

# **Management Discussion and Analysis**

**For the Year 2025**

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**Takuni Group Public Company Limited**



No: TG017/69

Date: February 27, 2025

Subject: Management Discussion and Analysis for 2025 of Takuni Group Public Company Limited

Attention: The President of The Stock Exchange of Thailand The Stock Exchange of Thailand

Takuni Group Public Company Limited ('The Group') hereby submits its Management's Discussion and Analysis of Financial Position and Operating Results for the year 2025 is as follows:

### Comprehensive Income Statement

(Unit: Million Baht)

Detail	2025	2024	YoY	
			Changed	%
<b>Sales and Services Income</b>	<b>2,426.41</b>	<b>4,203.56</b>	<b>(1,777.15)</b>	<b>(42.28%)</b>
LPG Trading	324.45	333.14	(8.69)	(2.61%)
Transportation	35.09	31.90	3.19	10.00%
Conversion Kit Installation	4.57	3.55	1.02	28.73%
Construction	1,987.74	3,732.26	(1,744.52)	(46.74%)
Testing and Inspection	60.92	102.71	(41.79)	(40.69%)
Electric Vehicle	13.64	-	13.64	100.00%
<b>Cost of sales and services</b>	<b>(3,014.21)</b>	<b>(3,729.29)</b>	<b>(715.08)</b>	<b>(19.17%)</b>
<b>Gross profit (loss)</b>	<b>(587.80)</b>	<b>474.27</b>	<b>(1,062.07)</b>	<b>(223.94%)</b>
Other income	79.37	35.82	43.55	121.58%
<b>Profit (loss) before expenses</b>	<b>(508.43)</b>	<b>510.09</b>	<b>(1,018.52)</b>	<b>(199.67%)</b>
Distribution costs	(7.77)	(6.48)	1.29	19.91%
Administrative expenses	(309.67)	(239.34)	70.33	29.38%
Loss on impairment of assets	(57.60)	-	57.60	100.00%
Other loss	-	(2.89)	(2.89)	(100.00%)
Financial cost	(53.98)	(41.69)	12.29	29.48%
Impairment loss in accordance with TFRS 9	472.40	(635.06)	(1,107.46)	(174.39%)
Share of profit (loss) of associates accounted for using equity method	(0.27)	(4.34)	4.07	93.78%
<b>Loss before income tax expense</b>	<b>(465.32)</b>	<b>(419.71)</b>	<b>(45.61)</b>	<b>(10.87%)</b>
Income tax (expense) income	(110.30)	53.00	163.30	308.11%
<b>Loss for the year</b>	<b>(575.62)</b>	<b>(366.71)</b>	<b>(208.91)</b>	<b>(56.97%)</b>
Other comprehensive income (expense)	117.27	(2.64)	119.91	4,542.05%
<b>Total comprehensive expense for the year</b>	<b>(458.35)</b>	<b>(369.35)</b>	<b>(89.00)</b>	<b>(24.10%)</b>
<b>Profit (loss) attributable to:</b>				
Owners of the parent	(401.13)	(225.73)	(175.40)	(77.70%)
Non-controlling interests	(57.22)	(143.62)	86.40	60.16%

