

(“TRANSLATION”)

TG 020/66

February 27, 2023

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 December 2022, which the performance has changed more than 20% from the last year as follows:

Statement of Comprehensive Income

Unit: Million Baht

	31 December 2022	31 December 2021	Increased (Decreased)	Percentage	Remark
Sales and Services Income	3,824.27	2,729.21	1,095.06	40.12%	
- LPG Trading	541.34	409.90	131.44	32.07%	1
- Transportation	18.39	12.83	5.56	43.34%	2
- Conversion Kit Installation	2.53	1.51	1.02	67.55%	3
- Construction	3139.50	2197.58	941.92	42.86%	4
- Testing and Inspection	108.26	107.39	0.87	0.81%	
- Security Guard Service	14.25	0.00	14.25	100.00%	5
Cost of sales and services	(3,396.70)	(2,373.85)	1,022.85	43.09%	
Gross Profit	427.57	355.36	72.21	20.32%	10
Other income	106.19	30.81	75.38	244.66%	6
Distribution costs	(4.81)	(4.39)	0.42	9.57%	
Administrative expenses	(181.54)	(164.93)	16.61	10.07%	7
Operating Profit	347.41	216.85	130.56	60.21%	
Finance costs	(15.05)	(25.08)	(10.03)	-39.99%	8
Share of profit (loss) of associates	(5.23)	1.81	(7.04)	-388.95%	9
Profit before income tax	327.13	193.58	133.55	68.99%	
Income tax	(67.94)	(42.40)	25.54	60.24%	
Net Profit for the period	259.18	151.18	108.00	71.44%	10
Other comprehensive income:	3.91	1.40	2.51	179.29%	
Total comprehensive income for the year, net of tax	263.10	152.58	110.52	72.43%	
Profit attributable to:					
Owners of the parent	130.93	63.66	67.27	105.67%	
Non-controlling interests	132.17	88.92	43.25	48.64%	

1. LPG sales income increased amounting to 131.44 Million Baht, accounting for 32.07%, compared to the previous year because the increased 19.48% in average selling price as the board of National Energy Policy office has adjusted LPG selling price since the beginning of April 2022. Moreover, the overall LPG quantity sold has increased 10.65% compared to the last year, as transportation sector increased 13.24%, household sector increased 3.82% and industrial sector increased 9.70% not only because of the fluctuation and high oil price, but also the alleviation of COVID-19 restrictions, result in the increased in overall demand of LPG as fuel usage.
2. Transportation service income slightly increased 5.56 Million Baht, or 43.34% 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. Conversion Kit Installation income slightly increased 1.02 Million Baht, accounting for 67.55% from the prior year, because of the fluctuation and high oil price. As a result, demands for LPG installation has been increased.
4. Construction service income for the year 2022 dramatically increased 941.92 Million Baht, accounting for 42.86% from the previous year because the increased in progress delivered, as the middle stage of the construction contract, for oil and gas construction service project awarded since 2021. Currently, the Group has backlog for construction service in oil and gas sector totaling of 2,430.83 Million Baht.
5. Security Guard service income increased 14.25 Million Baht as the Group has invested 51.00% in a subsidiary -outsourcing service for security guard, maid, and administrative staff- since December 2022.
6. Other income sharply increased from the previous year amounting of 75.38 Million Baht, or 244.66%, because
 - Increased in gain on asset disposal 76.56 Million Baht as the Group has disposed land with building and structure to the connected person which was approved by the Extraordinary General Meeting of Shareholders no. 1/2566 in December 2023, resulted in gain on sales of asset of 83.01 Million Baht; however, in 2021, the Group has gain on unused construction machine equipment and other assets of 6.45 Million Baht. Moreover, in 2022, there was increased in interest from land receivable and loan to related parties amounting of 2.75 Million Baht as well as income from consultant fee, bad debt recoveries, and miscellaneous income amounting of 4.46 Million Baht.
 - During 2022, the Group has decreased in training service income, sale of scrap, and utility income totaling of 3.09 Million Baht, decreased in gain on exchange rate and interest income from financial institutions of 0.68 Million Baht. Also, in 2021, the Group has got COVID-19 support from Social Security Office totaling of 3.96 Million Baht.
7. Administrative expense increased 16.61 Million Baht, or 10.07% compared to the prior year because
 - Increased in personnel expense of 5.53 Million Baht, taxes and fees 9.34 Million Baht – mainly from special business tax and fees from land and building sold to the connected person, allowance for bad debt expense 7.38 Million Baht, as well

as depreciation expense, office supplies, and miscellaneous expense 3.16 Million Baht.

