

No. GUNKUL_LT-OUT_67-0xx

14th March 2024

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

To : President,
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 2024 as follows:

▪ **Operating results for the period ended 31st March 2024 and 2023**

Important Financial Information	2024	2023	Change	
	Million Baht	Million Baht	Million Baht	%
Revenue from sale	571.03	446.63	124.40	27.85%
Revenue from sale of electricity and adder	567.11	562.37	4.74	0.84%
Revenue from construction and rendering services	1,328.66	518.04	810.62	156.48%
Revenue from sale of assets under finance lease	125.04	333.63	(208.59)	(62.52%)
Profit (Loss) from change in fair value of derivatives	44.84	(69.06)	113.90	164.93%
Other revenue	19.84	41.45	(21.61)	(52.14%)
Total revenue	2,656.52	1,833.06	823.46	44.92%
Cost of sales and services	1,863.60	1,299.59	564.01	43.40%
Selling and administrative expenses	266.70	240.72	25.98	10.79%
Loss (Profit) from net foreign exchange	62.50	(10.94)	73.44	671.30%
Total expenses	2,192.80	1,529.37	663.43	43.38%
Share of profits from investments in associates and joint ventures	97.68	345.04	(247.36)	(71.69%)
Finance costs	183.92	159.89	24.03	15.03%
Expenses (income) income tax	76.58	34.34	42.24	123.01%
Profit for the period	300.90	454.50	(153.60)	(33.80%)
Net profit of the parent company	299.56	455.80	(156.24)	(34.28%)
Basic earnings per share (baht per share)	0.03	0.05	(0.02)	(40.00%)

▪ **Total Revenue**

For the period ending 31st March 2024, the Company reported total revenue of 2,656.52 million baht. Compared to the same period last year, which had total revenue of 1,833.06 million baht, there was an increase of 823.46 million baht, or a percentage increase of 44.92. This increase was attributed to improved performance across various areas, including sales revenue, electricity sales revenue; as well as, significant increases in revenue from the construction and rendering services.

▪ **Revenue from Product Sales**

Revenue from sales, as shown in the consolidated financial statements for the period ending on 31st March 2024, amounted to 571.03 million baht. Compared to the corresponding period of the previous year, which recorded 446.63 million baht, this reflects an increase of 124.40 million baht, representing a percentage increase of 27.85. This rise is attributed to increased sales of electrical equipment such as SF6 Circuit Breakers, Surge Arresters, and various other devices to both public and private electricity entities.

▪ **Revenue from Construction and Rendering Services**

Revenue from construction and rendering services, as shown in the consolidated financial statements for the period ending on 31st March 2024, amounted to 1,328.66 million baht. Compared to the corresponding period of the previous year, which recorded 518.04 million baht, this reflects an increase of 810.62 million baht, representing a percentage increase of 156.48. This surge is attributed to the recognition of revenue from solar power plant construction projects provided to private sector clients.

▪ **Revenue from Sale of Assets under Finance Lease**

Revenue from sales of assets under finance lease agreements for the period ending on 31st March 2024, amounted to 125.04 million baht. Compared to the corresponding period of the previous year, which recorded 333.63 million baht, this reflects a decrease of 208.59 million baht, representing a percentage decrease of 62.52. This reduction stems from revenue generated from selling rooftop solar power to the private sector under long-term contracts spanning 10 to 15 years. Such revenue is classified as revenue from sales of assets under finance lease agreements due to adjustments mandated by the accounting standards (TFRS 16). The number of projects delivered as of 31st March 2024, amounted to 5.6 megawatts, a decrease from the same period in the previous year.

▪ **Profit from Change in Fair Value of Derivatives**

Profit from changes in fair value of derivatives for the period ending on 31st March 2024, amounted to 44.84 million baht. Compared to the corresponding period of the previous year, which incurred a loss of 69.06 million baht, this reflects a profit increase of 113.90 million baht, representing a percentage increase of 164.93. This increase stems from entering into Cross-Currency Swap agreements for wind energy projects and Interest Rate Swap agreements for solar and wind energy projects. These transactions are recorded in accordance with Financial Instruments Standard No. 9.

▪ **Other Revenue**

Other revenue for the period ending 31st March 2024, amounted to 19.84 million baht. Compared to the same period last year, which showed an amount of 41.45 million baht, there was a decrease of 21.61 million baht, representing a decrease of 52.14 percent. This decrease was mainly due to the sale of electricity from solar power projects on rooftops that have not yet been delivered to customers. However, revenue from electricity sales has been duly recorded.

▪ **Cost of Sale and Rendering of Services**

Costs from sales and rendering of services for the period ending 31st March 2024, amounted to 1,863.60 million baht. Compared to the same period last year, which showed an amount of 1,299.59 million baht, there was an increase of 564.01 million baht, representing an increase of 43.40 percent. Summarized by department as follows:

Important Financial Information	2024	2023	Change	
	Million Baht	Million Baht	Million Baht	%
Cost of sale	453.95	338.05	115.90	34.29%
Cost of sale of electricity	261.45	274.73	(13.28)	(4.83%)
Cost of construction and rendering services	1,029.07	391.73	637.34	162.70%
Cost of sale of assets under finance lease	119.13	295.08	(175.95)	(59.63%)

- 1) Cost of sale cost for the period ending 31st March 2024 increased by 115.90 million baht compared to the same period last year, representing a 34.29 percent increase, corresponding to the increased sales revenue.
- 2) Cost of construction and rendering services for the period ending 31st March 2024 increased by 637.34 million baht compared to the same period last year, representing a 162.70 percent increase, aligning with the increased revenue recognized from construction contracts undertaken and service rendered.
- 3) Cost of sale of assets under finance lease for the period ending 31st March 2024 decreased by 175.95 million baht compared to the same period last year, representing a 59.63 percent decrease, in line with the decrease in revenue from lease agreements.

▪ **Loss (Profit) from Net Foreign Exchange**

Loss (Profit) from net foreign exchange for the period ending 31st March 2024, indicates a loss of 62.50 million baht compared to a profit of 10.94 million baht for the same period last year, reflecting an increase in loss of 73.44 million baht or 671.30 percent increase. This represents unrealized losses resulting from currency translation in each reporting period. The primary cause stems from converting the currency values in the financial statements of loans payable of the solar energy power plant project in Vietnam, where loan agreements are denominated in US dollars. The Vietnamese currency depreciated significantly against the US dollar, increasing costs when translated from Vietnamese dong to US dollars.

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

Share of profits from investments in associates and joint ventures for the period ending 31st March 2024, amounts to 97.68 million baht, compared to 345.04 million baht for the same period last year, reflecting a decrease of 247.36 million baht or 71.69 percent. Details are as follows:

Important Financial Information	2024	2023	Change	
	Million Baht	Million Baht	Million Baht	%
Profit Share from Wind Power Projects	89.63	284.99	(195.36)	(68.55)
Profit Share from Other Joint Ventures	8.05	60.05	(52.00)	(86.59)

The profit share from the wind project has significantly decreased due to the El Niño phenomenon and the changing seasons, resulting in a substantial reduction in electricity generation capacity.

The profit share from other joint ventures has significantly decreased due to the reduced revenue from the solar power plant projects, as the electricity purchase price adder has expired according to the power purchase agreements.

Please be informed accordingly.

Sincerely yours,

(Dr. Somboon Aueatchasai)
Chief Executive Officer