

(“TRANSLATION”)

TG 019/65

February 25, 2022

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 December 2021, which the performance has changed more than 20% from the last year as follows:

### Statement of Comprehensive Income

Unit: Million Baht

	31 December 2021	31 December 2020	Increased (Decreased)	Percentage	Remark
<b>Sales and Services Income</b>	<b>2,729.21</b>	<b>3,078.34</b>	<b>(349.13)</b>	<b>(11.34%)</b>	
- LPG Trading	409.90	509.92	(100.02)	(19.61%)	1
- Transportation	12.83	17.60	(4.77)	(27.10%)	2
- Conversion Kit Installation	1.51	3.70	(2.19)	(59.19%)	
- Construction	2,197.58	2,326.54	(128.96)	(5.54%)	3
- Testing and Inspection	107.39	101.37	6.02	5.94%	4
- Other	-	119.21	(119.21)	(100.00%)	5
<b>Cost of sales and services</b>	<b>(2,373.85)</b>	<b>(2,804.44)</b>	<b>(430.59)</b>	<b>(15.35%)</b>	
<b>Gross Profit</b>	<b>355.36</b>	<b>273.89</b>	<b>81.47</b>	<b>29.75%</b>	
Other income	30.81	10.31	20.50	198.84%	6
<b>Profit before expenses</b>	<b>386.17</b>	<b>284.20</b>	<b>101.97</b>	<b>35.88%</b>	
Distribution costs	(4.39)	(4.11)	0.28	6.81%	
Administrative expenses	(164.93)	(159.68)	5.25	3.29%	
Finance costs	(25.08)	(22.80)	2.28	10.00%	
Share of profit (loss) of associates	1.81	(2.35)	(4.16)	(177.02%)	7
<b>Profit before income tax</b>	<b>193.58</b>	<b>95.26</b>	<b>98.32</b>	<b>103.21%</b>	<b>8</b>
Income tax	(42.40)	(21.60)	20.80	96.30%	
<b>Profit for the period</b>	<b>151.18</b>	<b>73.67</b>	<b>77.51</b>	<b>105.21%</b>	
Other comprehensive income:	1.40	-	1.40	100.00%	
<b>Total comprehensive income for the year, net of tax</b>	<b>152.58</b>	<b>73.67</b>	<b>78.91</b>	<b>107.11%</b>	
<b>Profit attributable to:</b>					
Owners of the parent	63.66	32.26	31.40	97.33%	
Non-controlling interests	88.92	41.41	47.51	114.73%	

1. LPG sales income decreased amounting to 100.02 Million Baht, accounting for 19.61%, because the average selling price decreased 4.97% from previous year, as well as volume sold decreased 15.44% from last year, not only decreased in LPG sold to transportation sector 26.84% as LPG usage in automotive decreased, but also decreased in LPG sold to industrial sector 6.02% 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 4.77 Million Baht, or 27.10% from the 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 9.18 Million Baht.
3. Construction service income for the year 2021 decreased 128.96 Million Baht, accounting for 5.54% from the 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 3,988.74 Million Baht.
4. Testing and Inspection service income slightly increased 6.02 Million Baht, or 5.94%, compared to the prior year as the increased in testing and inspection service income in eastern region, which represent of 64.31% of Testing and Inspection service income, from the last year which was only 59.31% of Testing and Inspection service income.
5. Revenue from other business decreased 119.22 Million Baht because in 2020, there was revenue from land disposal to an associated company for property development business.
6. Other income increased 20.50 Million Baht or 198.84% from the previous year because of the following;
  - Increased in interest income from Bank and Short-term investment as well as interest income from receivable from sales of land total of 4.17 Million Baht.
  - Increased in consultant fee and training service income, office rental service income totaling of 2.18 Million Baht
  - Increased in gain on selling of scrap and unused construction machine equipment and consumable, bad debt recoveries, gain on exchange rate, COVID-19 support from Social Security Office and the adjustment of expired warranty cost construction service amounting of 14.11 Million Baht.
7. Profit sharing of associates accounted for using equity method amounting of 1.81 Million Baht as follow;
  - Sales and installation of tools and machinery, hold 47.50% of paid-up capital, share of gain amounting of 1.01 Million Baht
  - Repair and maintenance of tools and machinery, hold 47.50% of paid-up capital, share of loss amounting of 0.80 Million Baht

8. Gross Profit Margin for the year 2021 was 13.02% sharply increased from 8.90% of last year Gross Profit Margin, because new awarded construction service projects which signed contract in Q3'21 have higher profit margins than previous projects. This also made Net Profit Margin increased from 2.39% to be 5.54% for the year 2021.

## Statement of Financial Position

Unit: Million Baht

	31 December 2021	31 December 2020	Increased (Decreased)	Percentage
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	525.83	472.61	53.22	11.26%
Trade and other receivables	400.29	265.18	135.11	50.95%
Contract assets	634.78	524.09	110.69	21.12%
Short-term loans to related parties	47.32	18.32	29.00	158.30%
Inventories	70.17	61.08	9.09	14.88%
Other current assets	11.09	7.96	3.13	39.32%
<b>Total current assets</b>	<b>1,689.48</b>	<b>1,349.24</b>	<b>340.24</b>	<b>25.22%</b>
<b>Non-current assets</b>				
Pledged and restricted bank deposits	27.29	29.82	(2.53)	(8.48%)
Investments in subsidiaries	4.26	1.45	2.81	193.79%
Long-term loans to related parties	13.38	-	13.38	100.00%
Investment properties	3.82	4.29	(0.47)	(10.96%)
Property, plant and equipment	710.71	721.35	(10.64)	(1.48%)
Goodwill	19.38	19.38	-	0.00%
Intangible assets	14.44	15.95	(1.51)	(9.47%)
Receivable from sale of land	76.24	76.24	-	100.00%
Retention receivables	97.15	54.19	42.96	79.28%
Withholding tax receivable	51.48	151.19	(99.71)	(65.95%)
Deferred income tax assets	5.75	7.68	(1.93)	25.13%
Other non-current assets	8.94	7.42	1.52	20.49%
<b>Total non-current assets</b>	<b>1,032.84</b>	<b>1,088.97</b>	<b>(56.13)</b>	<b>(5.15%)</b>
<b>Total assets</b>	<b>2,722.32</b>	<b>2,438.22</b>	<b>284.11</b>	<b>11.65%</b>

