

**Explanation and analysis of financial position and performance  
of the Second quarter ended on June 30<sup>th</sup>, 2024**

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**Takuni Group Public Company Limited**



(“TRANSLATION”)

No: TG072/67

Date: August 14<sup>th</sup>, 2024

Subject: Explanation and analysis of financial position and performance of the Second quarter ended on June 30<sup>th</sup>, 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 Second quarter ended on June 30<sup>th</sup>, 2024, which changed in revenue and net profit compared with same period of last year as follows:

### Statement of Comprehensive Income

Unit: Million Baht

| Items (Million Baht)   | 30 Jun 24<br>(3 M.) | 30 Jun 23<br>(3 M.) | Increased<br>(Decreased) | %             | 30 Jun 24<br>(6 M.) | 30 Jun 23<br>(6 M.) | Increased<br>(Decreased) | %            |
|--|---------------------|---------------------|--------------------------|---------------|---------------------|---------------------|--------------------------|--------------|
| <b>Sales and Services Income</b>                                       | <b>1,103.83</b>     | <b>920.63</b>       | <b>183.21</b>            | <b>19.90%</b> | <b>2,172.70</b>     | <b>2,047.94</b>     | <b>124.76</b>            | <b>6.09%</b> |
| - LPG Trading  | 81.00               | 80.77               | 0.23                     | 0.28%         | 162.34              | 236.96              | (74.61)                  | -31.49%      |
| - Transportation   | 7.67                | 9.02                | (1.34)                   | -14.86%       | 16.47               | 14.27               | 2.20                     | 15.42%       |
| - Conversion Kit Installation  | 0.66                | 0.50                | 0.16                     | 32.24%        | 1.42                | 1.05                | 0.37                     | 35.36%       |
| - Construction   | 999.25              | 751.75              | 247.50                   | 32.92%        | 1,949.80            | 1,630.35            | 319.44                   | 19.59%       |
| - Testing and Inspection   | 15.25               | 21.41               | (6.16)                   | -28.77%       | 42.67               | 45.04               | (2.37)                   | -5.26%       |
| - Human Resource   | -                   | 57.18               | (57.18)                  | -100.00%      | -                   | 120.27              | (120.27)                 | -100.00%     |
| <b>Cost of sales and services</b>                                      | <b>(998.92)</b>     | <b>(823.31)</b>     | <b>(175.62)</b>          | <b>21.33%</b> | <b>(1,952.51)</b>   | <b>(1,836.17)</b>   | <b>(116.34)</b>          | <b>6.34%</b> |
| <b>Gross Profit</b>  | <b>104.91</b>       | <b>97.32</b>        | <b>7.59</b>              | <b>7.80%</b>  | <b>220.18</b>       | <b>211.77</b>       | <b>8.41</b>              | <b>3.97%</b> |
| Gain on reverse share of loss from investment                          | 14.76               | -                   | 14.76                    | 100.00%       | 14.76               | -                   | 14.76                    | 100.00%      |
| Other income   | 13.66               | 13.99               | (0.33)                   | -2.36%        | 21.48               | 22.87               | (1.39)                   | -6.08%       |
| <b>Profit before expenses</b>  | <b>133.32</b>       | <b>111.31</b>       | <b>22.01</b>             | <b>19.77%</b> | <b>241.66</b>       | <b>234.64</b>       | <b>7.02</b>              | <b>2.99%</b> |
| Distribution costs   | (1.51)              | (1.10)              | (0.41)                   | 37.14%        | (3.09)              | (2.17)              | (0.91)                   | 41.86%       |
| Administrative expenses  | (66.47)             | (61.85)             | (4.62)                   | 7.47%         | (121.10)            | (112.67)            | (8.43)                   | 7.48%        |
| Finance costs  | (9.91)              | (6.43)              | (3.48)                   | 54.12%        | (15.75)             | (10.60)             | (5.15)                   | 48.58%       |
| Share of profit (loss) of associates accounted for using equity method | 3.50                | 3.63                | (0.13)                   | -3.59%        | (3.97)              | (1.08)              | (2.89)                   | 266.61%      |
| <b>Profit before income tax expense</b>                                | <b>58.93</b>        | <b>45.55</b>        | <b>13.38</b>             | <b>29.37%</b> | <b>112.52</b>       | <b>108.11</b>       | <b>4.41</b>              | <b>4.08%</b> |
| Income tax benefit (expense)   | (13.42)             | (13.04)             | (0.38)                   | 2.91%         | (28.12)             | (29.30)             | 1.18                     | -4.03%       |
| <b>Profit for the period</b>   | <b>45.51</b>        | <b>32.51</b>        | <b>13.00</b>             | <b>39.99%</b> | <b>84.41</b>        | <b>78.81</b>        | <b>5.60</b>              | <b>7.11%</b> |
| <b>Total comprehensive income for the period</b>                       | <b>45.51</b>        | <b>32.51</b>        | <b>13.00</b>             | <b>39.99%</b> | <b>84.41</b>        | <b>78.81</b>        | <b>5.60</b>              | <b>7.11%</b> |
| <b>Profit attributable to:</b>   |                     |                     |                          |               |                     |                     |                          |              |
| Owners of the parent   | 14.65               | 3.07                | 11.58                    | 377.20%       | 20.02               | 13.55               | 6.47                     | 47.75%       |
| Non-controlling interests  | 30.86               | 29.44               | 1.42                     | 4.82%         | 64.39               | 65.26               | (0.87)                   | -1.33%       |

