

No. GUNKUL_LT-OUT_65-040

11th May 2022

Subject Clarification on changes in operation results in exceed of 20 percent compared with the same period last year

To Managing Directors and Directors
The Stock Exchange of Thailand

Refer to The Regulation of the Stock Exchange of Thailand in regards with the preparation and submission of the Financial Statements and reports on financial condition and results of operations of the Company Act 2001

According to the regulation of the Stock Exchange of Thailand as above mentioned, Gunkul Engineering Public Company Limited (here in after called "GUNKUL" or the "Company"), would like to clarify the operating results and financial status of the Company and its subsidiaries according to the financial statements for the period ended 31st March 2022 as follows:

Operating results for the period ended 31st March 2022 and 2021

Important financial information	2022	2021	Change	
	Million Baht	Million Baht	Million Baht	%
Revenue from sale	267.37	268.74	(1.37)	(0.51%)
Revenue from sale of electricity and adder	947.01	1,112.58	(165.57)	(14.88%)
Revenue from construction and rendering services	436.06	454.39	(18.33)	(4.03%)
Revenue from sale of assets under finance lease	344.14	210.02	134.12	63.86%
Loss on change in fair value of derivatives	294.36	254.57	39.79	15.63%
Other revenue	8.82	18.61	(9.79)	(52.61%)
Total revenue	2,297.76	2,318.91	-21.15	-0.91%
Cost of sales and services	1,324.77	1,188.98	135.79	11.42%
Selling and administrative expenses	210.55	210.95	(0.40)	(0.19%)
Net foreign exchange loss	8.80	(4.20)	13.00	309.52%
Loss on capital reduction of subsidiary	-	121.08	(121.08)	(100.00%)
Total expenses	1,544.12	1,516.81	27.31	1.80%
Share of profits from investments in associates and joint ventures	67.59	85.89	(18.30)	(21.31%)
Finance costs	244.31	241.59	2.72	1.13%
Expenses (income) income tax	71.89	32.75	39.14	119.51%
Profit for the period	505.02	613.66	(108.64)	(17.70%)
Net profit of the parent company	503.35	608.59	(105.24)	(17.29%)
Basic earnings per share (baht per share)	0.06	0.07	(0.01)	(14.29%)

▪ Net Profit

The Company's overall operating result for the period ended 31st March 2022 had a profit based on profit sharing (loss) attributable to the Company, showing **a net profit of 503.35 million baht**, compared to the same period of previous year at 608.59 million baht, a decrease of 105.24 million

baht or 17.29%. The net profit incurred for the period ended 31st March 2022 had changed from the previous year according to the details as follows:

▪ **Revenue**

The Company had total revenue shown in the consolidated financial statements amounting to 2,297.76 million baht, a decrease of 25.35 million baht or 1.09%, compared to the same period of previous year at 2,323.11 million baht which can be summarized according to the following sections;

1. Power Generation and Distribution Section

Revenue from sale of electricity and adder in the purchase price of electricity for the period ended 31st March 2022 in the consolidated financial statements presented at the amount of 947.01 million baht, compared to the same period of the previous year at 1,112.58 million baht, a decrease of 165.57 million baht, or 14.88%.

Table showing income by type of electricity from energy

Item	2022	2021	Change	
	Million Baht	Million Baht	Million Baht	Million Baht
Revenue from sales of solar power	584.80	585.67	(0.87)	(0.15%)
- Domestic	229.06	238.06	(9.00)	(3.78%)
- Abroad	355.74	347.61	8.13	2.34%
Revenue from sales of 3 wind power projects, totaling 170 MW	362.21	526.91	(164.70)	(31.26%)

Revenue from sales of wind power for the period ended 31st March 2022 presented at the amount of 362.21 million baht, compared to the same period of the previous year at 526.91 million baht, a decrease of 164.70 million baht, or 31.26%. An increased capacity is due to wind has returned to normal in the past year. The reason for the decline in production capacity is due to the monsoon season that enters Thailand somewhat later than in 2021, thereby reducing the amount of wind produced during the same period compared to the previous year. As a result, the number of power units produced has dropped to approximately 28.5 million units; however, it is expected that from Q2 onwards, the wind flow will return to normal.

2. Revenue from Sales of Assets under Finance Lease Agreements

Revenue from sales of assets under finance lease agreements for the period ended 31st March 2022 presented at the amount of 344.14 million baht, compared to the same period of the previous year at 210.02 million baht, an increase of 134.12 million baht, or 63.86%. This is derived from the sale of electricity on the roof to the private sector, which is a long-term contract of 10-15 years.

▪ **Other Revenue**

Other revenue for the period ended 31st March 2022 presented at the amount of 7.56 million baht, compared to the same period of the previous year at 17.40 million baht, decreased by 56.55%. The reason for the decline was because in 2021, there was a reversal of projected construction costs higher than actual construction costs.

▪ **Share of Profits from Investments in Associates and Joint Ventures**

Share of profits from investments in associates and joint ventures for the period ended 31st March 2022 presented at the amount of 67.59 million baht, compared to the same period of the previous year at 85.89 million baht, a decrease of 18.30 million baht, or 21.31%. This is because the revenue from the Adder power purchasing gradually expires in 2020 onwards.

▪ **Tax expense (tax income)**

Tax expense (tax income) for the period ended 31st March 2022 presented at the amount of 71.89 million baht, compared to the same period of the previous year at 32.75 million baht, an increase of 39.14 million baht, or 119.51%. This was mainly due to dividend tax from solar power plant projects in Japan.

Moreover G.K. Bio Extraction Co., Ltd., a subsidiary of GUNKUL has already obtained a CBD extraction license from the Food and Drug Administration (FDA), and is ready to continue to use all those products in food - cosmetics products and herbal medicines, including bringing them to be sold to the market as planned.

However, after the Company has received the aforementioned license, the Company will continue to operate the business as planned in order to use the products that obtained from hemp extraction for using in food or cosmetics products, including herbal medicines under the regulations that approved by the FDA, also to bring the extracts of both CBD Full Spectrum, CBD distillation and CBD isolated to legally produce products for further bringing the product to the market. The Company believes that this business will help drive the future to grow by leaps and bounds.

The Company's goal is to grow in renewable energy business, electrical equipment manufacturing and distribution businesses and comprehensive construction service businesses. The Company has maintained its growth target in 2022, not less than 15%, which is a continuous growth for more than 11 years of the Company (since listed in the Stock Exchange of Thailand).

Please be informed accordingly.

Sincerely yours,

(Mr. Somboon Aueatchasai, Ph.D.)
Chief Executive Officer