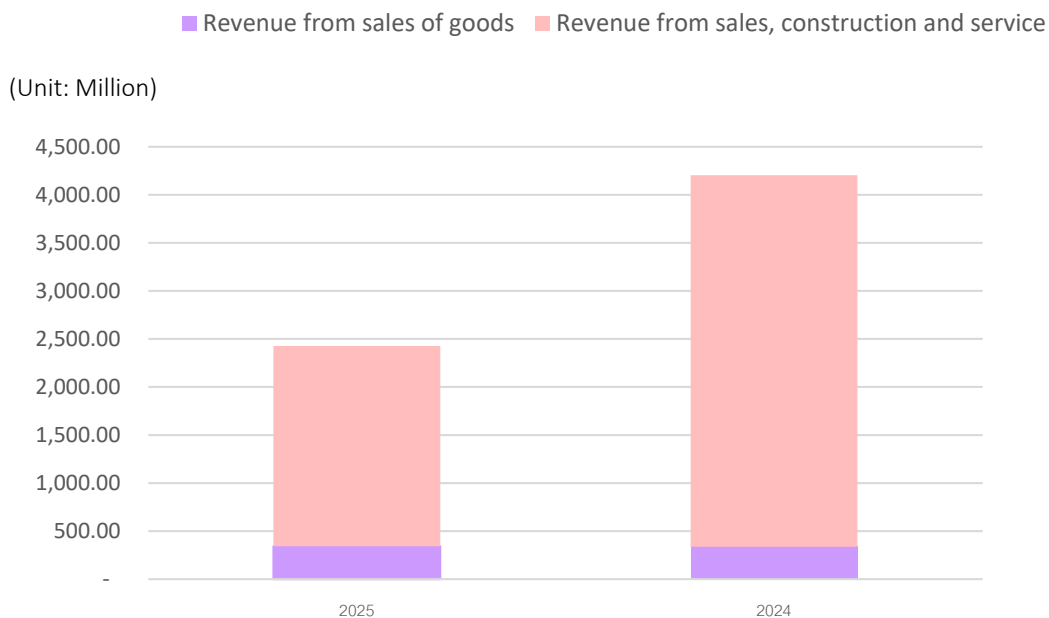
**Overall Performance**

Operating Results for the year 2025, the Group recorded total revenue from sales, construction, and service of THB 2,426.41 million. The Group's primary revenue source is construction and services. However, the operating results for 2025 show a gross loss of 607.85 million, representing a gross loss of 103.41%. This is due to the Group recognizing a loss of 928.26 million during the year from contract terminations involving a reduction in the value of construction projects under contracts with clients.

The Group's selling and administrative expenses increased by 71.62 million, resulting from the recognition of an impairment allowance for assets of 57.60 million and higher financial costs of 12.29 million. This led to a net loss of 458.35 million baht for the Group, of which the parent company had a loss of 401.13 million.

**Revenue from Sales and Services**

**Revenue**

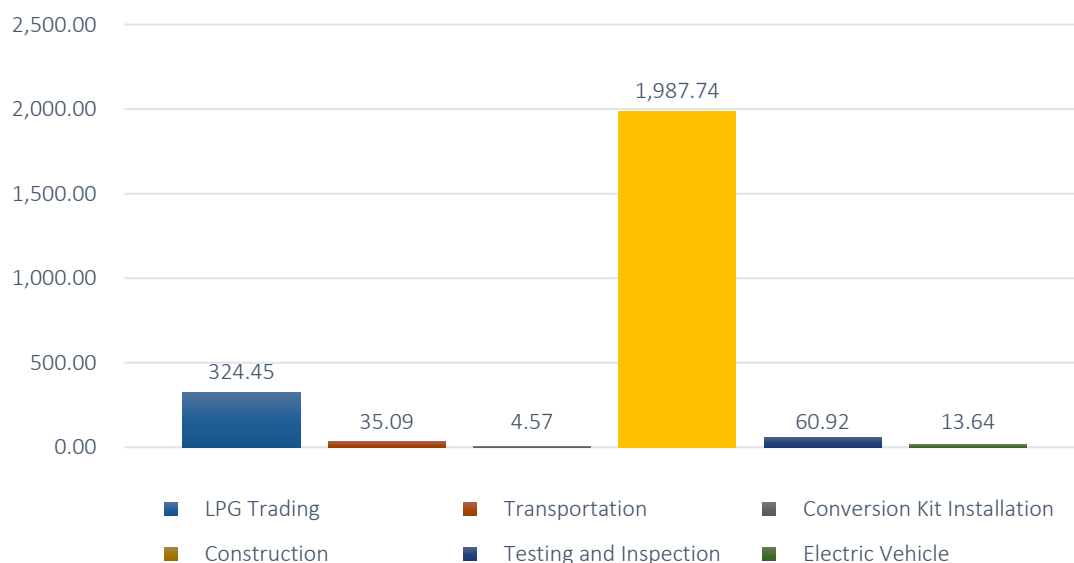


In 2025, the group of companies had revenue from sales, construction, and services totaling 2,426.41 million, a decrease of 1,777.15 million or 42.28% from the previous year. Revenue from construction and services, totaling 2,083.75 million, mainly consisted of revenue from the construction contracting business, which amounted to 1,987.74 million, a decrease of 1,744.52 million or 46.74% from the previous year. This was due to the construction contracting business recognizing losses from contract termination by reducing the value of construction projects according to the contracts with customers, resulting in a decrease in revenue of 928.26 million.

