

No. GUNKUL_LT-OUT_65-066

10th August 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 30th June 2022 as follows:

Operating results for the period ended 30th June 2022 and 2021

Important financial information	2 nd Quarter		Change		6-month Period		Change	
	2022	2021	Million Baht	%	2022	2021	Million Baht	%
Revenue from sale	373.16	489.45	(116.30)	(23.76%)	640.52	758.20	(117.68)	(15.52%)
Revenue from sale of electricity and adder	1,248.13	1,159.40	88.73	7.65%	2,195.15	2,271.98	(76.83)	(3.38%)
Revenue from construction and rendering services	333.59	360.50	(26.91)	(7.46%)	769.66	814.89	(45.23)	(5.55%)
Revenue from sale of assets under finance lease	58.99	75.13	(16.14)	(21.49%)	403.12	285.15	117.97	41.37%
Net foreign exchange gain	-	129.64	(129.64)	(100.00%)	-	133.84	(133.84)	(100.00%)
Loss on change in fair value of derivatives	350.29	-	350.29	100.00%	644.65	133.74	510.91	382.02%
Other revenue	14.13	21.71	(7.58)	(34.91%)	22.94	40.32	(17.38)	(43.10%)
Total revenue	2,378.29	2,235.83	142.46	6.37%	4,676.04	4,438.11	237.93	5.36%
Cost of sales and services	1,062.03	1,236.64	(174.61)	(14.12%)	2,386.81	2,425.62	(38.81)	(1.60%)
Selling and administrative expenses	226.09	208.82	17.27	8.27%	436.64	419.77	16.87	4.02%
Net foreign exchange loss	47.64	-	47.64	100.00%	56.44	-	56.44	100.00%
Loss on change in fair value of derivatives	-	120.83	(120.83)	(100.00%)	-	-	-	-
Loss on capital reduction of subsidiary	-	-	-	-	-	121.08	(121.08)	(100.00%)
Total expenses	1,335.76	1,566.29	(230.53)	(14.72%)	2,879.89	2,966.47	(86.58)	(2.92%)
Share of profits from investments in associates and joint ventures	44.05	105.13	(61.08)	(58.10%)	111.64	191.02	(79.38)	(41.56%)
Finance costs	250.12	239.90	10.22	4.26%	494.43	481.49	12.94	2.69%
Expenses (income) income tax	57.26	6.24	51.02	817.63%	129.15	38.99	90.16	231.24%
Profit for the period	779.20	528.53	250.67	47.43%	1,284.22	1,142.19	142.03	12.43%
Net profit of the parent company	778.33	523.73	254.60	48.61%	1,281.68	1,132.32	149.36	13.20%
Basic earnings per share (baht per share)	0.09	0.06	0.03	50.00%	0.14	0.13	0.01	7.69%

▪ **Net Profit**

The Company's overall operating result for the period ended 30th June 2022 had a profit based on profit sharing (loss) attributable to the Company, showed **a net profit for the 3-month period of 778.33 million baht and for the 6-month period of 1,281.68 million baht,** compared to the same period of previous year, showed a net profit for the 3-month period amounted to 523.73 million baht, an increase of 254.60 million baht or 48.61 percent, and for the 6-month period showing an amount of 1,132.32 million baht, an increase of 149.36 million baht or 13.20%. The net profit incurred for the period ended 30th June 2022 had changed from the previous year according to the details as follows:

▪ **Revenue**

The Company had total revenue for the 3-month period ended 30th June 2022 shown in the consolidated financial statements amounted to 2,378.29 million baht, an increase of 142.46 million baht or an increase of 6.37%, compared to the same period of previous year at 2,235.83 million baht, and total income **for the 6-month period showed a total of 4,676.04 million baht, an increase of 237.93 million baht or an increase of 5.36%** compared to the same period of the previous year showing a total income of 4,438.11 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 3-month period ended 30th June 2022, the amount was 1,248.13 million baht, compared to the same period of previous year showing 1,159.40 million baht, an increase of 88.73 million baht, representing an increase of 7.65% and **for the 6-month period showing the amount of 2,195.15 million baht, compared to the same period of previous year, showing the amount of 2,271.98 million baht, a decrease of 76.83 million baht or a 3.38%.** The details are as follows:

