

(“TRANSLATION”)

TG 060/65

May 10, 2022

Subject: Clarification of the Operating Result for the significant change  
 Attention: The President  
 The Stock Exchange of Thailand

Takuni Group Public Company Limited (“The Company”) and its subsidiaries (“The Group”) would like to clarify the change in operating result for the period ended 31 March 2022, which the performance has changed more than 20% from the last year as follows:

**Statement of Comprehensive Income**

*Unit: Million Baht*

	31 March 2022	31 March 2021	Increased (Decreased)	Percentage	Remark
<b><i>Sales and Services Income</i></b>	<b>924.53</b>	<b>599.11</b>	<b>25.42</b>	<b>54.32%</b>	
- LPG Trading	104.28	107.45	(3.17)	(2.95%)	1
- Transportation	3.55	2.89	0.66	22.84%	2
- Conversion Kit Installation	0.37	0.41	(0.04)	(9.76%)	
- Construction	783.14	467.60	315.54	67.48%	3
- Testing and Inspection	33.19	20.76	12.43	59.87%	4
Cost of sales and services	(800.37)	(535.45)	264.92	49.48%	
<b><i>Gross Profit</i></b>	<b>124.16</b>	<b>63.65</b>	<b>60.51</b>	<b>95.07%</b>	8
Other income	6.13	5.75	0.38	6.61%	
<b><i>Profit before expenses</i></b>	<b>130.29</b>	<b>69.40</b>	<b>60.89</b>	<b>87.74%</b>	
Distribution costs	(1.28)	(1.03)	0.25	24.27%	5
Administrative expenses	(39.01)	(40.79)	(1.78)	(4.36%)	
Finance costs	(4.67)	(6.82)	(2.15)	(31.52%)	6
Share of profit (loss) of associates	(0.03)	0.24	0.27	(112.50%)	7
<b><i>Profit before income tax</i></b>	<b>85.30</b>	<b>21.00</b>	<b>64.30</b>	<b>306.19%</b>	
Income tax	(17.14)	(4.42)	12.72	287.78%	
<b><i>Profit for the period</i></b>	<b>68.16</b>	<b>16.58</b>	<b>51.58</b>	<b>311.10%</b>	8
Other comprehensive income:	-	1.40	(1.40)	(100.00%)	
<b><i>Total comprehensive income for the year, net of tax</i></b>	<b>68.16</b>	<b>17.98</b>	<b>50.18</b>	<b>279.09%</b>	
<b>Profit attributable to:</b>					
Owners of the parent	27.89	3.95	23.94	606.08%	
Non-controlling interests	40.27	12.63	27.64	218.84%	

1. LPG sales income decreased amounting to 3.17 Million Baht, accounting for 2.95%, because the decreased 0.50% in average selling price as well as decreased 2.40% in volume sold from the same period of last year, mainly decreased 21.40% in quantity sold to household sector due to the price war. However, LPG sold to Industrial sector increased 2.22% from the same period of 2021 because the loosen Covid-19 restrictions make increased in LPG usage in production process which in line with the increased in production plan.
2. Transportation service income slightly increased 0.66 Million Baht, or 22.84% from the prior year because the Group has expended LPG transportation service to third party as the Group has been terminated Ammonia transportation service since January 2021.
3. Construction service income for the first quarter of 2022 increased 315.54 Million Baht, accounting for 67.48% from the previous year because the increased in progress delivered for oil and gas construction service project awarded since the third quarter of 2021. Currently, the Group has backlog for construction service in oil and gas sector totaling of 3,880.51 Million Baht.
4. Testing and Inspection service income slightly increased 12.43 Million Baht, or 59.87%, compared to the same period of prior year as the increased in testing and inspection service income in eastern region, which represent of 76.02% of Testing and Inspection service income, from the same period of last year which was only 66.59% of Testing and Inspection service income.
5. Distribution costs slightly increased 0.25 Million Baht, accounting for 24.27% from the previous year because the increased in personnel expense of 0.13 Million Baht and promotion and advertising expense of 0.12 Million Baht.
6. Financial costs decreased 2.15 Million Baht, or 31.52%, compared to the same period of prior year as interest expense from lease liabilities decreased 0.35 Million Baht and interest form loan from financial institutions decreased 1.80 Million Baht compared to the last year.
7. Loss sharing of associates accounted for using equity method amounting of 0.03 Million Baht as follow;
  - Sales and installation of tools and machinery, hold 47.50% of paid-up capital, share of profit amounting of 0.12 Million Baht
  - Repair and maintenance of tools and machinery, hold 47.50% of paid-up capital, share of profit amounting of 0.02 Million Baht
  - Property development, hold 30% of paid-up capital, share of loss amounting of 0.01 Million Baht
  - Cannabis business, hold 50% of paid-up capital, share of loss amounting of 0.16 Million Baht
8. Gross Profit Margin for the first quarter of 2022 was 13.43% slightly increased from 10.62% of last year Gross Profit Margin, because new awarded construction service projects which signed contract in Q3'21 have higher profit margins than previous projects. This also made Net Profit Margin increased from 2.77% to be 7.37% for the first quarter of 2022.

