

(“TRANSLATION”)

No: TG 109/66

Date: November 13, 2023

Subject: Explanation and analysis of financial position and performance of the third quarter ended on September 30<sup>th</sup>, 2023

Attention: The President of The Stock Exchange of Thailand

Takuni Group Public Company Limited (“The Company”) and its subsidiaries (“The Group”) would like to clarify performance of the third quarter ended on September 30<sup>th</sup>, 2023 as follows:

### Statement of Comprehensive Income

Unit: Million Baht

Items	3 Months				9 Months			
	30 Sep 2023	30 Sep 2022	Increased (Decreased)	%	30 Sep 2023	30 Sep 2022	Increased (Decreased)	%
<b>Sales and Services Income</b>	<b>873.12</b>	<b>942.60</b>	<b>(69.48)</b>	<b>-7.37</b>	<b>2,843.62</b>	<b>2,790.62</b>	<b>53.00</b>	<b>1.90</b>
o LPG Trading	2.94	150.73	(147.79)	-98.05	162.46	382.32	(219.86)	-57.51
o Transportation	5.15	5.12	0.03	0.59	19.42	12.47	6.95	55.73
o Conversion Kit Installation	0.47	0.84	(0.37)	-44.05	1.52	1.71	(0.19)	-11.11
o Construction	763.43	761.57	1.86	0.24	2,393.78	2,320.90	72.88	3.14
o Testing and Inspection	40.93	24.34	16.59	68.16	85.97	73.22	12.75	17.41
o Human Resource	60.20	-	60.20	100.00	180.47	-	180.47	100.00
<b>Cost of sale and services</b>	<b>(745.85)</b>	<b>(830.01)</b>	<b>(84.16)</b>	<b>-10.14</b>	<b>(2,504.57)</b>	<b>(2,443.83)</b>	<b>60.74</b>	<b>2.49</b>
<b>Gross Profit</b>	<b>127.27</b>	<b>112.59</b>	<b>14.68</b>	<b>13.04</b>	<b>339.05</b>	<b>346.79</b>	<b>(7.74)</b>	<b>-2.23</b>
Other income	11.57	6.28	5.30	84.44	34.44	17.93	16.51	92.08
<b>Profit before expenses</b>	<b>138.84</b>	<b>118.87</b>	<b>19.97</b>	<b>16.80</b>	<b>373.49</b>	<b>364.72</b>	<b>8.77</b>	<b>2.40</b>
Distribution costs	(1.09)	(1.09)		0.00	(3.27)	(3.50)	(0.23)	-6.57
Administrative expenses	(55.83)	(43.90)	11.92	27.15	(168.51)	(124.96)	43.55	34.85
Financial costs	(6.55)	(3.17)	3.38	106.79	(17.14)	(11.39)	5.75	50.48
Share of profit (loss) of associates accounted for using equity method	3.29	(3.14)	(6.43)	-204.68	2.21	(5.17)	(7.38)	-142.75
<b>Profit before income tax expense</b>	<b>78.66</b>	<b>67.57</b>	<b>11.09</b>	<b>16.41</b>	<b>186.78</b>	<b>219.70</b>	<b>(32.92)</b>	<b>-14.98</b>
Income tax benefit (expense)	(17.54)	(14.26)	3.28	22.97	(46.85)	(45.27)	1.58	3.49
<b>Profit for the period</b>	<b>61.12</b>	<b>53.31</b>	<b>7.81</b>	<b>14.65</b>	<b>139.93</b>	<b>174.43</b>	<b>(34.50)</b>	<b>-19.78</b>
Other comprehensive income	-	-	-	0.00	-	-	-	0.00
<b>Total comprehensive income for the period</b>	<b>61.12</b>	<b>53.31</b>	<b>7.81</b>	<b>14.65</b>	<b>139.93</b>	<b>174.43</b>	<b>(34.50)</b>	<b>-19.78</b>
<b>Profit attributable to:</b>								
Owners of the parent	26.02	20.01	6.02	30.09	39.57	64.84	(25.27)	-38.97
Non-controlling interests	35.10	33.30	1.79	5.37	100.36	109.59	(9.23)	-8.42

