

(“TRANSLATION”)

No: TG 082/66

Date: August 15, 2023

Subject: Explanation and analyzation of financial position and performance for the second quarter at the ended of June 30, 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 in the second quarter at the ended of June 30, 2023 which has changed in revenue and net profit from the previous year as follows:

Statement of Comprehensive Income

Unit: Million Baht

Items	30 Jun 23 (6 M.)	30 Jun 22 (6 M.)	Increased (Decreased)	%
Sales and Services Income	1,970.49	1,848.02	122.47	6.63%
- LPG Trading	159.51	231.59	(72.08)	-31.12%
- Transportation	14.27	7.35	6.92	94.15%
- Conversion Kit Installation	1.05	0.87	0.18	20.69%
- Construction	1,630.35	1,559.33	71.02	4.55%
- Testing and Inspection	45.04	48.88	(3.84)	-7.86%
- Human Resource	120.27	-	120.27	100.00%
Cost of sales and services	(1,758.72)	(1,613.82)	144.90	-8.98%
Gross Profit	211.77	234.20	(22.43)	-9.58%
Other income	22.87	11.66	11.21	96.14%
Profit before expenses	234.64	245.86	(11.22)	-4.56%
Distribution costs	(2.17)	(2.41)	(0.24)	9.96%
Administrative expenses	(112.68)	(81.06)	31.62	-39.01%
Finance costs	(10.60)	(8.22)	2.38	-28.95%
Share of profit (loss) of associates accounted for using equity method	(1.08)	(2.03)	0.95	-46.80%
Profit before income tax expense	108.11	152.14	(44.03)	-28.94%
Income tax benefit (expense)	(29.30)	(31.01)	(1.71)	5.51%
Profit for the period	78.81	121.13	(42.32)	-34.94%
Other comprehensive income	-	-	-	100.00%
Total comprehensive income for the period	78.81	121.13	(42.32)	-34.94%
Profit attributable to:				
Owners of the parent	13.55	44.84	(31.29)	-69.78%
Non-controlling interests	65.26	76.29	(11.03)	-14.46%

Total Revenue

In 2Q23, the company was reported total revenue at 1,970.49 Million Baht, increased by 6.63% YoY. The reasons are as follows:

1. LPG trading decreased by 31.12% YoY because of Co2 (Credit zero waste carbon dioxide) from company policy. The company sold gas storage in Pathum Thani in 1Q23 and made buy and sell gas storage contract in Phichit in 3Q23.

2. Transportation increased by 94.15% YoY due to the group have new customers from LPG transportation and external users.

3. Conversion Kit Installation increased by 20.69% YoY according to the rising of oil prices, Industrial sector and private users (Car) are increasingly switch from oil system to gas system.

4. Construction increased by 4.55% YoY because the group deliver oil and gas construction project that start from year 2022. Present, we have backlog project both oil and gas construction 3,580 Million Baht.

5. Testing and Inspection decreased by 7.86% YoY because the group recognize revenue from last year from NRT quality inspection from lignite thermal power plants in Laos.

6. December 2022, the company invested in a subsidiary 51% which in the human resource. The subsidiary company have 6 months revenues are 120.27 Million Baht and we are expecting to stick this wave of growth.

Gross Profit

Gross profit 6 months year 2023 were reported at 211.77 Million Baht, decreased by 9.58% YoY. The reasons are as follows:

1. LPG trading, sales decreased because of changing the business to green area.
2. Construction, it is almost the end of the contract.
3. Testing and Inspection service, there are no projects as large as previous project.
4. Human resource, under the process of improvement and cost control.

Other income

Other income was increased from sold gas storage in Pathum Thani.

Expense

1. SG&A was increased from investment project in subsidiary 51% of human resource business.

2. Financial costs were increased due to the process of transforming its main business to green area business and invest in human resource business.

