

**Explanation and analysis of financial position and performance
of the four quarter ended on December 31th, 2023
and year ended 2023**

Takuni Group Public Company Limited



(“TRANSLATION”)

No: 015/66

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Subject: Explanation and analysis of financial position and performance of the four quarter ended on December 31th, 2023 and year ended 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 inform about the performance of the fourth quarter and the full financial year ended on December 31st, 2023 as follows:

Statement of Comprehensive Income

Items	31 DEC 23 (3M.)	31 DEC 22 (3 M.)	Increased (Decreased)	%	31 DEC 23 (12 M.)	31 DEC 22 (12 M.)	Increased (Decreased)	%
Sales and Services Income	1,077.42	1,033.65	43.77	4.23%	3,921.04	3,824.27	96.77	2.53%
- LPG Trading	219.30	159.02	60.28	37.91%	381.76	541.34	(159.58)	-29.48%
- Transportation	9.35	5.92	3.43	57.94%	28.77	18.39	10.38	56.44%
- Conversion Kit Installation	0.80	0.82	(0.02)	-2.44%	2.32	2.53	(0.21)	-8.30%
- Construction	774.24	818.60	(44.36)	-5.42%	3,168.02	3,139.50	28.52	0.91%
- Testing and Inspection	35.12	35.04	0.08	0.23%	121.09	108.26	12.83	11.85%
- Human Resource	38.61	14.25	24.36	170.95%	219.08	14.25	204.83	1437.40%
Cost of sales and services	(961.64)	(952.88)	(8.76)	0.92%	(3,466.21)	(3,396.70)	(69.51)	2.05%
Gross Profit	115.78	80.77	35.01	43.35%	454.83	427.57	27.26	6.38%
Other income	92.76	88.26	4.50	5.10%	127.20	106.19	21.01	19.78%
Profit before expenses	208.54	169.03	39.51	23.37%	582.03	533.76	48.27	9.04%
Distribution costs	(15.85)	(1.31)	(14.54)	1109.92%	(19.12)	(4.81)	(14.31)	297.54%
Administrative expenses	(57.22)	(56.58)	(0.64)	1.13%	(225.73)	(181.54)	(44.19)	24.34%
Finance costs	(6.05)	(3.66)	(2.39)	65.30%	(23.19)	(15.05)	(8.14)	54.07%
Share of profit (loss) of associates accounted for using equity method	(6.36)	(0.06)	(6.30)	10414.94%	(4.15)	(5.23)	1.09	-20.83%
Profit before income tax expense	19.61	107.42	(87.81)	-81.74%	206.39	327.12	(120.73)	-36.91%
Income tax benefit (expense)	(13.94)	(22.67)	8.73	-38.51%	(60.79)	(67.94)	7.15	-10.52%
Profit for the period	5.67	84.75	(79.08)	-93.31%	145.60	259.18	(113.58)	-43.82%
Other comprehensive income	-	3.91	(3.91)	-100.00%	-	3.91	(3.91)	-100.00%
Total comprehensive income for the period	5.67	88.66	(82.99)	-93.60%	145.60	263.09	(117.49)	-44.66%
Profit attributable to:	-	-	-	0.00%	-	-	-	0.00%
Owners of the parent	(24.41)	66.08	(90.49)	-136.94%	15.16	127.81	(112.65)	-88.14%
Non-controlling interests	30.08	22.58	7.50	33.22%	130.44	135.28	(4.84)	-3.58%

Service Revenues

For the fourth quarter ended on December 31th, 2023, The Group' revenues from services were 1,077.42 million Baht, increased by 43.77 million Bath or 4.23%. This is better than the numbers of the previous period which were 3,921.04 million Baht, increased by 96.77 million Bath or 2.53%. This growth is due to the Group's proactive marketing strategies including Construction business's growth of 0.91%, Logistics business's growth of 56.44%, and safety testing business's growth of 11.85%. Nevertheless, businesses related to natural gas are declining which was a result of business restructuring.

Gross Profit and The Company's Net Profit

Gross profit and net profit for the year ended 2023, The Group' gross profit 454.83 million Baht, increased by 6.38% which is better than that of 427.57 million Baht increased by 6.38% compared with the same period last year.

The Company's net profit for the year ended 2023 was 132.26 million Bath. The net profit margin is 3.37 % that is improved from last year was 127.81 million Bath which is better than that of 4.45 million Baht increased by 3.48%. However, profit attributable to the owner of the parent company was 15.16. This is because of recognizing loss associated with loss of control in the subsidiary company.

Other incomes

Other incomes for the fourth quarter of 2023 were 92.76 million Bath, increased by 4.50 million or 5.10%. In the meantime, other incomes for the year ended December 31st, 2023 were 127.20 million Bath, increased by 21.01 or 19.78%. This is due to gains from land's fair value and sales of assets related to gas businesses.

Expense

Administration expenses for the fourth quarter were 57.22 million Bath, increased by 0.64 million Baht or 1.13%. At the same time, those of the full year were 225.73 million Baht, increased by 44.19 million Baht or 24.34%. This is due to an increase in consulting fees.