Table showing income by type of electricity from energy

Item	2nd Quarter		Change		6-month Period		Change	
	2022	2021	Million Baht	%	2022	2021	Million Baht	%
Revenue from sales of solar power	661.96	692.70	(30.74)	(4.44%)	1,246.76	1,278.37	(31.61)	(2.47%)
- Domestic	223.92	222.38	1.54	0.69%	452.98	460.44	(7.46)	(1.62%)
- Abroad	438.04	470.32	(32.28)	(6.86%)	793.77	817.93	(24.16)	(2.95%)
Revenue from sales of wind power	586.18	466.70	119.48	25.60%	948.39	993.61	(45.22)	(4.55%)

1.1 Revenue from sales of solar power

Revenues for the 3-month period ended 30th June 2022 showed 661.96 million baht, compared to the same period of previous year showing 692.70 million baht, a decrease of 30.74 million baht, representing a decrease of 4.44%, and **for the 6-month period, showing the amount of 1,246.76 million baht, compared to the same period of the previous year, showing the amount of 1,278.37 million baht, a decrease of 31.62 million baht or a 2.47%,** which decreased from the revenue from the Sendai Solar Power Plant in Japan, size of 31.8 megawatts and from Kimitsu Solar Power Plant Japan, size of 33.5 megawatts.

1.2 Revenue from sales of wind power

Revenue for the 3-month period ended 30th June 2022 showed 586.18 million baht, compared to the same period of previous year showing 466.70 million baht, an increase of 119.48 million baht, representing an increase of 25.60%, and **for the 6-month period, showing the amount of 948.39 million baht, compared to the same period of the previous year, showing the amount**

of 993.61 million baht, a decrease of 45.22 million baht or a 4.55%. The reason for the decline in production capacity is due to the monsoon season that enters Thailand somewhat later than in 2021. As a result, the volume of wind produced in the first quarter has decreased compared to the previous year. However, since the second quarter, the winds have returned to normal, with power units produced slightly reduced by approximately 15.1 million units.

2. Construction and Service Section

Revenue for the 3-month period ended 30th June 2022 showed 333.59 million baht, compared to the same period of previous year showing 360.50 million baht, a decrease of 26.91 million baht, representing a decrease of 7.46%, and **for the 6-month period, showing the amount of 769.66 million baht, compared to the same period of the previous year, showing the amount of 814.89 million baht, a decrease of 45.23 million baht or a 5.55%.** Revenue was recognized from construction contracts with government agencies and the private sector by participating in construction bidding through a subsidiary in the group (Future Electrical Control Co., Ltd.). Whether it is the construction of power stations, electrical systems, and the construction of overhead and underground transmission lines. However, the decline in revenue in the second quarter was due to the Company planning to gradually recognize revenue in the second half of the year.

3. Revenue from Sales of Assets under Finance Lease Agreements

Revenue for the 3-month period ended 30th June 2022 showed 58.99 million baht, compared to the same period of previous year showing 75.13 million baht, a decrease of 16.14 million baht, representing a decrease of 21.49%, and **for the 6-month period, showing the amount of 403.12 million baht, compared to the same period of the previous year, showing the amount of 285.15 million baht, an increase of 117.97 million baht or a 41.37%.** This is derived from the income of the land and building lease contracts for projects contracted with the private sector and 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 3-month period ended 30th June 2022 showed 14.13 million baht, compared to the same period of previous year showing 21.71 million baht, a decrease of 7.58 million baht, representing a decrease of 34.91%, and **for the 6-month period, showing the amount of 22.94 million baht, compared to the same period of the previous year, showing the amount of 40.32 million baht, a decrease of 17.38 million baht or a 43.10%.** The reason for the decline was because in 2021, there was a reversal of projected construction costs higher than actual construction costs; however, there is no such item in 2022.

In addition, the Company has intensively expanded its energy business potential in accordance with the goals of the country that wants to enter the low-carbon economy by joining hands with Pruksa Holding Public Company Limited (PRUKSA), continuing to increase business opportunities by bringing clean energy services to the core of sustainable housing development, which has the potential to install solar roofs in the residential project of PRUKSA Group for an additional 12,500 houses, equivalent to a production capacity of about 50 megawatts, with a project value of 1,500 million baht. The Company intends to create a sustainable smart living in the dimension of clean energy through cooperation with a strong partner like PRUKSA, as the leading real estate developer in the country, by combining with GUNKUL's expertise in power system and renewable energy business including the intention to extend the missions of 2 companies to be clearer.

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,

(Miss. Sopacha Dhumrongpiyawut)
Chairman of the Executive Committee

Miss Chantra Jongjamareeseethong / Miss Tanawan Patana-anek
Office of Chief Executive Officer
Tel.: 02 242-5867 / 02 242-5868
Email: chantra@gunkul.com / tanawan.pat@gunkul.com