired on June 20, 2025 (last exercise date).

On August 20, 2025, General Engineering Mauritius Limited completed its liquidation registration with the Corporate and Business Registration Department, Government of Mauritius

#### Summary of Operating Results and Financial Position

Reference is made to the resolution of the Board of Directors' Meeting No. 1/2026 of General Engineering Public Company Limited (the "**Company**") held on March 2, 2026 which has resolved to approve and verify the financial statements and operating results of the Company and its subsidiaries ended December 31, 2025, which has been reviewed by the auditor of the Company and its subsidiaries, it shall be summarized as follows:

- Operating Results

(Unit: Million Baht)

Consolidated financial statements			Changing	
Items	31/12/2025	31/12/2024	Amount	Percentage
Revenue from Sales	2,131	3,715	1,584	42.64
Total Revenue	2,178	3,776	1,598	42.32
Cost of Sales	2,006	3,322	1,316	39.61
<b>Gross Profit</b>	<b>125</b>	<b>393</b>	<b>268</b>	<b>68.19</b>
Selling and Administrative Expenses	496	598	102	17.06
Financial Costs	208	226	18	7.96
Impairment Loss under TFRS9	30	84	54	64.29
Share of Profit from Associates	8	4	4	100
Income Tax	17	19	2	10.53
<b>Loss for the Year</b>	<b>570</b>	<b>484</b>	<b>86</b>	<b>17.77</b>

The Company and its subsidiaries had a net loss of 570 million Baht, compared to the same period of previous year that having a loss of 484 million Baht. The Company and its subsidiaries had an increase in losses of 86 million Baht, with the details as follows:

#### 1. Revenue from sales

The Company and its subsidiaries had revenue from sales and service of 2,131 million Baht, a decrease of 1,584 million Baht or 42.64 percent compared to the same period of previous year. This was due to the slowdown in the construction materials business and the contraction in the real estate sector in line with the continued economic downturn. As a result, sales of precast concrete wall panels, piles, precast concrete bridge beams, and other construction materials decreased this year. Another factor in this quarter, in addition to the decreased demand for construction materials due to the economic downturn, and customers delaying construction projects. The Company also faced price competition with sales per unit decreasing significantly

## **2. Gross profit (loss)**

The Company and its subsidiaries had gross profit according to the consolidated financial statements of 125 million Baht, a decrease of 268 million Baht or 68.19 percent compared to the same period of previous year. For the separate financial statements of the Company, the gross loss decreased by 12 million Baht or 10 percent, due to:

- The construction materials business is experiencing a slowdown, and the ongoing real estate crisis has resulted in a continued decrease in the Company's gross profit. This is due to lower demand for construction materials in line with the economic downturn, customers delaying construction projects, volatility in the prices of key raw materials, price competition, and liquidity risks from late payment by trade debtors.
- Late customer payments have limited the Company's working capital, preventing it from producing and selling goods according to plan. Furthermore, 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.

## **3. Sales of Goods and Services Cost**

The Company and its subsidiaries had the sales of goods and services costs of 2,006 million Baht, a decrease of 1,316 million Baht or 39.61 percent, compared to the same period of previous year. This was because the Company produced goods this year lower than the last year due to the contraction of real estate work in line with continued economic downturn. Consequently, the sales of goods of precast concrete wall panel, piles, and other construction materials decreased accordingly.

## **4. Administrative and Selling Expenses**

The Company and its subsidiaries had the administrative and selling expense of 496 million Baht, a decrease of 102 million Baht or 17.06 percent, compared to the same period of previous year. This was due to the Company and its subsidiaries reducing the number of employees in support departments and decreasing fixed expenses such as factory rental,

electricity, and other costs to comply with the current organizational structure and business operations.

## 5. Loss from Impairment of Investments

The Company's separate financial statements recorded an impairment loss of 202 million Baht on investments in subsidiaries due to the slowdown in the construction materials industry and the construction of private sector real estate development investment. This resulted from the fact that the remaining real estate supply in the market remained sufficient to meet demand, along with limitations in loan approval by financial institutions, which affected liquidity and purchasing power, causing the Company's performance to fall short of expectations.

The details are as follows:

- Valuation of Seven Wire Co., Ltd. (SW)

The operating results in 2025 did not meet the previous year's forecast, resulting from a decrease in revenue of approximately 70% and increased losses compared to the actual operating results in 2025. This resulted in a downward revision of the estimated operating results for this year, leading to a decrease in SW's valuation by 141 million Baht or 53 percent, compared to the valuation in the previous year.

- Valuation of General Nippon Concrete Industries Co., Ltd. (GENCI)

The operating results in 2025 did not meet the previous year's forecast, resulting from a decrease in revenue of approximately 36% and increased losses compared to the actual operating results in 2025. This resulted in a downward revision of the estimated operating results for this year, leading to a decrease in GENCI's valuation by 23 million Baht or 7 percent, compared to the valuation in the previous year.

