

(“TRANSLATION”)

TG 041/64

May 12, 2021

Subject: Clarification of the Operating Result for the significant change  
 Attention: The President  
 The Stock Exchange of Thailand

Takuni Group Public Company Limited (“The Company”) and its subsidiaries (“The Group”) would like to clarify the change in operating result for the period ended 31 March 2021, which the performance has changed more than 20% from the last year as follows:

**Statement of Comprehensive Income**

*Unit: Million Baht*

	31 March 2021	31 March 2021	Increased (Decreased)	Percentage	Remark
<b>Sales and Services Income</b>	<b>599.11</b>	<b>828.25</b>	<b>(229.14)</b>	<b>(27.67%)</b>	
- LPG Trading	107.45	162.50	(55.05)	(33.88%)	1
- Transportation	2.89	3.74	(0.85)	(22.73%)	2
- Conversion Kit Installation	0.41	0.48	(0.07)	(14.58%)	
- Construction	467.60	637.29	(169.69)	(26.63%)	3
- Testing and Inspection	20.76	24.23	(3.47)	(14.32%)	
Cost of sales and services	(535.45)	(757.45)	(222.00)	(29.31%)	
<b>Gross Profit</b>	<b>63.65</b>	<b>70.79</b>	<b>(7.14)</b>	<b>(10.09%)</b>	
Other income	5.75	2.43	3.32	136.63%	4
<b>Profit before expenses</b>	<b>69.40</b>	<b>73.22</b>	<b>(3.82)</b>	<b>(5.22%)</b>	
Distribution costs	(1.03)	(1.19)	(0.16)	(13.45%)	
Administrative expenses	(40.79)	(43.85)	(3.06)	(6.98%)	5
Finance costs	(6.82)	(5.80)	1.02	17.59%	
Share of profit (loss) of associates	0.24	(0.45)	(0.69)	(153.33%)	
<b>Profit before income tax</b>	<b>21.00</b>	<b>21.93</b>	<b>(0.93)</b>	<b>(4.24%)</b>	
Income tax	(4.42)	(5.62)	(1.20)	(21.35%)	
<b>Profit for the period</b>	<b>16.58</b>	<b>16.31</b>	<b>0.27</b>	<b>1.66%</b>	
Other comprehensive income:	1.40	-	1.40	100.00%	
<b>Total comprehensive income for the year, net of tax</b>	<b>17.98</b>	<b>16.31</b>	<b>1.67</b>	<b>10.24%</b>	
<b>Profit attributable to:</b>					
Owners of the parent	3.95	3.50	0.45	12.86%	
Non-controlling interests	12.63	12.81	(0.18)	(1.41%)	

1. LPG sales income decreased amounting to 55.05 Million Baht, accounting for 33.88%, as the average selling price decreased 14.55% from previous year because the board of National Energy Policy office has adjusted LPG selling price which cause a sharply decreased in selling price since the end of March 2020. Moreover, volume sold decreased 22.61% from the last year, mainly decreased in LPG sold to transportation sector 36.10% as LPG usage in automotive decreased, as well as decreased in LPG sold to industrial sector 15.28% as the effect of COVID-19 make decreased in LPG usage in production process which in line with the decreased in production plan.
2. Transportation service income decreased 0.85 Million Baht from the last period of prior year because the Group has been terminated Ammonia transportation service since January 2021. However, the Group has expended LPG transportation service to third party which resulted in revenue increase of 2.37 Million Baht.
3. Construction service income for the first quarter of 2021 dramatically decreased 169.69 Million Baht, accounting for 26.63% from previous year as the LPG depot construction has been completed since the third quarter of 2020. For oil and gas construction service income from the subsidiary, most of projects were in completion stage as well as the new project are mostly in the beginning state which has lower progress delivered. Currently, the Group has backlog for construction service in oil and gas sector totaling of 3,584.07 Million Baht.
4. Other income slightly increased 3.32 Million Baht or 136.63% from the same period of previous year because of the following;
  - Increased in interest income from Bank of 0.19 Million Baht and interest income from receivable from sales of land 0.87 Million Baht compared to the same period of prior year.
  - Gain on selling of scrap and unused construction machine equipment and consumable amounting of 2.26 Million Baht.
  - Increased in consultant fee and revenue from sale of food and beverage of 0.45 Million Baht.
  - Decreased in training service income and equipment rental income of 0.45 Million Baht compared to the same period of previous year.
5. Administrative expense slightly decreased 3.06 Million Baht, or 6.98% compared to the previous period because
  - Decreased in personnel and its related expense 0.29 Million Baht, and utility expense, allowance for doubtful account, tax and fee, auditing fee and miscellaneous expense of 3.93 Million Baht compared to first quarter of previous year.
  - Increased in office supply, advertising expense, tax penalty as well as loss on exchange rate of 1.19 Million Baht compared to first quarter of prior year.