3. Loss sharing of associates decreased because of real estate business is delivering.

Statement of Financial Position

Unit: Million Baht

Items	30 Jun 23	31 Dec 22	Increased (Decreased)	%
Assets				
Current assets				
Cash and cash equivalents	213.73	180.32	33.41	18.53%
Trade and other current receivables	416.89	585.89	(169.00)	-28.85%
Contract assets	979.26	633.81	345.45	54.50%
Short-term loans to other parties and related parties	140.73	124.21	16.52	13.30%
Inventories	29.61	80.81	(51.20)	-63.36%
Refundable withholding tax deducted at source	-	36.44	(36.44)	-100.00%
Indemnification asset	-	14.07	(14.07)	-100.00%
Other current assets	10.58	8.41	2.17	25.80%
Total current assets	1,790.82	1,663.98	126.84	7.62%
Non-current assets				
Cash pledged as collateral	18.88	20.03	(1.15)	-5.74%
Investments in associates	49.47	54.57	(5.10)	-9.35%
Long-term loans to related parties	211.06	222.69	(11.63)	-5.22%
Property, plant and equipment	637.18	666.96	(29.78)	-4.47%
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	13.74	14.28	(0.54)	-3.78%
Retention receivables	141.25	220.51	(79.26)	-35.94%
Withholding tax deducted at source	102.20	73.87	28.33	38.35%
Deferred tax assets	6.78	7.78	(1.00)	-12.85%
Other non-current assets	43.73	42.62	1.11	2.60%
Total non-current assets	1,416.36	1,515.38	(99.02)	-6.53%
Total assets	3,207.18	3,179.36	27.82	0.88%
Liabilities and equity				
Current liabilities				
Bank overdrafts	8.95	4.96	3.99	80.44%
Short-term borrowings from financial institutions	197.58	175.30	22.28	12.71%
Trade and other current payables	360.23	433.82	(73.59)	-16.96%
Payable for acquisition of subsidiaries	65.00	89.00	(24.00)	-26.97%
Contract Liabilities	715.96	529.41	186.55	35.24%
Short-term borrowings from other parties and related parties	11.00	73.14	(62.14)	-84.96%
Current portion of long-term borrowings from financial institutions	27.23	79.84	(52.61)	-65.89%
Current portion of lease liabilities	29.03	28.22	0.81	2.87%
Income tax payable	0.28	15.70	(15.42)	-98.22%
Other current liabilities	54.56	63.12	(8.56)	-13.56%
Total current liabilities	1,469.83	1,492.52	(22.69)	-1.52%
Non-current liabilities				
Long-term borrowings from financial institutions	57.27	23.10	34.17	147.92%
Lease liabilities	32.43	22.24	10.19	45.82%
Deferred income	9.22	12.54	(3.32)	-26.48%
Non-current provisions for employee benefits	9.50	8.19	1.31	16.00%
Other non-current liabilities	19.29	28.70	(9.41)	-32.79%
Total non-current liabilities	127.71	94.77	32.94	34.76%
Total liabilities	1,597.54	1,587.29	10.25	0.65%

Unit: Million Baht

Items	30 Jun 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	218.99	229.44	(10.45)	-4.55%
Other component of equity	81.85	81.85	-	0.00%
Equity attributable to owners of the parent	1,027.01	1,037.46	(10.45)	-1.01%
Non-controlling interests	582.63	554.62	28.01	5.05%
Total equity	1,609.64	1,592.08	17.56	1.10%
Total liabilities and equity	3,207.18	3,179.36	27.82	0.88%

Asset

As at June 30, 2023 slight increase from December 31, 2022. The reasons are as follows:

- Contract assets increased due to the recognize 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.
- Trade and other current receivables decreased from LPG trading (transforming main business) and Construction (Almost the end of the contract).
- Inventories decrease from LPG trading according to the changing of gas trader under section 7 to section 10, effective from April 1, 2023 onwards. The company is unnecessary to reserve 2% of the sales according to the announcement of the Department of Energy Business.
- Property, plant and equipment decreased from sold gas storage in Pathum Thani.
- Retention receivables decrease from Construction.

Liabilities

As at June 30, 2023 slight increase from December 31, 2022. The reason are as follows:

- Contract liabilities increased from Construction which is going to start operating in 3Q23.
- Lease liabilities increased from the group have made more car hire purchase contracts during the year.
- Trade and other current payables decrease from LPG trading (unnecessary to reserve 2% of the sales) and Construction (during the end of the contract).
- Payable for acquisition of subsidiaries decreased from outstanding payment to existing shareholders of human resource business.

Equity

As at June 30, 2023 slightly increased from December 31, 2022. The reason are as follows:

- Net profit in 6M23 was 13.55 Million Baht.
- Dividend payment for year 2022 at the rate of 0.03 Baht per share, total 24 Million Baht. Dividend payment was scheduled on May 24, 2023.

Financial ratios

As at June 30, 2023 the information are as follows:

- Current ratio was 1.22.
- Debt to Equity ratio equal were 1.55.
- Interest Bearing Debt to Equity ratio were 0.16.

From above, the group have ability to pay on short-term liability which is low risk on financial leverage.

Please be informed accordingly,

Yours sincerely,



Mr. Somyos Tiranawatananun

Chief Executive Office/ President