\*As of June 30, 2023, a new classification of revenue.

## Service Revenues

For the second quarter ended 30 June 2024, The Group's total revenues were 1,103.83 million Baht, increased by 183.21 million Bath or 19.90%, compared to the same period of last year. For six-month ended 30 June 2024, The Group's total revenues were 2,172.70 million Baht, increased by 124.46 million Bath or 6.09% compared to the same period of last year. In addition, Revenues from construction business's growth of 32.92% in Q2/2024 and 19.59% in the first half of 2024. Revenues from Logistics business decreased of 14.97 % in Q2/2024 and increased 15.42% in the first half of 2024. Revenue from Safety testing business decreased of 28.77% in Q2/2024 and 5.26% in the first half of 2024. Nevertheless, businesses related to natural gas are declining which was a result of business restructuring.

## Gross Profit and The Group's Net Profit

For the second quarter ended 30 June 2024, The Group's gross profit was 104.91 million Baht , considered to gross profit margin of 9.50%, compared to the same period last year or 97.32 million Baht, considered to gross profit margin of 10.57%. Resulted from, the updated and improved budget costs of some projects during the period.

For the second quarter ended 30 June 2024, The Group's net profit was 45.51 million Baht , considered to net profit margin of 4.12%, increased from the same period last year. The Group's has net profit attributable to owners of the parent was 14.65 million Baht, considered to net profit margin of 1.33% an increased from the same period last year or 3.07 million Baht, considered to net profit margin of 0.33%

## Other incomes

For the second quarter ended 30 June 2024, The Group's incomes were 28.41 million Bath, increased by 14.42 million or 103.07%. Compared to the same period of last year. Resulted from gain on disposal of Investments.

## Expense

For the second quarter ended 30 June 2024, The Group's administration expenses were 66.47 million Bath, increased by 4.62 million Baht or 7.47%. Compared to the same period of last year. This was driven by growth in personnel expenses.

## Finance costs

For the second quarter ended 30 June 2024, The Group's financial costs during the were 9.91 Million, increased by 3.48 million Baht or 54.12%, compared to the same period of last year which finance costs was 6.43 million Baht. Due to the short-term borrowing with financial institutes for ongoing projects' expenditure. Moreover, the interest rate of market at present is raising.