- Decreased in bad debt expense 4.70 Million Baht, penalty and non-deductible expense 2.40 Million Baht, and loss on exchange rate 2.57 Million Baht.
8. Financial costs decreased 10.03 Million Baht, or 39.99%, compared to the prior year as interest expense from lease liabilities decreased 0.16 Million Baht and the repayment of loan from financial institutions during the year made decreased in interest expense of 9.87 Million Baht from the last year.
9. Loss sharing of associates accounted for using equity method amounting of 5.23 Million Baht as follow;
- Property development, hold 20% of paid-up capital, share of loss amounting of 7.04 Million Baht
 - Property development, hold 30% of paid-up capital, share of loss amounting of 0.61 Million Baht
 - Food Delivery, hold 5.88% of paid-up capital, share of loss amounting of 0.47 Million Baht
 - Repair and maintenance of tools and machinery, hold 47.50% of paid-up capital, share of loss amounting of 0.18 Million Baht
 - Property development, hold 40% of paid-up capital, share of profits amounting of 1.70 Million Baht
 - Sales and installation of tools and machinery, hold 47.50% of paid-up capital, share of profit amounting of 1.38 Million Baht
10. Gross Profit Margin for the year 2022 was 11.18%, slightly decreased from the last year which was 13.20%, because the update budget cost for oil and gas construction to be as current cost. However, Net Profit Margin of 2022 was 6.78% slightly increased compared to 2021 which was 5.54% because gain on sale of land and building to the connected person.

Statement of Financial Position

Unit: Million Baht

	31 December 2022	31 December 2021	Increased (Decreased)	Percentage
Assets				
Current assets				
Cash and cash equivalents	180.32	525.83	(345.51)	(65.71%)
Trade and other current receivables	585.89	400.29	185.60	46.37%
Contract assets	633.81	634.78	(0.97)	(0.15%)
Short-term loans to related parties	81.93	47.32	34.61	73.14%
Short-term loans to third parties	42.28	-	42.28	100.00%
Inventories	80.81	70.17	10.64	15.16%
Withholding tax deducted at source	36.44	-	36.44	100.00%
Indemnification asset	14.08	-	14.08	100.00%

Other current assets	8.41	11.10	(2.69)	(24.23%)
Total current assets	1,663.98	1,689.48	(25.50)	(1.51%)

Unit: Million Baht

	31 December 2022	31 December 2021	Increased (Decreased)	Percentage
Non-current assets				
Restricted deposits at financial institutions	20.03	27.29	(7.26)	(26.60%)
Investments in subsidiaries	54.57	4.26	50.31	1180.99%
Long-term loans to related parties	222.69	13.38	209.31	1564.35%
Investment properties	-	3.82	(3.82)	(100%)
Property, plant and equipment	666.96	710.71	(43.75)	(6.16%)
Goodwill	19.38	19.38	-	0.00%
An excess of purchase consideration transferred over the fair values of identifiable net assets received	172.68	-	172.68	100.00%
Intangible assets	14.28	14.44	(0.16)	(1.11%)
Receivable from sale of land	-	76.24	(76.24)	(100.00%)
Retention receivables	220.51	97.15	123.36	126.98%
Withholding tax deducted at source	73.87	51.48	22.39	43.49%
Deferred tax assets	7.78	5.75	2.03	35.30%
Other non-current assets	42.62	8.94	33.68	376.73%
Total non-current assets	1,515.38	1,032.84	482.54	46.72%
Total assets	3,179.36	2,722.32	457.04	16.79%
Liabilities and shareholders' equity				
Current liabilities				
Overdraft	4.96	-	4.96	100.00%
Short-term borrowings from financial institutions	175.30	373.50	(198.20)	(53.07%)
Trade and other current payables	433.82	400.53	33.29	8.31%
Payable for acquisition of subsidiaries	89.00	-	89.00	100.00%
Contract Liabilities	529.41	290.14	239.27	82.47%
Short-term borrowings from other party	73.14	20.00	53.14	265.70%
Current portion of long-term bank borrowings from financial institutions	79.84	38.64	41.20	106.63%
Current portion of lease liabilities	28.22	36.31	(8.09)	(22.28%)
Income tax payable	15.70	1.25	14.45	1156.0%
Other current liabilities	63.12	47.76	15.36	32.16%
Total current liabilities	1,492.52	1,208.14	284.38	23.54%
Non-current liabilities				

Long-term borrowings from financial institutions	23.10	87.66	(64.56)	(73.65%)
Lease liabilities	22.24	40.58	(18.34)	(45.19%)
Deferred income	12.54	14.24	(1.70)	(11.91%)

Unit: Million Baht

	31 December 2022	31 December 2021	Increased (Decreased)	Percentage
Non-current provisions for employee benefits	8.19	11.08	(2.89)	(26.08%)
Other non-current liabilities	28.70	12.44	16.26	130.71%
Total non-current liabilities	94.77	166.00	(71.23)	(42.91%)
Total liabilities	1,587.29	1,374.14	213.15	15.51%
Shareholders' equity				
Issued and paid-up share capital	400.00	400.00	-	0.00%
Share premium on ordinary shares	305.53	305.53	-	0.00%
Share surplus from business combination under common control	20.64	20.64	-	0.00%
Retained earnings	229.44	118.51	110.93	93.60%
Other component of equity	81.85	81.85	-	0.00%
Total parent's equity	1,037.46	926.53	110.93	11.97%
Non-controlling interests	554.61	421.65	132.96	31.53%
Total shareholders' equity	1,592.07	1,348.18	243.89	18.09%
Total liabilities and shareholders' equity	3,179.36	2,722.32	457.04	16.79%