## Service Revenues

For the third quarter ended on September 30<sup>th</sup>, 2023, The Company's revenues from services were 873.12 million Baht, decreased by 69.48 million Baht or (7.37%) compared to those of 946.2 million Baht in the previous year. As for the period of nine months in 2023, The Company's revenues reached 2,843.62 million Baht, increased by 1.90% compared with the same period last year. This is due to its changes of business structure. In particular, the company recorded its subsidiary company's revenues from personnel business which were 180.47 million Baht. This business was invested by The Company in December 2022. In addition, revenues from construction, transportation, and testing and inspection businesses increased by 3.14%, 55.73%, and 17.41% respectively. These growths were driven by its aggressive marketing strategies. However, the gas-related businesses including sales of gas and conversion kit installation decreased significantly by 57.51% and 11.11% respectively. It is because of its strategic transformation.

## Gross Profit and The Company's Net Profit

Gross profit and net profit for the third quarter ended on September 30<sup>th</sup>, 2023, are reported as follows:

Profitability	Q3 2023		Q3 2022	
	Million Baht	%	Million Baht	%
Gross Profit	127.27	14.57	112.59	11.94
Profit attributable to Owners of the parent	26.02	2.98	20.01	2.12

The Company and its subsidiaries reported their gross profits of 127.27 million Bath for the third quarter of 2023. The gross margin ratio is 14.57%, which is better than that of 112.59 million Bath shown in the previous year. Once again, this is influenced by our business restructuring leading to cost reduction then.

The Company's net profit for the third quarter was 26.02 million Bath. The net profit margin is 2.98% that is slightly improved from last year. In other words, the third quarter of 2022 net profit was only 20.01 million Bath or net profit margin of 2.12%. Such improvements are driven considerably by its transportation, and testing and inspection businesses.

## Other income

Other income was increased from sold gas storage in Pathum Thani. We consider it as a non-recurring item.

## Expense

Key expenses, especially administrative expenses, increased 34.85% as a result of personnel business. The Company is aware that an increase in efficiency is urgently required. In the meantime, financial costs increased by 50.48%. The main reason for this change was the effects of restructuring that need new ways of financial resource allocations.

## Statement of Financial Position

Unit: Million Baht

Items	30 Sep 2023	30 Sep 2022	Increased (decreased)	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	86.41	180.32	(93.91)	(52.08)
Trade and other current receivables	758.32	585.89	172.43	29.43
Contract assets	921.98	633.81	288.17	45.47
Short-term loans to other parties and related parties	84.15	124.21	(40.06)	(32.25)
Inventories	39.65	80.81	(41.16)	(50.93)
Refundable withholding tax deducted at source	1.23	36.44	(35.21)	(96.62)
Indemnification asset	-	14.07	(14.07)	(100.00)
Other current assets	12.28	8.41	3.87	46.02
<b>Total current assets</b>	<b>1,904.02</b>	<b>1,663.98</b>	<b>240.04</b>	<b>14.43</b>
<b>Non-current assets</b>				
Cash pledged as collateral	20.72	20.03	0.69	3.44
Investment in associates	46.29	54.57	(8.28)	(15.17)
Long-term loans to related parties	260.09	222.69	37.40	16.79
Property, plant and equipment	632.45	666.96	(34.51)	(5.17)
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	13.69	14.28	(0.59)	(4.13)
Retention receivables	72.06	220.51	(148.45)	(67.32)
Withholding tax deducted at source	103.70	73.87	29.83	40.38
Deferred tax assets	6.85	7.78	(0.93)	(11.95)
Other non-current assets	46.23	42.62	3.61	8.47
<b>Total non-current assets</b>	<b>1,394.14</b>	<b>1,515.38</b>	<b>(121.24)</b>	<b>(8.00)</b>
<b>Total assets</b>	<b>3,298.16</b>	<b>3,179.36</b>	<b>118.80</b>	<b>3.74</b>

