

**Explanation and analysis of financial position and performance
of the first quarter ended on March 31st, 2024**

Takuni Group Public Company Limited



(“TRANSLATION”)

No: 041/67

Date: May 14th, 2024

Subject: Explanation and analysis of financial position and performance of the first quarter ended on March 31st, 2024

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 first quarter ended on March 31st, 2024 as follows:

Statement of Comprehensive Income

Items	31 MAR 24 (3 M.)	31 MAR 23 (3 M.)	Increased (Decreased)	%
<i>Sales and Services Income</i>	<i>1,068.86</i>	<i>1,127.31</i>	<i>(58.45)</i>	<i>-5.18%</i>
- LPG Trading	81.34	156.19	(74.85)	-47.92%
- Transportation	8.79	5.25	3.54	67.43%
- Conversion Kit Installation	0.76	0.55	0.21	38.18%
- Construction	950.55	878.60	71.95	8.19%
- Testing and Inspection	27.42	23.63	3.79	16.04%
- Human Resource	-	63.09	(63.09)	-100.00%
<i>Cost of sales and services</i>	<i>(953.59)</i>	<i>(1,012.86)</i>	<i>(59.27)</i>	<i>5.85%</i>
<i>Gross Profit</i>	<i>115.27</i>	<i>114.45</i>	<i>0.82</i>	<i>0.72%</i>
Other income	7.82	8.88	(1.06)	-11.94%
<i>Profit before expenses</i>	<i>123.09</i>	<i>123.33</i>	<i>(0.24)</i>	<i>-0.19%</i>
Distribution costs	(1.57)	(1.07)	0.50	-46.73%
Administrative expenses	(54.63)	(50.82)	3.81	-7.50%
Finance costs	(5.84)	(4.17)	1.67	-40.05%
Share of profit (loss) of associates accounted for using equity method	(7.47)	(4.70)	(2.77)	58.94%
<i>Profit before income tax expense</i>	<i>53.59</i>	<i>62.57</i>	<i>(8.98)</i>	<i>-14.35%</i>
Income tax benefit (expense)	(14.69)	(16.26)	(1.57)	9.66%
<i>Profit for the period</i>	<i>38.90</i>	<i>46.31</i>	<i>(7.41)</i>	<i>-16.00%</i>
<i>Total comprehensive income for the period</i>	<i>38.90</i>	<i>46.31</i>	<i>(7.41)</i>	<i>-16.00%</i>
Profit attributable to:				
Owners of the parent	5.37	10.48	(5.11)	-48.76%
Non-controlling interests	33.53	35.83	(2.30)	-6.42%

Service Revenues

For the first quarter ended on March 31st, 2024, The Company's revenues from services were 1,068.86 million Baht, decreased by 58.45 million Bath or 5.18%. The decreases were due in part to reducing revenues from LPG trading of 74.85 million Baht; however, revenues from other businesses continued to grow. For example, transportation's revenue growth is 67.43%, conversion kit installation's revenue growth is 38.18%, testing and inspection's revenue growth is 16.04%, and construction's revenue growth is 8.19%. The Company nevertheless has been focusing on creating a new but challenging clean energy business and expects that it will be materializing shortly.

Gross Profit and The Company's Net Profit

The Group's gross profit was 115.27 million Baht or 10.78%, higher than the same period last year or 114.45 million Baht, equivalent to 10.15%. The Group's net profit was 38.90 million Baht. It was slightly lower than the same period last year. It was due primarily to low profitability of LPG trading business.

Other incomes

Other incomes for the first quarter of 2024 were 7.82 million Bath, decreased by 1.06 million or 11.94%. The main cause was decreases in interest income from loans to other parties.

Expense

Administration expenses for the first quarter were 56.20 million Bath, increased by 4.31 million Baht or 7.67%. This was driven by growth in personnel expenses.

