

GUNKUL_LT-OUT_ 64-154

17th December 2021

Subject: Information memorandum on the purchase of additional ordinary shares in Gunkul Infinite Group Company Limited

To: Director and Manager of the Stock Exchange of Thailand

The Board of Directors Meeting of Gunkul Engineering Public Company Limited (the “Company” or “GUNKUL”) No. 10/2564 (2021) held on 17th December 2021, has passed a resolution to approve the purchase of additional ordinary shares in Gunkul Infinite Group Company Limited (“GIG”), a subsidiary of the Company from Infinite Property Group Company Limited, the current shareholder of 785,000 shares, representing 25% of the current registered capital in the purchase price of 120,000,000.00 baht (One hundred and twenty million baht), which will result in the Company's shareholding ratio increased from 2,354,997 shares, equivalent to 74.999904% of the total shares, to 3,139,997 shares, or 99.999904% of the total shares of such company. Currently, GIG has registered capital at the amount of 314,000,000.00 baht (three hundred fourteen million baht) and has a total of 3,140,000 registered shares (three million one hundred and forty thousand shares) at a par value of 100.00 baht (one hundred baht).

However, the said transaction is not considered as a connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551, and when calculating the size of the asset acquisition transaction, it is not subject to the need to report information in accordance with the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551. However, such transaction is the case where the Company acquires additional ordinary shares which increases the shareholding proportion in such subsidiary. Therefore, the Company, as a listed company, must disclose information to The Stock Exchange of Thailand in accordance with the regulations of the Stock Exchange of Thailand Re: Criteria, Conditions and Methods for Disclosure of Information and Other Acts of Listed Companies B.E. 2560. The Company hereby reports the details of the transaction as follows:

1. Transaction Date

After being approved by the Board of Directors meeting, the transaction will be completed within January 2022.

2. Contractual Parties

Seller: Infinite Property Group Company Limited (not a connected person)

Purchaser: Gunkul Engineering Public Company Limited (the “Company” or “GUNKUL”)

3. General Characteristic of the Transaction

The Company intends to enter into the transaction to purchase additional ordinary shares in Gunkul Infinite Group Company Limited (“GIG”) by purchasing GIG’s ordinary shares from Infinite Property Group Company Limited, a current shareholder in the proportion of 25% in the total value of the total purchase price at the amount of 120,000,000.00 baht (One hundred and twenty million baht). The aforementioned transaction is considered an acquisition transaction with details of the calculation of the transaction size as follows:

- Acquisition transaction: accounted for the size of the transaction calculated in accordance with the rules of the Stock Exchange of Thailand's notification according to the calculation method on disclosure of information and operations of listed companies on the acquisition or disposal of assets B.E. 2547, equal to 0.282% of the total assets of the Company according to the latest consolidated financial statements as of 30th September 2021, which has been reviewed by the auditor. This is classified as a transaction according to the method of calculating the transaction size by using the total value of the consideration paid compared to the total assets of the listed company. However, if calculating the sum of consideration paid in the 6-month period (including the above items), it is considered to be a rate of 2.961% according to the method of calculating the transaction size by using the total value of consideration paid compared to the total assets of the listed company.

The aforementioned transactions must be approved by the Board of Directors' meeting. The Board of Directors Meeting No. 10/2564 (2021) held on 17th December 2021, has resolved to approve the acquisition of additional ordinary shares in GIG in order to comply with the criteria of the Acquisition or Disposition Notification.

However, the transaction size that calculated for the acquisition of assets does not qualify for information disclosure to the Stock Exchange of Thailand. Nevertheless, such transaction is the case where the Company acquires additional ordinary shares which increases the shareholding proportion in such subsidiary. Therefore, the Company as a listed company, has to disclose information to the Stock Exchange of Thailand as mentioned above.