- Valuation of Inno Precast Co., Ltd. (INNO)

The operating results in 2025 did not meet the previous year's forecast, resulting from a decrease in revenue of approximately 42% and increased losses compared to the actual operating results in 2025. This resulted in a downward revision of the estimated operating results for this year, leading to a decrease in INNO's valuation by 38 million Baht or 4 percent, compared to the valuation in the previous year.

## 6. Financial Costs

The Company and its subsidiaries had the financial costs from loans from financial institutions and promissory notes of 208 million Baht, a decrease of 18 million Baht or 7.96 percent, compared to the same period of previous year, due to repayments of loans as per the contracts.

## 7. Impairment Loss under TFRS 9

The Company and its subsidiaries recorded an impairment loss under TFRS 9 of 30 million Baht, a decrease of 54 million Baht, compared to the same period of previous year.

## 8. Share of Profit (Loss) from joint venture

In this quarter, the Company recognized the share of profit from McTRIC Public Company Limited of 8 million Baht, compared to the share of profit of 4 million Baht in the same period of previous year.

- Summary of financial position

(Unit : Million Baht)

Items	December 31, 2025	December 31, 2024	Increase (decrease)	Percentage
Total assets	8,448	9,626	(1,178)	(12)
Total liabilities	5,510	6,114	(604)	(10)
Total shareholders' equity	2,938	3,512	(574)	(16)

### Assets

As of December 31, 2024, the Company and its subsidiaries had total assets of 8,448 million Baht, a decrease of 1,178 million Baht or 12 percent, compared to December 31, 2024, due to:

1. Cash and cash equivalents amounted to 47 million Baht, a decreased of 102 million Baht from the previous year.
2. Trade receivables and other current receivables amounted to 364 million Baht, a decrease of 277 million Baht.
3. Assets arising from revolving contracts amounted to 51 million Baht, a decrease of 291 million Baht from the same period of previous year, due to increased delivery of completed work to customers.
4. Performance guarantee receivables amounted to 177 million Baht, an increase of 15 million Baht.
5. Inventories amounted to 382 million Baht, a decrease of 111 million Baht from the previous year.
6. Investment in available-for-sale- securities (MILL) amounted to 51 million Baht, a decrease based on comparison of the market price of 0.08 Baht per share as of December 31, 2025, compared to 0.10 Baht per share as of December 31, 2024, resulting in a decrease of 12 million Baht in the value of the securities.
7. Land, buildings and equipment amounted to 5,065 million Baht, a decrease of 265 million Baht from depreciation.
8. Assets with rights to use under lease contracts amounted to 846 million Baht, under the land and factory lease contract of its subsidiaries, a decrease of 136 million Baht due to depreciation during the period.

### **Liabilities**

As of December 31, 2025, the Company and its subsidiaries had total liabilities of 5,510 million Baht, a net decrease of 604 million Baht or 10 percent, compared to December 31, 2024, due to:

1. Bank overdrafts and short-term loans from financial institutions amounted to 720 million Baht, a decrease of 27 million Baht.
2. Trade payables and other current payables amounted to 871 million Baht, a decrease of 190 million Baht.
3. Liabilities arising from revolving contracts amounted to 310 million Baht, a decrease of 90 million Baht.

4. Short-term loans from other parties amounted to 60 million Baht, a decrease of 71 million Baht due to repayment according to the contract.
5. Long-term loans from financial institutions amounted to 2,364 million Baht, a decrease of 207 million Baht due to repayment of the loan according to the contract.
6. Accounting for liabilities under finance lease decreased by 26 million Baht.
7. Deferred income tax liabilities increased by 17 million Baht.

### Shareholders' equity

As of December 31, 2025, the Company and its subsidiaries had total shareholders' equity of 2,938 million Baht, a decrease of 574 million Baht, compared to December 31, 2024, due to:

1. Investment in available-for-sale securities decreased from the market price of 0.08 Baht per share as of December 31, 2025, compared to 0.10 Baht per share as of December 31, 2024, resulting in a decrease of 12 million Baht in the value of the securities.
2. A reduction in estimated employee benefit liabilities resulted in an increase of 8 million Baht in shareholder's equity.
3. A loss of 570 million Baht was recorded for this year.

- Cash Flow Statements

(Unit: Million Baht)

Total Cash Flow Statements	Consolidated financial statements			
	31/12/2025	31/12/2024	Increase (decrease)	Percentage
Net cash provided by ( used in) operating activities	378	261	117	45
Net cash provided by (used in) investing activities	(11)	(18)	7	(39)
Net cash provided by ( used in) financing activities	(469)	(153)	(316)	(206)
Net cash increase (decrease)	(102)	90	(192)	(213)
Cash and cash equivalents at year-end	47	150	(103)	(69)

As of December 31, 2025, the Company and its subsidiaries had cash and cash equivalents of 47 million Baht, compared to 150 million Baht as of December 31, 2024, a decrease of 103 million Baht from the previous year.