Revenue from sales, totaling 342.66 million, accounted for 14.12% of total revenue. This mainly consisted of revenue from the gas sales business, totaling 324.45 million, a decrease of 8.69 million or 2.61% from the previous year, and revenue from the sale of electric vehicles, totaling 13.64 million, along with revenue from the sale of gas system installation equipment, totaling 4.57 million.

### Revenue classified by segment

(Unit: Million)



## Gross (loss) Profit

In 2025, the group incurred a gross loss of 587.80 million, representing a decrease of 1,062.07 million compared to the previous year, mainly due to the construction and service business of 592.15 million, which resulted from the termination of a contract with one customer, which recognized a loss by adjusting the value of the construction project under the contract with the customer by 928.26 million.

## Other Income

The Group's other income for the year 2025 amounted to 79.37 million, an increase of 43.55 million or 121.58 percent from the previous year. The majority of this increase was from the sale of assets, totaling 43.67 million came from the sale of assets in the construction business, including the sale of scrap metal, machinery, and unused construction materials.

## Administrative Expenses

The Group's administrative expenses for 2025 amounted to 309.67 million, an increase of 70.33 million or 29.38 percent from the previous year. The majority of administrative expenses were employee-related costs 167.11 million, tax penalties for the construction business 20.22 million, and a certain amount of employee-related expenses of 15.90 million baht for the construction contracting business, resulting from contract terminations with clients, is classified as administrative expenses, along with other related expenses arising from the aforementioned contract terminations.

## Financial Costs

The Group's finance costs for 2025 amounted to 53.98 million, an increase of 12.29 million or 29.48 percent from the previous year. The majority of this increase 40.87 million is attributed to the financial costs of the construction business group, resulting from short-term loans used as working capital for various projects within the construction business group.

## Net Profit (loss)

In 2025, the Group recorded a net loss of 575.62 million, representing a decrease in performance of 208.91 million, or 56.97%, compared to the previous year.

The Group reported a gross operating loss of THB 587.80 million. During the year, the Group recognized losses arising from contract terminations through downward adjustments of construction project values under customer contracts amounting to THB 928.26 million. This was offset by a reversal of expected credit losses under TFRS 9 previously recognized in 2024 amounting to 548.00 million, and a reversal of deferred income tax assets of 109.60 million. Therefore, the net impact on these projects amounted to 489.86 million. Additionally, an allowance for asset impairment of 57.60 million and financial costs of 53.98 million were recognized, resulting in a net loss of 575.62 million for the Group. The loss attributable to the parent company was 401.13 million.

Detail	31 Dec 2025	31 Dec 2024	Increased (Decreased)	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	122.23	42.88	79.35	185.05%
Trade and other current receivables	865.42	1,297.78	(432.36)	(33.32%)
Current contract assets	79.85	627.46	(547.61)	(87.27%)
Current portion of retention receivables	0.24	-	0.24	100.00%
Short-term loans to related parties	0.00	15.69	(15.69)	(100.00%)
Short-term loans to non-related parties	5.16	15.62	(10.46)	(66.97%)
Inventories	26.38	39.04	(12.66)	(32.43%)
Other current financial assets	0.00	36.56	36.56	(100.00%)
Other current assets	26.55	25.03	1.52	6.07%
<b>Total current assets</b>	<b>1,125.83</b>	<b>2,100.06</b>	<b>(974.23)</b>	<b>(46.39%)</b>
<b>Non-current assets</b>				
Other non-current financial assets	46.97	18.93	28.04	148.12%
Pledged bank deposits with financial institutions	3.19	72.78	(69.59)	(95.62%)
Investment in associates	1.48	-	1.48	100.00%
Long-term loans to related party	-	7.92	(7.92)	(100.00%)
Long-term loans to non-related parties	107.88	150.75	(42.87)	(28.44%)
Investment property	148.56	206.41	(57.85)	(28.03%)
Property, plant and equipment	657.01	616.12	40.89	6.64%
Right-of-use assets	17.53	29.74	(12.21)	(41.06%)
Goodwill	19.38	19.38	-	-
Intangible assets	9.36	11.87	(2.51)	(21.14%)
Retention receivables	-	188.89	(188.89)	(100.00%)
Withholding tax deducted at source	98.41	22.79	75.62	331.81%
Deferred tax assets	6.44	116.55	(110.11)	(94.47%)
Other non-current assets	5.72	6.41	(0.69)	(10.77%)
<b>Total non-current assets</b>	<b>1,121.93</b>	<b>1,468.54</b>	<b>(346.61)</b>	<b>(23.60%)</b>
<b>Total assets</b>	<b>2,247.76</b>	<b>3,568.60</b>	<b>(1,320.84)</b>	<b>(37.01%)</b>