## Statement of Financial Position

Unit: Million Baht

	31 March 2022	31 December 2021	Increased (Decreased)	Percentage
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	256.95	525.83	(268.88)	(51.13%)
Trade and other receivables	593.90	400.29	193.61	48.37%
Unbilled receivables	590.36	634.78	(44.42)	(7.00%)
Short-term loans to related parties	-	47.32	(47.32)	(100.00%)
Inventories	62.55	70.17	(7.62)	(10.86%)
Other current assets	14.06	11.09	2.97	26.78%
<b>Total current assets</b>	<b>1,517.82</b>	<b>1,689.48</b>	<b>(171.66)</b>	<b>(10.16%)</b>
<b>Non-current assets</b>				
Pledged and restricted bank deposits	27.29	27.29	-	0.00%
Investments in subsidiaries	7.22	4.26	2.96	69.48%
Long-term loans to related parties	107.44	13.38	94.06	100.00%
Investment properties	3.71	3.82	(0.11)	(2.88%)
Property, plant and equipment	704.13	710.71	(6.58)	(0.93%)
Goodwill	19.38	19.38	-	0.00%
Intangible assets	13.84	14.44	(0.60)	(4.16%)
Receivable from sale of land	76.24	76.24	-	100.00%
Retention receivables	116.57	97.15	19.42	19.99%
Withholding tax receivable	60.36	51.48	8.88	17.25%
Deferred income tax assets	5.96	5.75	0.21	3.65%
Other non-current assets	9.29	8.94	0.35	3.91%
<b>Total non-current assets</b>	<b>1,151.44</b>	<b>1,032.84</b>	<b>118.60</b>	<b>11.48%</b>
<b>Total assets</b>	<b>2,669.26</b>	<b>2,722.32</b>	<b>(53.06)</b>	<b>(1.95%)</b>

Unit: Million Baht

	31 March 2022	31 December 2021	Increased (Decreased)	Percentage
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Over draft and short-term bank borrowings	187.72	373.50	(185.78)	(49.74%)
Trade and other payables	440.14	400.53	39.61	9.89%
Contract Liabilities	318.52	290.14	28.38	9.78%
Short-term loans from related person	20.00	20.00	-	100.00%
Current portion of long-term bank borrowings	38.48	38.64	(0.16)	(0.41%)
Current portion of finance lease liabilities	34.34	36.31	(1.97)	(5.43%)
Current income tax payable	2.03	1.25	0.78	62.40%
Other current liabilities	55.88	47.76	8.12	17.00%
<b>Total current liabilities</b>	<b>1,097.11</b>	<b>1,208.14</b>	<b>(111.03)</b>	<b>(9.19%)</b>
<b>Non-current liabilities</b>				
Long-term bank borrowings	77.44	87.66	(10.22)	(11.66%)
Finance lease liabilities	33.47	40.58	(7.11)	(17.52%)
Deferred income	14.24	14.24	-	100.00%
Employee benefit obligations	11.50	11.08	0.42	3.79%
Other non-current liabilities	19.16	12.44	6.72	54.02%
<b>Total non-current liabilities</b>	<b>155.80</b>	<b>166.00</b>	<b>(10.20)</b>	<b>(6.14%)</b>
<b>Total liabilities</b>	<b>1,252.91</b>	<b>1,374.14</b>	<b>(121.23)</b>	<b>(8.82%)</b>
<b>Shareholders' equity</b>				
Issued and paid-up	400.00	400.00	-	0.00%
Premium on paid-up capital	305.53	305.53	-	0.00%
Share surplus from business combination under common control	20.64	20.64	-	0.00%
Retained earnings	146.41	118.51	27.90	23.54%
Other component of equity	81.85	81.85	-	0.00%
Total parent's equity	954.43	926.53	27.90	3.01%
Non-controlling interests	461.92	421.65	40.27	9.55%
<b>Total shareholders' equity</b>	<b>1,416.35</b>	<b>1,348.18</b>	<b>68.17</b>	<b>5.06%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,669.26</b>	<b>2,722.32</b>	<b>(53.06)</b>	<b>(1.95%)</b>