Statement of Financial Position

Unit: Million Baht

Items	31 Dec 23	31 Dec 22	Increased (Decreased)	%
Assets				
Current assets				
Cash and cash equivalents	187.49	180.32	7.17	3.98%
Trade and other current receivables	375.83	585.89	(210.06)	-35.85%
Contract assets	1,037.94	633.81	404.13	63.76%
Short-term loans to other parties and related parties	13.56	81.93	(68.37)	-83.45%
Inventories	39.44	80.81	(41.37)	-51.19%
Refundable withholding tax deducted at source	50.67	36.44	14.23	39.05%
Indemnification asset	-	14.08	(14.08)	-100.00%
Non-current assets classified as held for sale	-	-	-	0.00%
Other current assets	9.97	8.41	1.56	18.55%
Total current assets	1,738.77	1,663.98	74.79	4.49%
Non-current assets				
Cash pledged as collateral	16.17	20.03	(3.86)	-19.27%
Investments in associates	46.65	54.57	(7.92)	-14.51%
Long-term loans to related parties	241.77	222.69	19.08	8.57%
Investment properties	206.67	-	206.67	0.00%
Property, plant and equipment	614.82	666.96	(52.14)	-7.82%
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	12.64	14.28	(1.64)	-11.48%
Receivable from sale of land	-	-	-	0.00%
Retention receivables	102.69	220.51	(117.82)	-53.43%
Withholding tax deducted at source	70.74	73.87	(3.13)	-4.24%
Deferred tax assets	6.41	7.78	(1.37)	-17.61%
Other non-current assets	25.15	42.62	(17.47)	-40.99%
Total non-current assets	1,363.09	1,515.38	(152.29)	-10.05%
Total assets	3,101.86	3,179.36	(77.50)	-2.44%
Liabilities and equity				
Current liabilities				
Bank overdrafts	13.21	4.96	8.25	166.33%
Short-term borrowings from financial institutions	155.00	175.30	(20.30)	-11.58%
Trade and other current payables	341.86	433.82	(91.96)	-21.20%
Payable for acquisition of subsidiaries	-	89.00	(89.00)	-100.00%
Contract Liabilities	730.16	529.41	200.75	37.92%
Short-term borrowings from other parties and related parties	-	73.14	(73.14)	-100.00%
Short-term borrowings from related parties	-	-	-	0.00%
Current portion of long-term borrowings from financial institutions	8.62	79.84	(71.22)	-89.20%
Current portion of lease liabilities	34.15	28.22	5.93	21.01%
Income tax payable	0.47	15.70	(15.23)	-97.01%
Other current liabilities	53.96	63.12	(9.16)	-14.51%
Total current liabilities	1,337.43	1,492.52	(155.09)	-10.39%
Non-current liabilities				
Long-term borrowings from financial institutions	42.00	23.10	18.90	81.82%
Lease liabilities	43.13	22.24	20.89	93.93%
Deferred income	0.43	12.54	(12.11)	-96.57%
Non-current provisions for employee benefits	10.37	8.19	2.18	26.62%
Other non-current liabilities	12.65	28.70	(16.05)	-55.92%
Total non-current liabilities	108.58	94.77	13.81	14.57%
Total liabilities	1,446.01	1,587.29	(141.28)	-8.90%

Items	31 Dec 23	31 Dec 22	Increased (Decreased)	%
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	220.60	229.44	(8.84)	-3.85%
Other component of equity	81.85	81.85	-	0.00%
Equity attributable to owners of the parent	1,028.61	1,037.46	(8.85)	-0.85%
Non-controlling interests	627.24	554.62	72.62	13.09%
Total equity	1,655.85	1,592.08	63.77	4.01%
Total liabilities and equity	3,101.86	3,179.36	(77.50)	-2.44%

Asset

As of December 31st, 2023, total assets were slightly less than those as of December 31st, 2022. The reasons are as follows:

- Cash and cash equivalents increase by 7.17 million Baht.
- Trade receivables and other receivables decreased by 210.06 million Baht.
- 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.
- A decrease in inventories from LPG trading happened according to the change of gas trader under section 7 to section 10, effective from April 1st, 2023 onwards. The company is not necessary to reserve 2% of the sales according to the announcement of the Department of Energy Business.

Liabilities

As of December 31st, 2023, total liabilities decreased compared to those as of December 31st, 2022. The reasons are as follows:

- Current liabilities significantly decreased due to a restructuring of its construction business.
- Contract liabilities increased as an expansion in construction business. These included unearned service revenues and advances.
- Payables for acquisition of subsidiaries decreased.
- Long-term loans from financial institutions increased as a result of the fact that the Group issued a new two-year promissory notes.

Equity

As of December 31st, 2023, total equities slightly decreased from 1,037.46 million Baht to 1,028.61 million Baht or decreased by 0.85%. The reasons are as follows:

- Comprehensive income for the year was 15.16 million Baht.
- Dividend payment for 2022 at the rate of 0.03 Baht per share, total 58.80 million Baht. Dividend payment was paid on May 24th, 2023.

Please be informed accordingly,

Yours sincerely,



Mr. Krittapong Orachaipunlap
Chief Executive Office/ President