Detail	31 Dec 2025	31 Dec 2024	Increased (Decreased)	%
<b>Liabilities and shareholder's equity</b>				
<b>Current liabilities</b>				
Bank overdrafts from financial institutions	44.57	33.98	10.59	31.17%
Short-term borrowings from financial institutions	30.00	447.29	(417.29)	(93.29%)
Trade and other current payables	561.03	882.72	(321.69)	(36.44%)
Current contract liabilities	249.75	460.95	(211.20)	(45.82%)
Current portion of long-term borrowings from finance institutions	144.50	132.34	12.16	9.19%
Current portion of liabilities under finance lease agreements	41.77	39.35	2.42	6.15%
Current portion of retention payables	52.24	-	52.24	100.00%
Short-term borrowings from related persons and parties	7.65	52.00	(44.35)	(85.29%)
Short-term borrowings from non-related persons	33.00	20.00	13.00	65.00%
Income tax payable	-	0.44	(0.44)	(100.00%)
Other current liabilities	15.46	97.58	(82.12)	(84.16%)
<b>Total current liabilities</b>	<b>1,179.97</b>	<b>2,166.65</b>	<b>(986.68)</b>	<b>(45.54%)</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institutions	35.94	60.86	(24.92)	(40.95%)
Liabilities under finance lease agreements	27.77	60.48	(32.71)	(54.08%)
Retention payables	0.25	18.56	(18.31)	(98.65%)
Convertible Debentures	165.47	-	165.47	100.00%
Deferred tax liabilities	29.50	-	29.50	100.00%
Non-current provision for employee benefits	16.35	14.73	1.62	11.00%
Other non-current liabilities	0.27	0.48	(0.21)	(43.75%)
<b>Total non-current liabilities</b>	<b>275.55</b>	<b>155.11</b>	<b>120.44</b>	<b>77.65%</b>
<b>Total liabilities</b>	<b>1,455.52</b>	<b>2,321.76</b>	<b>(866.24)</b>	<b>(37.31%)</b>

## Financial Position Statement

(Unit: Million Baht)

Detail	31 Dec 2025	31 Dec 2024	Increased (Decreased)	%
<b>Shareholder's equity</b>				
Issued and paid-up share capital	400.00	400.00	-	-
Share premium on ordinary shares	305.53	305.53	-	-
Share surplus from business combination under common control	20.64	20.64	-	-
Legal reserve	16.25	16.25	-	-
Warrants	3.22	-	3.22	100.00%
Retained earnings (Deficits)	(462.51)	(18.22)	(444.29)	(2,438.47%)
Convertible debentures - equity component	0.53	-	0.53	100.00%
Other components of shareholder's equity	121.79	78.62	43.17	54.91%
<b>Total equity attributable to owners of the parent</b>	<b>405.45</b>	<b>802.82</b>	<b>(397.37)</b>	<b>(49.50%)</b>
Non-controlling interests	386.79	444.02	(57.23)	(12.89%)
<b>Total shareholders' equity</b>	<b>792.24</b>	<b>1,246.84</b>	<b>(454.60)</b>	<b>(36.46%)</b>
<b>Total liabilities and shareholder's equity</b>	<b>2,247.76</b>	<b>3,568.60</b>	<b>(1,320.84)</b>	<b>(37.01%)</b>

## Total Assets

As of December 31, 2025, the Group's total assets amounted to THB 2,247.76 million, representing a decrease of THB 1,320.84 million or 37.01% compared to 31 December 2024. The total assets comprised the following:

- **Current Assets:** As of December 31, 2025, current assets totaled THB 1,125.83 million, mainly consisting of:
  - Trade and other current receivables of THB 865.42 million, decreasing by THB 432.36 million or 33.32%, mainly due to collections from construction receivables.
  - Cash and cash equivalents of THB 122.23 million, increasing by THB 79.35 million, primarily from receipt of payments from construction customers.
  - Contract assets of THB 79.85 million, decreasing by THB 547.61 million or 87.27%, mainly due to contract terminations in the construction business.