The Group's total asset as at 31 December 2022 was 3,179.36 Million Baht, increased 457.04 Million Baht, or 16.79%, from 31 December 2021 which was 2,722.32 Million Baht because of the following;

- Trade and other receivable increased 185.60 Million Baht from the last year, as Trade receivable increased 189.85 Million Baht due to billing to customer for oil and gas construction service but not yet due on payment. Also, accrued income for consulting service increased 1.74 Million Baht. However, prepaid expense and advance to subcontract for oil and gas construction decreased 5.60 Million Baht.
- Inventory increased 10.64 Million Baht mainly come from purchase material of 6.96 Million Baht for construction project. Moreover, LPG stock increased 10.32 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. However, the Group recognized allowance for NRV for 20-seat minibus of 6.52 Million Baht during the year.
- Indemnification Asset increased 14.08 Million Baht as the guarantee for liability of security guard service business from the previous shareholders.

- Investment in associated companies increased 50.31 Million Baht as acquisition and disposal during the year as follow;
 - o Invested 30% of paid-up capital in Enrich Property Co., Ltd. and 20% of paid-up capital in Enrich Venture Co., Ltd. for property development business
 - o Invested 5.88% of paid-up capital in Food Orderly Co., Ltd. for food delivery business
 - o Disposal all investment in Watchaphuch Thai Co., Ltd. which was cannabis business.
- Loan to related parties increased 243.92 Million Baht as loan to associated companies for property development business amounting of 217.10 Million Baht, electronic motorbike business amounting of 11.81 Million Baht, and food delivery business amounting of 15.00 Million Baht.
- An excess of purchase consideration transferred over the fair values of identifiable net assets received amounting to 172.68 Million Baht from the excess of payment purchase for security guard service shares than fair value of its net asset. However, it was under the process of purchase price allocation valuation for intangible asset and goodwill recorded in the consolidated financial statements.
- Retention receivable increased 123.36 Million Baht as retention deducted from construction service receivable during the period.
- Withholding tax deducted at source increased amounting of 58.83 Million Baht as payment received from Trade receivable during the period.
- Other non-current assets increased 33.68 Million Baht as the security deposit for security guard, maid, and administrative staff service business.
- Cash and cash equivalents decreased 345.51 Million Baht, as the Group has payment of loan to financial institutions and lease liabilities during the period totaling of 277.34 Million Baht, payment for dividend of 49.79 Million Baht, invested in subsidiaries and associate companies of 167.13 Million Baht, net loan to related parties of 244.00 Million Baht, and payment for tools and equipment purchased amounting of 63.29 Million Baht to support the business expansion, especially in oil and gas construction business. However, the Group has received cash from land receivable of 76.24 Million Baht, sales of land and building of 121.02 Million Baht, and increased in construction income received in advance from oil and gas construction service of 239.27 Million Baht.
- Property, plant and equipment decreased 43.75 Million Baht as sales of land and building to the connected person of 32.94 Million Baht, depreciation expense during the period of 98.48 Million Baht. However, the Group has purchased of tools and equipment amounting of 66.20 Million Baht to support the business expansion, especially in oil and gas construction business and has got fixed asset from the purchase of security guard service business of 21.48 Million Baht.
- Receivable from sale of land decreased 76.24 Million Baht as the Group already received payment during the year.

The Group's total liabilities as at 31 December 2022 was 1,587.29 Million Baht increased 213.15 Million Baht, accounting for 15.51%, from 31 December 2021 which was 1,374.14 Million Baht because of the following;

- Trade Payable increased 32.78 Million Bath due to the payable of goods and service as well as subcontract cost.
- Payable for acquisition of subsidiaries as payable for share purchase of the investment in subsidiary company of 89.00 Million Baht.
- Contract liabilities increased 239.27 Million Baht due to the increased in construction income received in advance and advances received from construction contracts of awarded project.
- Short-term loan from other party increased 64.55 Million Baht as loan of security guard service business.
- Other current liabilities increased 15.36 Million Baht as increased in withholding tax payable and VAT payable, as well as increased in corporate income tax payable amounting of 14.45 Million Baht.
- Other non-current liabilities (retention to suppliers) increased 16.26 Million Baht because retention from payment to oil and gas construction suppliers during the year.
- Borrowings from financial institutions decreased 208.01 Million Baht due to the repayment during the period.
- Lease liabilities decreased 26.43 Million Baht due to repayment of leasing during the year.

The Group's shareholders' equity attribute to the parent company as at 31 December 2022 was 1,037.46 Million Baht increased 110.93 Million Baht from 31 December 2021, which was 926.53 Million Baht because total comprehensive income during the period of 130.93 Million Baht and dividend payment amounting to 20.00 Million Baht in May 2022.

As at 31 December 2022, the Group's Current ratio was 1.11 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 1.53 times and 0.39 times, no significant changed from 31 December which were 1.48 times and 0.64 times, consequently, which is low risk on financial leverage.

Please be informed accordingly,

Yours sincerely,

Ms. Nita Treeweeranuwat
Chief Executive Office/ President