

No. GUNKUL\_LT-OUT\_66-042

10<sup>th</sup> May 2023

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 31<sup>st</sup> March 2023 as follows:

▪ **Operating results for the period ended 31<sup>st</sup> March 2023 and 2022**

Important financial information	2023	2022	Change	
	Million Baht	Million Baht	Million Baht	%
Revenue from sale	446.63	267.37	179.26	67.05%
Revenue from sale of electricity and adder	562.37	947.01	(384.64)	(40.62%)
Revenue from construction and rendering services	518.04	436.07	81.97	18.80%
Revenue from sale of assets under finance lease	333.63	344.14	(10.51)	(3.05%)
Profit on net foreign exchange	10.94	(8.80)	19.74	224.32%
Other revenue	41.45	8.81	32.64	370.49%
<b>Total revenue</b>	<b>1,913.06</b>	<b>1,994.60</b>	<b>(81.54)</b>	<b>(4.09%)</b>
Cost of sales and services	1,299.59	1,324.77	(25.18)	(1.90%)
Selling and administrative expenses	240.72	210.55	30.17	14.33%
Loss on change in fair value of derivatives	69.06	(294.36)	363.42	123.46%
<b>Total expenses</b>	<b>1,609.37</b>	<b>1,240.96</b>	<b>368.41</b>	<b>29.69%</b>
Share of profits from investments in associates and joint ventures	345.04	67.59	277.45	410.49%
Finance costs	159.89	244.31	(84.42)	(34.55%)
Expenses (income) income tax	34.34	71.89	(37.55)	(52.23%)
<b>Profit for the period</b>	<b>454.50</b>	<b>505.02</b>	<b>(50.52)</b>	<b>(10.00%)</b>
Net profit of the parent company	455.80	503.35	(47.55)	(9.45%)
Basic earnings per share (baht per share)	0.05	0.06	(0.01)	(16.67%)

▪ **Net Profit**

The Company's overall operating result for the period ended 31<sup>st</sup> March 2023 had a profit based on profit sharing (loss) attributable to the Company, showing **a net profit of 455.80 million baht**, compared to the same period of previous year at 503.35 million baht, a decrease of 47.55 million baht

or 9.45%. The net profit incurred for the period ended 31<sup>st</sup> March 2023 had changed from the previous year according to the details as follows:

▪ **Revenue From Power Generation and Distribution Section**

Revenue from sale of electricity and adder in the purchase price of electricity for the period ended 31<sup>st</sup> March 2023 in the consolidated financial statements presented at the amount of 562.37 million baht, compared to the same period of the previous year at 947.01 million baht, a decrease of 384.64 million baht, or 40.62%, with a detail as below;

Table showing income by type of electricity from energy

Item	2023	2022	Change	
	Million Baht	Million Baht	Million Baht	Million Baht
Revenue from sales of solar power	562.37	584.81	(22.44)	(3.84%)
- Domestic	237.00	229.07	7.93	3.46%
- Abroad	325.37	355.74	(30.37)	(8.54%)
Revenue from sales of wind power	0.00	362.20	(362.20)	(100.00%)

Due to the change of interest in a subsidiary to become a joint venture of the wind power project on 27<sup>th</sup> July 2022, the Company has divided the shareholding proportion of 50% of the ordinary shares in the wind project group, and has changed the method of recognizing revenue from recognition in the consolidated financial statements to the method of recognizing the proportion in the transaction of profit sharing in the proportion of 50% to GUNKUL and the other 50% in the joint venture to the Gulf Renewable Energy Co., Ltd. As a result, the Company did not record revenue from wind power sales for the period ended 31<sup>st</sup> March 2023 and recorded such revenue in the profit sharing of associates and joint ventures by using the equity method instead.

▪ **Loss on change in fair value of derivatives**

Loss on changes in fair value of derivatives for the period ended 31<sup>st</sup> March 2023 showed a loss of 69.06 million baht, compared to the same period of the previous year showing a profit of 294.36 million baht, an increase of loss of 363.42 million baht, representing an increase of 123.46%, which arises from the US dollar swap contracts from the past wind power projects and interest rate swap contracts from solar and wind power projects which began recording in accordance with the Accounting Standard No. 9 on Financial Instruments, effective from 1<sup>st</sup> January 2020 onwards.

However, due to the change of interest in a subsidiary to a joint venture of the wind power project on 27<sup>th</sup> July 2022, the Company has divided the shareholding proportion of 50% in the wind project group and changed the method of recognition of revenues and expenses from recognition in the consolidated financial statements to the method of proportion recognition in the transaction of profit sharing in the proportion 50% to GUNKUL and the other 50% in the joint venture to the Gulf Renewable Energy Co., Ltd. As a result, the Company did not record revenue from wind power sales for the period ended 31<sup>st</sup> March 2023 and recorded such revenue in the profit sharing of associates and joint ventures by using the equity method instead.

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

Share of profits from investments in associates and joint ventures for the period ended 31<sup>st</sup> March 2023 presented at the amount of 354.04 million baht, compared to the same period of the previous year at 67.59 million baht, an increase of 227.45 million baht, or 410.49%. Since the Company has changed the shareholding percentage of the subsidiaries in the wind power group in all 3 projects in the proportion of 50% and changed the accounting method from a subsidiary company to a joint

venture company. As a result, since 27<sup>th</sup> July 2022, there has been a significant increase in profits among subsidiaries in the group of 3 wind power projects. In the first quarter of 2023, the weather conditions resulted in relatively good wind power, causing all 3 wind power plants to produce electricity up to 91.64 million units, an increase of 33.72 million units from the same period of the previous year.

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 2023, not less than 15%, which is a continuous growth for more than 10 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