- **Non-current Assets:** As of December 31, 2025, non-current assets stood at THB 1,121.93 million, primarily consisting of:
  - Property, plant, and equipment: THB 657.01 million, increasing by THB 40.89 million or 6.64%. The increase was mainly attributable to a land revaluation gain of THB 147.12 million in the construction business. Major components of PPE included land and land improvements THB 414.29 million, tools and equipment THB 108.80 million, and buildings and building improvements THB 102.53 million related to the construction segment.
  - Retention receivables of THB 188.89 million, decreasing in full from 31 December 2024 due to the termination of a contract with a subcontractor.
  - Investment properties of THB 148.56 million, decreasing by THB 57.85 million or 28.03%, mainly due to the recognition of an impairment allowance based on the appraisal report.
  - Long-term loans to unrelated parties of THB 107.88 million, decreasing by THB 42.87 million or 28.44%, primarily due to the recognition of expected credit losses (ECL) in accordance with TFRS 9.

## Total Liabilities

As of December 31, 2025, the Group's total liabilities amounted to THB 1,455.52 million, decreasing by THB 866.24 million or 37.31% compared to 31 December 2024. The total liabilities comprised the following:

- **Current Liabilities:** As of December 31, 2025, current liabilities totaled THB 1,179.97 million, primarily consisting of:
  - Trade and other current payables of THB 561.03 million, decreasing by THB 321.69 million or 36.44%, mainly due to payments for construction materials and subcontractor services for ongoing projects.
  - Contract liabilities of THB 249.75 million, decreasing by THB 211.20 million or 45.82%, resulting from debt negotiations and contract termination with the main contractor (UJV).
  - Current portion of long-term borrowings from financial institutions of THB 144.50 million, increasing by THB 12.16 million or 9.19%, with repayments made in accordance with scheduled terms.
  - Retention payables of THB 52.24 million, increasing in full from the prior year, representing retention amounts withheld as security for contractual performance obligations until the expiration of the warranty period.

- **Non-current Liabilities:** As of December 31, 2025, non-current liabilities amounted to THB 275.55 million, mainly consisting of:
  - Convertible debentures of THB 165.47 million, increasing in full from the prior year. During the year, the Group issued convertible debentures totaling THB 220.00 million, net of unamortized issuance costs and intercompany eliminations.
  - Long-term borrowings from financial institutions of THB 35.94 million, decreasing by THB 24.92 million or 40.95%, due to scheduled repayments.
  - Deferred tax liabilities of THB 29.50 million, increasing in full, arising from the tax impact of land revaluation in the construction business, which recorded a revaluation gain of THB 147.12 million.
  - Finance lease liabilities of THB 27.77 million, decreasing by THB 32.71 million or 54.08%, due to the termination of a building lease agreement.

### Shareholders' Equity

As of December 31, 2025, the Group's shareholders' equity amounted to THB 792.24 million, decreasing by THB 454.60 million or 36.46% compared to the previous year. The decrease was primarily attributable to losses arising from downward adjustments of construction contract values with customers amounting to THB 928.26 million.

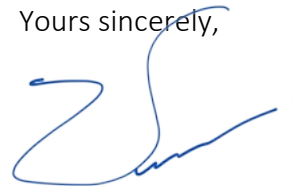
### Key Financial Ratios

As of December 31, 2025, the key financial ratios were as follows:

- **Current Ratio :** 0.95 times
- **Debt-to-Equity Ratio (D/E) :** 0.67 times

Please be informed accordingly,

Yours sincerely,



(Ms.Poonchaya patkotchakorn)

Acting Chief Executive Officer/ President