Unit: Million Baht

	31 December 2021	31 December 2020	Increased (Decreased)	Percentage
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Over draft and short-term bank borrowings	373.50	509.11	(135.61)	(26.64%)
Trade and other payables	400.53	277.02	123.51	44.59%
Contract Liabilities	290.14	141.44	148.70	105.13%
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	36.31	24.48	11.83	48.33%
Current income tax payable	1.25	4.14	(2.89)	(69.81%)
Other current liabilities	47.76	34.80	12.96	37.24%
<b>Total current liabilities</b>	<b>1,208.14</b>	<b>1,049.64</b>	<b>158.50</b>	<b>15.10%</b>
<b>Non-current liabilities</b>				
Long-term bank borrowings	87.66	84.30	3.36	3.99%
Finance lease liabilities	40.58	36.22	4.36	12.04%
Deferred income	14.24	14.24	-	100.00%
Employee benefit obligations	11.08	14.55	(3.47)	(23.85%)
Other non-current liabilities	12.44	9.63	2.81	29.18%
<b>Total non-current liabilities</b>	<b>166.00</b>	<b>158.93</b>	<b>7.07</b>	<b>4.45%</b>
<b>Total liabilities</b>	<b>1,374.13</b>	<b>1,208.57</b>	<b>165.56</b>	<b>13.70%</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	118.51	84.85	33.66	39.67%
Other component of equity	81.85	81.85	-	0.00%
Total parent's equity	926.53	892.87	33.66	3.77%
Non-controlling interests	421.65	336.77	84.88	25.20%
<b>Total shareholders' equity</b>	<b>1,348.18</b>	<b>1,229.64</b>	<b>118.54</b>	<b>9.64%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,722.32</b>	<b>2,438.22</b>	<b>284.10</b>	<b>11.65%</b>

The Group's total asset as at 31 December 2021 was 2,722.32 Million Baht, increased 284.10 Million Baht or 11.65%, from 31 December 2020 which was 2,438.22 Million Baht because of the following;

- Cash and cash equivalents increased 53.22 Million Baht, as the Group has got cash refund for prepaid withholding tax from the Revenue Department of 135.08 Million Baht and has advances received from construction contracts during the year amounting of 148.70 Million Baht. However, the Group has payment of loan to financial institutes during the year totaling of 132.24 Million Baht, payment of Corporate Income Tax 80.55 Million Baht, dividend payment to shareholder 30.00 Million Baht.
- Trade and other receivable increased 135.11 Million Baht from the last year, as Trade receivable increased 120.48 Million Baht due to billing to customer for construction service but not yet due on payment. Moreover, prepaid expense and advance to subcontract for oil and gas construction increased 13.58 Million Baht. However, The Group has recorded bad debt expense 8.20 Million Baht and reversed allowance for doubtful accounts of 7.60 Million Baht during the period.
- Contract assets from Construction service increased 110.69 Million Baht due to revenue recognition but not yet billed to customer for construction service during the period.
- Inventory increased 9.09 Million Baht mainly come from increased in LPG stock of 2.55 Million Baht, as LPG reserve has increased form 1% of volume sold to be 2% of volume sold according to the notification of the Department of Energy Business which effective since 1 January 2022 onward, and the increased in raw material of 6.02 Million Baht for construction project.
- Retention receivable increased 42.96 Million Baht as retention deducted from construction service receivable during the period.
- Property, plant and equipment decreased 10.64 Million Baht as depreciation expense as well as disposals during the period of 96.02 Million Baht. However, the Group has purchased of tools and equipment amounting of 85.38 Million Baht to support the business expansion, especially in oil and gas construction business.
- Withholding tax deducted at source decreased amounting of 99.71 Million Baht as the Group has received refund from the Revenue Department during 2021.

The Group's total liabilities as at 31 December 2021 was 1,374.13 Million Baht increased 165.56 Million Baht from 31 December 2020 which was 1,208.57 Million Baht because of the following;

- Trade Payable increased 123.51 Million Bath due to the payable of goods and service as well as subcontract cost.
- Contract liabilities increased 148.70 Million Baht due to the increased in construction income received in advance and advances received from construction contracts of awarded project since the third quarter of 2021.

- Borrowings from financial institutions decreased 132.25 Million Baht due to the repayment during the period.

The Group's shareholders' equity attribute to the parent company as at 31 December 2021 was 926.53 Million Baht increased 33.66 Million Baht from 31 December 2020 which was 892.87 Million Baht because total comprehensive income of 63.66 Million Baht, as well as dividend payment 30.00 Million Baht in May 2021.

As at 31 December 2021, the Group's Current ratio was 1.40 times which mean the company's liquidity to payment on short-term liability was still high. While Debt to Equity ratio of the Group was 1.48 times, slightly increased from the prior year which was 1.35 times. However, Interest Bearing Debt to Equity ratio was 0.64 times, slightly decreased from last year ratio of 0.80 times, which is low risk on financial leverage.

Please be informed accordingly,

Yours sincerely,

Ms. Nita Treeweeranuwat

Chief Executive Office/ President