## Statement of Financial Position

Unit: Million Baht

	31 March 2021	31 December 2020	Increased (Decreased)	Percentage
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	349.00	472.61	(123.61)	(26.15%)
Trade and other receivables	280.34	265.18	15.16	5.72%
Contract assets	587.53	524.09	63.44	12.10%
Short-term loans to related parties	18.32	18.32	-	0.00%
Inventories	53.76	61.08	(7.32)	(11.98%)
Other current assets	8.54	7.96	0.58	7.29%
<b>Total current assets</b>	<b>1,297.48</b>	<b>1,349.24</b>	<b>(51.76)</b>	<b>(3.84%)</b>
<b>Non-current assets</b>				
Pledged and restricted bank deposits	27.45	29.82	(2.37)	(7.95%)
Investments in subsidiaries	1.69	1.45	0.24	16.55%
Long-term loans to related parties	1.32	-	1.32	100.00%
Investment properties	4.17	4.29	(0.12)	(2.80%)
Property, plant and equipment	710.42	721.35	(10.93)	(1.52%)
Goodwill	19.38	19.38	-	0.00%
Intangible assets	15.47	15.95	(0.48)	(3.01%)
Receivable from sale of land	76.24	76.24	-	100.00%
Retention receivables	62.20	54.19	8.01	14.78%
Withholding tax receivable	159.79	151.19	8.60	5.69%
Deferred income tax assets	8.39	7.68	0.71	9.24%
Other non-current assets	10.36	7.42	2.94	39.62%
<b>Total non-current assets</b>	<b>1,096.89</b>	<b>1,088.97</b>	<b>7.92</b>	<b>0.73%</b>
<b>Total assets</b>	<b>2,394.37</b>	<b>2,438.22</b>	<b>(43.85)</b>	<b>(1.80%)</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Over draft and short-term bank borrowings	484.44	509.11	(24.67)	(4.85%)
Trade and other payables	261.73	277.02	(15.29)	(5.52%)
Contract Liabilities	133.18	141.44	(8.26)	(5.84%)
Short-term loans from related person	20.00	20.00	-	100.00%
Current portion of long-term bank borrowings	38.64	38.64	-	0.00%
Current portion of finance lease liabilities	26.44	24.48	1.96	8.01%
Current income tax payable	4.52	4.14	0.38	9.18%
Other current liabilities	31.75	34.80	(3.05)	(8.76%)
<b>Total current liabilities</b>	<b>1,000.70</b>	<b>1,049.64</b>	<b>(48.94)</b>	<b>(4.66%)</b>