4. Detail of the Acquire Assets

a. Nature of Business

Name : Gunkul Infinite Group Company Limited

Address : Pearl Bangkok Building, 8th Fl., 1177, Phaholyothin Rd., Phayathai, Phayathai, Bangkok

Nature of business :
1. Business rental, sub-lease and property management
2. Business of generating electricity from renewable energy or other types of energy

b. Board of Director of GIG

- List of committees before entering into the transaction: as of 17th August 2021
 1. Mr. Somboon Aueatchasai
 2. Mr. Phongsakorn Damnoen
 3. Miss Sopacha Dhumrongpiyawut
 4. Miss Naruechon Dhumrongpiyawut
 5. Mr. Theerapab Punyasakhon
 6. Mr. Nuttakorn Sitthimahachaikul
 7. Mr. Pinnuwat Chaikunpol
 8. Mr. Janpon Ngamaroonchote
- List of committees after the transaction: within January 2022
 1. Mr. Phongsakorn Damnoen
 2. Miss Naruechon Dhumrongpiyawut
 3. Mr. Janpon Ngamaroonchote

c. Shareholding Structure

- List of shareholders before acquisition: as of 17th August 2021

Shareholders List	Number of Shares	Percentage
1. Gunkul Engineering Public Company Limited	2,354,997	74.999904
2. Infinite Property Group Company Limited	785,000	25.000000
3. Mr. Somboon Aueatchasai	1	0.000032
4. Mr. Phongsakorn Damnoen	1	0.000032
5. Mr. Janpon Ngamaroonchote	1	0.000032
Total	3,140,000	100.000000

- List of shareholders after acquisition: within January 2022

Shareholders List	Number of Shares	Percentage
1. Gunkul Engineering Public Company Limited	3,139,997	99.999904
2. Mr. Somboon Aueatchasai	1	0.000032
3. Mr. Phongsakorn Damnoen	1	0.000032
4. Mr. Janpon Ngamaroonchote	1	0.000032
Total	3,140,000	100.000000

d. Summary of Key Financials

The financial position and the operating results of GIG for the year ended 30th September 2021 according to the audited financial statements from the auditor. The details are as follows.

(unit : thousand baht)

Financial Position (Baht)	As of 30 th September 2021
Total Assets	1,249,620
Total Liabilities	854,041
Registered and Paid-up capital	314,000
Shareholders' Equity	395,579
Turnover (Baht)	For the period ending 30 th September 2021
Revenue	529,848
Expenses	483,964
Comprehensive profit (loss) for the period	29,108

5. Total Value of the Transaction

The total value of the transaction size for the acquisition of assets is 120,000,000.00 baht (one hundred and twenty million baht). The details of the transaction size calculation are as follows.

- The value of the acquisition of GIG's ordinary shares from the current shareholders in the proportion of 25% of the registered capital. The total amount of purchase price is 120,000,000.00 baht (one hundred and twenty million baht) accounted for the size of the transaction calculated in accordance with the regulations of the Stock Exchange of Thailand equal to 0.282% of the total assets of the Company according to the latest consolidated financial statements as of 30th September 2021 that reviewed by the auditor.

6. Value of the Acquired Assets

Assets that the Company will acquire are:

- GIG's ordinary shares in the proportion of 25% of the total issued and paid-up shares. The asset value of ordinary shares acquired is equal to 120,000,000.00 baht (one hundred and twenty million baht).

7. Basis of Calculation of the Share Price

Criteria that used to determine the value of consideration for the purchase of common shares at the amount of 120,000,000.00 baht (one hundred and twenty million baht), which is the price that agreed by both parties' shareholders.

8. Benefits Expected to be obtained by the company

- 8.1. The Company has acquired shares of GIG from the current shareholders, resulting in the Company has a higher shareholding ratio of 99.99%. The said company is a company that was established to support and the expansion in the rental business, sublease, asset management and electricity generation from renewable energy businesses. This will result in the Company expanding its business growth rate and profit continually in the future.
- 8.2. It is expected that the purchase of such additional proportion will be paid in the form of an EIRR of not less than 12% per annum.

9. Source of Investment

Company's working capital

10. Opinion of the Board of Directors

The Board of Directors had considered the proposed transaction and had the opinion that acquisition of GIG would benefit the Company as following reasons:

- 10.1 The acquisition of GIG shares is considered to be in compliance with the policy of promoting and supporting the Company to continuously expand the growth of its core business.
- 10.2 The Board of Directors has assessed that the business of such companies can generate returns, asset growth rates and profits for the Company and its shareholders continuously in the future.

11. Opinion of the Audit Committee Members and/or Directors which is different from the Opinion of the Board of Directors

- None

Please be informed accordingly.

Sincerely yours,

Gunkul Engineering Public Company Limited

(Mr. Somboon Aueatchasai)
Chief Executive Officer