## Statement of Financial Position

Unit: Million Baht

| Items (Million Baht)                                  | 30 Jun 24       | 31 Dec 23       | Increased (Decreased) | %             |
|---|-----------------|-----------------|-----------------------|---------------|
| <b>Assets</b>   |                 |                 |                       |               |
| <b>Current assets</b>                                 |                 |                 |                       |               |
| Cash and cash equivalents                             | 60.53           | 187.49          | (126.96)              | -67.72%       |
| Trade and other current receivables                   | 968.42          | 375.83          | 592.59                | 157.68%       |
| Contract assets                                       | 973.72          | 1,037.94        | (64.22)               | -6.19%        |
| Short-term loans to other parties and related parties | 20.98           | 13.56           | 7.42                  | 54.72%        |
| Short-term loans to other party                       | 39.20           | 14.50           | 24.70                 | 170.34%       |
| Inventories   | 51.11           | 39.44           | 11.67                 | 29.59%        |
| Refundable withholding tax deducted at source         | -               | 50.67           | (50.67)               | -100.00%      |
| Investments in equity security                        | 6.87            | 9.37            | (2.50)                | -26.68%       |
| Non-current assets classified as held for sale        | 43.06           | -               | 43.06                 | 0.00%         |
| Other current assets                                  | 13.10           | 9.97            | 3.13                  | 31.39%        |
| <b>Total current assets</b>                           | <b>2,176.99</b> | <b>1,738.77</b> | <b>438.22</b>         | <b>25.20%</b> |
| <b>Non-current assets</b>                             |                 |                 |                       |               |
| Cash pledged as collateral                            | 11.56           | 16.17           | (4.61)                | -28.51%       |
| Investments in associates                             | 14.17           | 46.65           | (32.48)               | -69.62%       |
| Long-term loans to related parties                    | 50.56           | 241.77          | (191.21)              | -79.09%       |
| Investment properties                                 | 206.54          | 206.67          | (0.13)                | -0.06%        |
| Property, plant and equipment                         | 732.73          | 614.82          | 117.91                | 19.18%        |
| Goodwill  | 19.38           | 19.38           | -                     | 0.00%         |
| Intangible assets                                     | 13.38           | 12.64           | 0.74                  | 5.85%         |
| Retention receivables                                 | 149.48          | 102.69          | 46.79                 | 45.56%        |
| Withholding tax deducted at source                    | 76.74           | 70.74           | 6.00                  | 8.48%         |
| Deferred tax assets                                   | 5.88            | 6.41            | (0.53)                | -8.27%        |
| Other non-current assets                              | 25.55           | 25.15           | 0.40                  | 1.59%         |
| <b>Total non-current assets</b>                       | <b>1,487.45</b> | <b>1,363.09</b> | <b>124.36</b>         | <b>9.12%</b>  |
| <b>Total assets</b>                                   | <b>3,664.44</b> | <b>3,101.86</b> | <b>562.58</b>         | <b>18.14%</b> |

Unit: Million Baht

| Items (Million Baht)  | 30 Jun 24       | 31 Dec 23       | Increased<br>(Decreased) | %             |
|---|-----------------|-----------------|--------------------------|---------------|
| <b>Liabilities and equity</b>                                       |                 |                 |                          |               |
| <b>Current liabilities</b>  |                 |                 |                          |               |
| Bank overdrafts   | 10.39           | 13.21           | (2.82)                   | -21.35%       |
| Short-term borrowings from financial institutions                   | 496.19          | 155.00          | 341.19                   | 220.12%       |
| Trade and other current payables                                    | 556.24          | 341.86          | 214.38                   | 62.71%        |
| Contract Liabilities  | 505.52          | 730.16          | (224.64)                 | -30.77%       |
| Current portion of long-term borrowings from financial institutions | 123.67          | 8.62            | 115.05                   | 1334.69%      |
| Current portion of lease liabilities                                | 57.31           | 34.15           | 23.16                    | 67.82%        |
| Income tax payable  | 0.11            | 0.47            | (0.36)                   | -76.60%       |
| Other current liabilities   | 67.72           | 53.96           | 13.76                    | 25.50%        |
| <b>Total current liabilities</b>                                    | <b>1,817.15</b> | <b>1,337.43</b> | <b>479.72</b>            | <b>35.87%</b> |
| <b>Non-current liabilities</b>                                      |                 |                 |                          |               |
| Long-term borrowings from financial institutions                    | 5.93            | 42.00           | (36.07)                  | -85.88%       |
| Lease liabilities   | 114.12          | 43.13           | 70.99                    | 164.60%       |
| Deferred income   | 0.00            | 0.43            | (0.43)                   | -100.00%      |
| Deferred Tax Liabilities  | 0.05            | -               | 0.05                     | 0.00%         |
| Non-current provisions for employee benefits                        | 11.03           | 10.37           | 0.66                     | 6.36%         |
| Other non-current liabilities                                       | 15.27           | 12.65           | 2.62                     | 20.71%        |
| <b>Total non-current liabilities</b>                                | <b>146.40</b>   | <b>108.58</b>   | <b>37.82</b>             | <b>34.83%</b> |
| <b>Total liabilities</b>  | <b>1,963.55</b> | <b>1,446.01</b> | <b>517.54</b>            | <b>35.79%</b> |
| <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   | 240.62          | 220.60          | 20.02                    | 9.08%         |
| Other component of equity   | 81.85           | 81.85           | -                        | 0.00%         |
| Equity attributable to owners of the parent                         | 1,048.64        | 1,028.61        | 20.03                    | 1.95%         |
| Non-controlling interests   | 652.25          | 627.24          | 25.01                    | 3.99%         |
| <b>Total equity</b>   | <b>1,700.89</b> | <b>1,655.85</b> | <b>45.04</b>             | <b>2.72%</b>  |
| <b>Total liabilities and equity</b>                                 | <b>3,664.44</b> | <b>3,101.86</b> | <b>562.58</b>            | <b>18.14%</b> |