Statement of Financial Position

Unit: Million Baht

Items	31 Mar 24	31 Dec 23	Increased (Decreased)	%
Assets				
Current assets				
Cash and cash equivalents	123.83	187.49	(63.66)	-33.95%
Trade and other current receivables	583.22	375.83	207.39	55.18%
Contract assets	1,215.00	1,037.94	177.06	17.06%
Short-term loans to other parties and related parties	18.50	13.56	4.94	36.43%
Inventories	43.99	39.44	4.55	11.54%
Refundable withholding tax deducted at source	36.19	50.67	(14.48)	-28.58%
Investments in equity security	9.37	9.37	-	0.00%
Other current assets	9.12	9.97	(0.85)	-8.53%
Total current assets	2,053.72	1,738.77	314.95	18.11%
Non-current assets				
Cash pledged as collateral	15.58	16.17	(0.59)	-3.65%
Investments in associates	40.39	46.65	(6.27)	-13.44%
Long-term loans to related parties	239.61	241.77	(2.16)	-0.89%
Investment properties	206.60	206.67	(0.07)	-0.03%
Property, plant and equipment	651.94	614.82	37.12	6.04%
Goodwill	19.38	19.38	-	0.00%
Intangible assets	13.11	12.64	0.47	3.72%
Retention receivables	121.34	102.69	18.65	18.16%
Withholding tax deducted at source	34.20	70.74	(36.54)	-51.65%
Deferred tax assets	6.77	6.41	0.36	5.62%
Other non-current assets	28.56	25.15	3.41	13.56%
Total non-current assets	1,377.48	1,363.09	14.39	1.06%
Total assets	3,431.20	3,101.86	329.34	10.62%

Items	31 Mar 24	31 Dec 23	Increased (Decreased)	%
Liabilities and equity				
Current liabilities				
Bank overdrafts	0.00	13.21	(13.21)	-100.00%
Short-term borrowings from financial institutions	213.62	155.00	58.62	37.82%
Trade and other current payables	446.16	341.86	104.30	30.51%
Contract Liabilities	781.13	730.16	50.97	6.98%
Current portion of long-term borrowings from financial institutions	65.00	8.62	56.38	654.06%
Current portion of lease liabilities	40.06	34.15	5.91	17.31%
Income tax payable	0.60	0.47	0.13	27.66%
Other current liabilities	53.16	53.96	(0.80)	-1.48%
Total current liabilities	1,599.73	1,337.43	262.30	19.61%
Non-current liabilities				
Long-term borrowings from financial institutions	42.00	42.00	-	0.00%
Lease liabilities	70.60	43.13	27.47	63.69%
Deferred income	1.41	0.43	0.98	227.91%
Deferred Tax Liabilities	0.09	-	0.09	0.00%
Non-current provisions for employee benefits	10.69	10.37	0.32	3.09%
Other non-current liabilities	11.93	12.65	(0.72)	-5.69%
Total non-current liabilities	136.72	108.58	28.14	25.92%
Total liabilities	1,736.45	1,446.01	290.44	20.09%
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	225.97	220.60	5.37	2.43%
Other component of equity	81.85	81.85	-	0.00%
Equity attributable to owners of the parent	1,033.99	1,028.61	5.38	0.52%
Non-controlling interests	660.77	627.24	33.53	5.35%
Total equity	1,694.75	1,655.85	38.90	2.35%
Total liabilities and equity	3,431.20	3,101.86	329.34	10.62%

Asset

As of March 31st, 2024, the Group had total assets of 3,431.20 million Baht, increased by 329.34 million, or 10.62%, compared to those of December 31st, 2023. The change of total assets was as follows.

- Trade receivables and other receivables were 583.22 million Baht, increased by 207.39 million Baht.
- Contract assets were 1,215.00 million Baht, increased by 177.06 million Baht. It was affected by The Group's accounting policy of percentage of completion.
- Inventories were 43.99 million Baht, increased by 4.55 million Baht. This increase stemmed from an operation of the electric vehicle business.
- Retention receivables were 121.34 million Baht, increased by 18.65 million Baht.

Liabilities

As of March 31st, 2024, The Company had total liabilities of 1,736.45 million Baht, increased by 290.44 million Baht, or 20.09% compared to those of December 31st, 2023. The reasons are as follows:

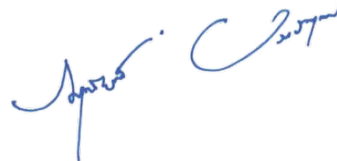
- Short-term loans used as working capital of 213.62 million Baht, increased by 58.62 million Baht.
- Contract liabilities were 781.13 million Baht. These were expansions in construction business and included unearned service revenues and advances.
- Trade and other current payables were 446.16 million Baht, increased by 104.30 million Baht. These were results of construction materials from suppliers and sub-contractors for projects on hand.
- Lease liabilities increased since The Group have rented cars during the year.

Equity

As of March 31st, 2024, total equities slightly increased from 1,655.85 million Baht to 1,694.75 million Baht or 2.35% compared to those of December 31st, 2023.

Please be informed accordingly,

Yours sincerely,



Mr. Krittapong Orachaipunlap

Chief Executive Office/ President