For the year 2025, the Company and its subsidiaries had net cash flow provided by operating activities of 378 million Baht, net cash flow used in investing activities of 11 million Baht, and net cash flow used in financing activities of 469 million Baht, due to the Company and its subsidiaries repaying short-term and long-term loans from financial institutions of 233 million Baht, repaying short-term loans from other parties of 71 million Baht, paying interest of 130 million Baht, and setting lease debt of 35 million Baht.

### **Factors Potentially Affecting Future Operations or Growth**

Strategic Plan for the Company group's Business in 2026

- Reduce reliance on revenue from residential housing projects and focus on increasing sales from industrial building construction projects, including data centers for server, network equipment, and large-scale data storage systems.
- Expand markets through collaboration with business partners to develop more rental apartment construction projects, especially Eco apartment project.
- Develop and implement construction chemical products certified with carbon footprint and climate change mitigation labels from the Thailand Greenhouse Gas Management Organization (TGO) in the company group's production processes. Support and promote environmentally friendly products to encourage widespread use and raise awareness of sustainability in society.
- Collaborate with major partners or contractors in the production and distribution of goods to support mega projects, focusing on reliable product quality and timely delivery rather than price competition.
- Carefully review the credit terms of business partners and only select projects with clearly defined budgets to mitigate the risk of non-performing loan
- Restructure and control personnel costs, both in core and support functions, to reduce operating and administrative expenses in line with the current business environment.

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## **Sustainability Practices in the Company's Business Operations**

The Company focuses on sustainable business growth along with the development of society, communities, the environment, and a better quality of life. Recognizing that social responsibilities is a continuous concern, the company group promotes a corporate social responsibilities policy across all sectors of the organization, from core policies to operational levels and throughout all departments. The company group believes that conducting business with a social a civic consciousness is a crucial driving force leading to sustainable development at both the community and national levels.

### **1. Environment**

The Company plans to collect data for self-assessment of greenhouse gas emissions to obtain preliminary information, study and evaluate future emissions, and find the ways to reduce emissions or other methods in accordance with international standards and relevant regulations such as GHG and TGO. This will support the achievement of greenhouse gas emissions reduction targets, while maintaining business competitiveness, monitoring and reviewing policies, work plans, targets, and operating results according to the Net Zero Roadmap for continuous efficiency and effectiveness.

In 2025, the company group implements a solar power system installation projects, which reduced electricity costs by approximately 0.318 million Baht per annum. Furthermore, the Company produces precast concrete components which utilized the green technology “Carbon Cure” to produce low-carbon precast panels, reducing greenhouse gas (CO<sub>2</sub>) emissions by approximately 752 tons per annum. The Company also repurposes waste concrete blocks from the production of reinforced concrete piles to create water barriers in various community locations such as homes, police stations, schools, temples, and other places, demonstrating how waste materials from pile manufacturing can be used for the benefit of society.

## 2. Social

The Company places great importance on continuous social engagement and support. Key activities in 2025 include:

- 1) Providing scholarships to schools in communities near the company;
- 2) Donating old calendars to the Thailand Foundation for the Blind to be used in producing Braille materials for the visually impaired;
- 3) Supporting career opportunities and income generation for students by offering internships to students from nearby educational institutions to promote future career and income opportunities.

## 3. Governance

The Company operates under the principles of good governance, transparency, and accountability, upholding its responsibility to all stakeholders. It has received a “very good” rating in its corporate governance assessment and has consistently held the CAC Recertification, reflecting its commitment to ethical management and maintaining high standards of governance in the long term.

The Company received a 5-star rating (out of 100) in the assessment of the quality of its publicly traded annual general meetings, reflecting its commitment to shareholder rights and transparency in information disclosure. Furthermore, the Company has developed a Personal Data Protection Act (PDPA) Management System encompassing improvements to data storage and utilization processes, employee training, and the establishment of control measures to mitigate data risks and build trust.

Yours sincerely,

General Engineering Public Company Limited

-signed-

(Mr. Wuttichai Sresthabutra)  
Secretary of the Company

WE ARE SPECIALISTS,  
MANUFACTURER  
AND SERVICE PROVIDE OF  
**CONCRETE PRODUCTS**

เราคือผู้ผลิตและให้บริการที่เชี่ยวชาญงานผลิตภัณฑ์คอนกรีต



**บริษัท เจนเนอรัล เอนจิเนียริ่ง จำกัด (มหาชน)**

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