## Asset

As of June 30<sup>th</sup>, 2024, the Group had total assets of 3,664.44 million Baht, increased by 562.58 million Baht, or 18.14%, compared to those of December 31<sup>st</sup>, 2023. The change of total assets was as follows.

- Cash and cash equivalents were 60.53 Million Baht, decreased of Baht 126.96 Million from last year. Result from, projects on hand expenditure during the period.
- Trade receivables and other receivables were 968.42 million Baht, increased by 592.59 million Baht. Resulted from, the increasing of transfer right of controlling of

contract assets and it could be invoice to customers during period. And the customers have already partially paid its debt by the following period.

- Contract assets were 973.72 million Baht, decreased by 64.22 million Baht. It was affected by The Group's accounting policy of percentage of completion. Due to the recording and issue of invoices to the customers during the period

- Inventories were 51.11 million Baht, increased by 11.67 million Baht. This increase stemmed from a material construction in progress.

- Withholding tax deducted at source reduced totaling of Baht 50.67 Million. Due to refundable of withholding income tax for the fiscal year 2022 from the Revenue Department during the period.

**Non-current assets** comprising of;

- Property, plant and equipment were 732.73 million Baht, increased by 117.91 million Baht from the purchase of equipment and machinery to support construction projects by long-term borrowing & lease liabilities contracts and sales office building rental contract.

- Retention receivables were 149.48 million Baht, increased by 46.79 million Baht, due to receipt of payment according to invoices collected from customers, and the customer has deducted for retention.

## **Liabilities**

As of June 30<sup>th</sup>, 2024, The Company had total liabilities of 1,963.55 million Baht, increased by 517.54 million Baht, or 35.79% compared to those of December 31<sup>st</sup>, 2023. The reasons are as follows:

- Short-term loans used as working capital of 496.19 million Baht, increased by 341.19 million Baht. Because of The Group's continuously expanding the project.

- Trade and other current payables were 556.24 million Baht, increased by 214.38 million Baht. These were results of construction materials from suppliers and sub-contractors for projects on hand.

- Contract liabilities were 505.52 million Baht, decreased by 224.64 million Baht Resulted from, the recognition of revenue from construction contracts when the Group transfers right of control to customers during the period (the value of total billed by contract's milestone payment condition which was higher than revenue recognition of this period).

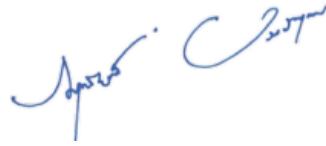
- Lease liabilities were 114.12 million Baht increased by 70.99 million Baht from The Group has been hire purchase agreements for construction equipment, machinery, automobiles and additional building lease agreements during the year.

## Equity

The shareholders' equity to The Group Company as of 30 June 2024, amounted to Baht 1,700.89 Million, increased from previous year, amounted to Baht 45.04 Million, or 2.72%. The details of changing of equities consist of The Group's operating results with net profit attributable to owners of the parent for six-month ended 30 June 2024, amount to Baht 20.02 Million.

Please be informed accordingly,

Yours sincerely,



Mr. Krittapong Orachaipunlap

Chief Executive Office/ President