	31 March 2021	31 December 2020	Increased (Decreased)	Percentage
<b>Non-current liabilities</b>				
Long-term bank borrowings	73.92	84.30	(10.38)	(12.31%)
Finance lease liabilities	34.29	36.22	(1.93)	(5.33%)
Deferred income	14.24	14.24	-	100.00%
Employee benefit obligations	13.42	14.54	(1.12)	(7.70%)
Other non-current liabilities	10.19	9.63	0.56	5.82%
<b>Total non-current liabilities</b>	<b>146.05</b>	<b>158.93</b>	<b>(12.88)</b>	<b>(8.10%)</b>
<b>Total liabilities</b>	<b>1,146.75</b>	<b>1,208.57</b>	<b>(61.82)</b>	<b>(5.12%)</b>
<b>Shareholders' equity</b>				
Issued and paid-up	400.00	400.00	-	0.00%
Premium on paid-up capital	305.53	305.53	-	0.00%
Share surplus from business combination under common control	20.64	20.64	-	0.00%
Retained earnings	89.31	84.85	4.46	5.26%
Other component of equity	81.85	81.85	-	0.00%
<b>Total parent's equity</b>	<b>897.33</b>	<b>892.87</b>	<b>4.46</b>	<b>0.50%</b>
Non-controlling interests	350.29	336.77	13.52	4.01%
<b>Total shareholders' equity</b>	<b>1,247.62</b>	<b>1,229.64</b>	<b>17.98</b>	<b>1.46%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,394.37</b>	<b>2,438.22</b>	<b>(43.85)</b>	<b>(1.80%)</b>

The Group's total asset as at 31 March 2021 was 2,394.37 Million Baht, decreased 43.85 Million Baht or 1.80%, from 31 December 2020 which was 2,438.22 Million Baht because of the following;

- Cash and cash equivalents decreased 123.61 Million Baht, as payment of interest and loan to financial institutes during the first quarter of 41.71 Million Baht, payment to Trade Payable and Financial lease liabilities of 22.65 Million Baht, as well as personnel expense, which included in selling and administrative expense, of 25.51 Million Baht.
- Inventory decreased 7.32 Million Baht mainly come from the usage of material and supplies for construction project of 9.22 Million Baht.
- Property, plant and equipment decreased 10.93 Million Baht as depreciation expense during the period as well as disposals of 23.45 Million Baht. However, the Group has purchased of tools and equipment amounting of 12.52 Million Baht to support the business expansion, especially in oil and gas construction business.
- Trade and other receivable increased 15.16 Million Baht from the last year, as Trade receivable increased 10.13 Million Baht due to billing to customer for construction service but not yet due on payment. Moreover, prepaid expense and accrued interest from receivable from sales of land increased 3.80 Million Baht,

and 0.86 Million Baht accordingly. The Group has recorded allowance for doubtful accounts of 1.72 Million Baht during the period.

- Contract assets (Unbilled receivables from Construction service) increased 63.44 Million Baht due to revenue recognition but not yet billed to customer for construction service during the period.
- Withholding tax receivable increase amounting of 8.60 Million Baht as payment received from Trade receivable during the period.
- Retention receivable increased 8.01 Million Baht as retention deducted from construction service receivable during the period.

The Group's total liabilities as at 31 March 2021 was 1,146.75 Million Baht decreased 61.82 Million Baht from 31 December 2020 which was 1,208.57 Million Baht because of the following;

- Short-term borrowings from financial institutions decreased 24.67 Million Baht, and Long-term borrowings from financial institutions decreased 10.38 Million Baht, due to the repayment during the period.
- Trade Payable decreased 15.29 Million Bath due to the payment of goods and service as well as subcontract cost during the period.
- Contract liabilities (Advances received from construction contracts and construction income received in advance) decreased 8.26 Million Baht due to the revenue recognition during the year.

The Group's shareholders' equity attribute to the parent company as at 31 March 2021 was 897.33 Million Baht increased 4.46 Million Baht from 31 December 2020 which was 892.87 Million Baht because total comprehensive income for the period.

As at 31 March 2021, the Group's Current ratio was 1.30 times which mean the company's liquidity to payment on short-term liability was still high. While Debt to Equity ratio of the Group and Interest Bearing Debt to Equity ratio was 1.28 times and 0.76 times, slightly increased from last year ratio of 1.35 and 0.80, consequently, which is low risk on financial leverage.

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)  
Vice President