The Group's total asset as at 31 March 2022 was 2,669.26 Million Baht, slightly decreased 53.06 Million Baht, or 1.95%, from 31 December 2021 which was 2,722.32 Million Baht because of the following;

- Cash and cash equivalents decreased 268.88 Million Baht, as the Group has payment of loan to financial institutions and lease liabilities during the period totaling of 206.25 Million Baht, loan to associate companies of 46.83 Million Baht, payment for tools and equipment purchased amounting of 10.52 Million Baht to support the business expansion, especially in oil and gas construction business.
- Contract assets from Construction service decreased 44.42 Million Baht due to invoice to customer for construction service during the period.
- Inventory decreased 7.62 Million Baht mainly come from using material of 14.14 Million Baht for construction project. However, LPG stock increased 6.04 Million Baht as LPG reserve has increased form 1% of volume sold to be 2% of volume sold according to the notification of the Department of Energy Business which effective since 1 January 2022.
- Property, plant and equipment decreased 6.58 Million Baht as depreciation expense as well as disposals during the period of 23.69 Million Baht. However, the Group has purchased of tools and equipment amounting of 17.11 Million Baht to support the business expansion, especially in oil and gas construction business.
- Trade and other receivable increased 193.61 Million Baht from the last year, as Trade receivable increased 195.83 Million Baht due to billing to customer for construction service but not yet due on payment. Moreover, other accrued income (consultant fee, utility fee) increased 0.58 Million Baht, However, prepaid expense and advance to subcontract for oil and gas construction decreased 3.16 Million Baht.
- Investment in associates increased because new investment during the period as 30% of paid-up capital in Enrich Property Co., Ltd. for property development business.
- Long-term loans to related parties increased 94.06 Million Baht due to loan to associated companies for property development business as well as reclassification of short-term loans as at 31 December 2021 amounting to 47.32 Million Baht to be long-term loan.
- Retention receivable increased 19.42 Million Baht as retention deducted from construction service receivable during the period.
- Withholding tax deducted at source increased amounting of 8.88 Million Baht as payment received from Trade receivable during the period.

The Group's total liabilities as at 31 March 2022 was 1,252.91 Million Baht decreased 121.23 Million Baht, accounting for 8.82%, from 31 December 2021 was 1,374.13 Million Baht because of the following;

- Borrowings from financial institutions decreased 196.16 Million Baht due to the repayment during the period.
- Trade Payable increased 39.61 Million Bath due to the payable of goods and service as well as subcontract cost.
- Contract liabilities increased 28.38 Million Baht due to the increased in construction income received in advance and advances received from construction contracts of awarded project since the third quarter of 2021.
- Other non-current liabilities increased 6.72 Million Baht due to retention deducted from suppliers for oil and gas construction service payments.

The Group's shareholders' equity attribute to the parent company as at 31 March 2022 was 954.43 Million Baht increased 27.90 Million Baht from 31 December 2021 was 926.53 Million Baht because total comprehensive income during the period.

As at 31 March 2022, the Group's Current ratio was 1.38 times which mean the company's liquidity to payment on short-term liability was still high. While Debt to Equity ratio and Interest Bearing Debt to Equity ratio were 1.31 times and 0.41 times, slightly decreased from 31 December which were 1.48 times and 0.64 times, consequently, which is low risk on financial leverage.

Moreover, during April 2022, the Company has signed share purchase agreement of Enrich Venture Co., Ltd. (property development business) by purchased 20% of paid-up capital. Currently, Enrich Venture is under restructured shareholding process. The acquisition of Enrich Venture expected to be completed in May 2022.

Please be informed accordingly,

Yours sincerely,

Ms. Nita Treeweeranuwat

Chief Executive Office/ President