

(“TRANSLATION”)

TG 053/66

May 15, 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 March 2023, which the performance has changed more than 20% from the last year as follows:

Statement of Comprehensive Income

Unit: Million Baht

	31 March 2023	31 March 2022	Increased (Decreased)	Percentage	Remark
Sales and Services Income	1,127.31	924.53	202.78	21.93%	
- LPG Trading	156.19	104.28	51.91	49.78%	1
- Transportation	5.25	3.55	1.70	47.89%	2
- Conversion Kit Installation	0.55	0.37	0.18	48.65%	3
- Construction	878.60	783.14	95.46	12.19%	4
- Testing and Inspection	23.63	33.19	(9.56)	(28.80%)	5
- Human Resource Service	63.09	-	63.09	100.00%	6
Cost of sales and services	(1,012.86)	(800.37)	212.49	26.55%	
Gross Profit	114.45	124.16	(9.71)	(7.82%)	
Other income	8.88	6.13	2.75	44.86%	7
Profit before expenses	123.33	130.29	(6.96)	(5.34%)	
Distribution costs	(1.07)	(1.28)	(0.21)	(16.41%)	
Administrative expenses	(52.78)	(39.01)	13.77	35.30%	8
Finance costs	(4.17)	(4.67)	(0.50)	(10.71%)	
Share of profit (loss) of associates	(4.70)	(0.03)	(4.67)	(15566.67%)	9
Profit before income tax	62.57	85.30	(22.73)	(26.65%)	
Income tax	(16.26)	(17.14)	(0.88)	(5.13%)	
Profit for the period	46.30	68.16	(21.86)	(32.07%)	10
Total comprehensive income for the year, net of tax	46.30	68.16	(21.86)	(32.07%)	
Profit attributable to:					
Owners of the parent	10.48	27.89	(17.41)	(62.42%)	
Non-controlling interests	35.82	40.27	(4.45)	(11.05%)	

1. LPG sales income increased amounting to 51.91 Million Baht, accounting for 49.78%, compared to the previous year because the increased 37.25% 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 8.69% compared to the last year, Transportation sector Increased 13.34% and industrial sector increased 12.12% Due to oil price still high and result in the increased in overall demand of LPG as fuel usage.
2. Transportation service income slightly increased 1.70 Million Baht, or 47.89% because the Group has expended LPG transportation service to third party as the Group has been terminated Ammonia transportation service since 2021.
3. Conversion Kit Installation income slightly increased 0.18 Million Baht, accounting for 48.65% 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 first quarter of 2023 increased 95.46 Million Baht, accounting for 12.19% because the increased in progress delivered the construction contract for oil and gas project awarded since 2021. Currently, the Group has backlog for construction service in oil and gas sector totally 3,811.03 Million Baht.
5. Testing and Inspection service income decreased 9.56 Million Baht, or 28.80%, compared to the same period of last year prior as had NDT Project in Power Plant of Lignite.
6. Human Resource Service income increased 63.09 Million Baht as the Group has invested 51.00% in a subsidiary outsourcing service for security guard, maid, and administrative staff- since December 2022.
7. Other income increased from the previous year 2.75 Million Baht, or 44.86%, because
 - Increased in gain on asset disposal and sold Scrap of material total 1.66 Million Baht, and get the interest income 1.12 Million Baht Moreover in 2022, Bad debt recoveries and miscellaneous income decreased 3.01 Million Baht.
 - During 2022, the Group has adjusted discount from vehicle to other income 1.43 Million Baht and adjust interest income, accrued expenses 0.95 Million Baht. Also other income increased 0.66 Million Baht.
8. Administrative expense increased 11.81 Million Baht or 30.27% compared to the prior year because Increased in personnel expense 6.65 Million Baht, taxes and fees audit fee lost in exchange rate amount 2.77 Million Baht, Depreciation expense, office supplies, and miscellaneous expense increased 2.39 Million Baht.
9. Loss in sharing of associates accounted for using equity method amount 4.70 Million Baht as follow;
 - Property development (hold 20% of paid-up capital) amount 4.40 Million Baht
 - Property development (hold 30% of paid-up capital) amount 0.03 Million Baht
 - Food Delivery (hold 5.88% of paid-up capital) amount 0.17 Million Baht
 - Repair and maintenance of tools and machinery (hold 47.50% of paid-up capital) amount 0.58 Million Baht
 - Sales and installation of tools and machinery (hold 47.50% of paid-up capital) increased amount 0.48 Million Baht

10. Gross Profit Margin for the first quarter of 2023 was 10.15%, decreased from the last year which was 13.43%, because the update budget cost for oil and gas construction to be as current cost, This also made Net Profit Margin decreased from 7.37% to be 4.11% for the first quarter of 2023.