Items	30 Sep 2023	30 Sep 2022	Increased (decreased)	%
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts	8.92	4.96	3.96	79.84
Short-term borrowings from financial institutions	273.72	175.30	98.42	56.14
Trade and other current payables	371.56	433.82	(62.26)	(14.35)
Payable for acquisition of subsidiaries	65.00	89.00	(24.00)	(26.97)
Contract Liabilities	656.17	529.41	126.76	23.94
Short-term borrowings from other parties and related parties	8.99	73.14	(64.15)	(87.71)
Current portion of long-term borrowings from financial institutions	18.31	79.84	(61.54)	(77.08)
Current portion of lease liabilities	28.46	28.22	0.24	0.85
Income tax payable	0.18	15.70	(15.52)	(98.85)
Other current liabilities	74.93	63.12	11.81	18.71
<b>Total current liabilities</b>	<b>1,506.24</b>	<b>1,492.52</b>	<b>13.72</b>	<b>0.92</b>
<b>Non-current liabilities</b>				
Long-term borrowings from financial institutions	57.08	23.10	33.98	147.10
Lease liabilities	32.03	22.24	9.79	44.02
Deferred income	5.59	12.54	(6.95)	(55.42)
Non-current provisions for employee benefits	10.21	8.19	2.02	24.66
Other non-current liabilities	16.25	28.70	(12.45)	(43.38)
<b>Total non-current liabilities</b>	<b>121.16</b>	<b>94.77</b>	<b>26.39</b>	<b>27.85</b>
<b>Total liabilities</b>	<b>1,627.40</b>	<b>1,587.29</b>	<b>40.11</b>	<b>2.53</b>

## Asset

As of September 30<sup>th</sup>, 2023, total assets were slightly larger than those as of December 31<sup>st</sup>, 2022. The reasons are as follows:

- Cash and cash equivalents decreased due to dividend payments and uses of working capital management.
- Trade receivables and other receivables increased because of the fact that The Group delivered performance agreed upon construction contracts.
- Contract assets increased due to the recognition of revenue from oil and gas construction during the period according to the progression of work completed which will be collected in the next period.
- Short-term loans for related companies and other companies decreased as some portions of these loans were repaid.

- A decrease in inventories from LPG trading happened according to the change of gas trader under section 7 to section 10, effective from April 1<sup>st</sup>, 2023 onwards. The company is not necessary to reserve 2% of the sales according to the announcement of the Department of Energy Business.

- Retention receivables decreased from construction contracts.

## Liabilities

As of September 30<sup>th</sup>, 2023, total liabilities slightly increased compared to those as of December 31<sup>st</sup>, 2022. The reasons are as follows:

- Current liabilities slightly increased due to an expansion in its construction business.

- Contract liabilities increased as an expansion in construction business. These included unearned service revenues and advances.

- Trade and other current payables decreased because of LPG trading (unnecessary to reserve 2% of the sales) and payments for construction.

- Payables for acquisition of subsidiaries decreased from outstanding payment to existing shareholders of human resource business.

- Long-term loans from financial institutions increased as a result of the fact that the Group issued a new two-year promissory notes ended in May 2025.

Unit: Million Baht

Items	30 Sep 2023	30 Sep 2022	Increased (decreased)	%
<b>Equity</b>				
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	245.01	229.44	15.57	6.79
Other component of equity	81.85	81.85	-	0.00
<b>Equity attributable to owners of the parent</b>	<b>1,053.03</b>	<b>1,037.46</b>	<b>15.57</b>	<b>1.50</b>
Non-controlling interests	617.73	554.61	63.12	11.38
<b>Total equity</b>	<b>1,670.76</b>	<b>1,592.07</b>	<b>78.69</b>	<b>4.94</b>
<b>Total liabilities and equity</b>	<b>3,298.16</b>	<b>3,179.36</b>	<b>118.80</b>	<b>3.74</b>

## Equity

As of September 30<sup>th</sup>, 2023, total equities slightly increased from 1,037.46 million Baht to 1,053.3 million Baht or increased by 1.50%. The reasons are as follows:

- Comprehensive income for nine months was 39.57 million Baht.
- Dividend payment for 2022 at the rate of 0.03 Baht per share, total 24 million Baht. Dividend payment was paid on May 24<sup>th</sup>, 2023.

## Financial ratios

As of September 30<sup>th</sup>, 2023, the details are as follows:

- Current ratio is 1.26.
- Debt to Equity ratio is equal to 1.55.
- Interest Bearing Debt to Equity ratio is 0.15.

As mentioned above, The Group is able to pay short-term liabilities and has low financial risk.

Please be informed accordingly,

Yours sincerely,



Mr. Krittapong Orachaipunlap  
Chief Executive Office/ President