Statement of Financial Position

Unit: Million Baht

	31 March 2023	31 December 2021	Increased (Decreased)	Percentage
Assets				
Current assets				
Cash and cash equivalents	177.71	180.32	(2.61)	(1.45%)
Trade and other current receivables	556.29	585.89	(29.60)	(5.05%)
Contract assets	762.87	633.81	129.06	20.36%
Short-term loans to related parties	147.73	81.93	65.80	80.31%
Short-term loans to other parties	-	42.28	(42.28)	(100.00%)
Inventories	46.96	80.81	(33.85)	(41.89%)
Refundable withholding tax deducted at source	-	36.44	(36.44)	(100.00%)
Indemnification asset	14.08	14.08	-	0.00%
Non-current assets classified as held for sale	32.87	-	32.87	100.00%
Other current assets	12.13	8.41	3.72	44.23%
Total current assets	1,750.66	1,663.98	86.68	5.21%

Unit: Million Baht

	31 March 2023	31 December 2021	Increased (Decreased)	Percentage
Non-current assets				
Restricted deposits at financial institutions	26.25	20.03	6.22	31.05%
Investments in subsidiaries	49.87	54.57	(4.70)	(8.61%)
Long-term loans to related parties	207.79	222.69	(14.90)	(6.69%)
Property, plant and equipment	642.70	666.96	(24.26)	(3.64%)
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	-	0.00%
Intangible assets	13.83	14.28	(0.45)	(3.15%)
Retention receivables	131.54	220.51	(88.97)	(40.35%)
Withholding tax deducted at source	87.24	73.87	13.37	18.10%
Deferred tax assets	7.59	7.78	(0.19)	(2.44%)
Other non-current assets	39.85	42.62	(2.77)	(6.50%)
Total non-current assets	1,398.73	1,515.38	(116.65)	(7.70%)
Total assets	3,149.39	3,179.36	(29.97)	(0.94%)

Unit: Million Baht

	31 March 2023	31 December 2021	Increased (Decreased)	Percentage
Liabilities and shareholders' equity				
Current liabilities				
Short-term borrowings from financial institutions	216.84	180.26	36.58	20.29%
Trade and other current payables	477.76	433.82	43.94	10.13%
Payable for acquisition of subsidiaries	89.00	89.00	-	0.00%
Contract Liabilities	424.79	529.41	(104.62)	(19.76%)
Short-term borrowings from other party	14.52	73.14	(58.62)	(80.15%)
Current portion of long-term bank borrowings from financial institutions	78.20	79.84	(1.64)	(2.05%)
Current portion of lease liabilities	27.81	28.22	(0.41)	(1.45%)
Income tax payable	15.93	15.70	0.23	1.46%
Other current liabilities	66.94	63.12	3.82	6.05%
Total current liabilities	1,411.80	1,492.52	(80.72)	(5.41%)
Non-current liabilities				
Long-term borrowings from financial institutions	15.43	23.10	(7.67)	(33.20%)
Lease liabilities	32.78	22.24	10.54	47.39%
Deferred income	12.54	12.54	-	0.00%
Non-current provisions for employee benefits	8.79	8.19	0.60	7.33%
Other non-current liabilities	29.67	28.70	0.97	3.38%
Total non-current liabilities	99.21	94.77	4.44	4.69%
Total liabilities	1,511.01	1,587.29	(76.28)	(4.81%)

Unit: Million Baht

	31 March 2023	31 December 2021	Increased (Decreased)	Percentage
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	239.92	229.44	10.48	4.57%
Other component of equity	81.85	81.85	-	0.00%
Total parent's equity	1,047.94	1,037.46	10.48	1.01%
Non-controlling interests	590.44	554.62	35.82	6.46%
Total shareholders' equity	1,638.38	1,592.08	46.30	2.91%
Total liabilities and shareholders' equity	3,149.39	3,179.36	(29.97)	(0.94%)

The Group's total asset as at 31 March 2023 was 3,179.36 Million Baht, decreased 29.97 Million Baht, or 0.94%, from 31 December 2021 which was 3,179.36 Million Baht because of the following;

- Construction contract generate receivable increased 129.06 Million due to billing to customer for oil and gas construction service.
- Loan to related parties increased 65.80 Million Baht as loan to associated companies for property development business
- Short term loan to related person decrease 42.28 Million Baht.
- Financial lease liabilities increased 10.54 Million Baht due to the group hire-purchase agreements cars during the period.

Total Group shareholders' equity as at 31 March 2023 was 1,047.46 Million Baht increased 10.48 Million Baht from the previous year was 1,037.46 Million Baht.

As at 31 March 2023, the Group's Current ratio was 1.24 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 1.44 times and 0.37 times, no significant changed from Previous year which were 1.53 times and 0.39 times, consequently, which is low risk on financial leverage.

Please be informed accordingly,

Yours sincerely,



Mr. Somyos Tiranawatananun

Chief Executive Office/ President