

TAKUNI

ANNUAL
REPORT

2022

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Message from the Chairman of the Board of Directors and Chairman of the Executive Committee



During the past year, Thai economy was affected by fluctuations in various factors especially the spread of coronavirus pandemic (COVID-19) to global, global economic issue, the volatility of oil price as well as technological advancement, resulting in participants in the business sector having to put much effort in strengthening their competitive capabilities.

The Board of Directors were aware of such adverse factors and closely monitored the situation as well as places emphasis on business growth to create added value to shareholders by continuously monitoring Company policies and cautiously, prudently, and transparently overseeing business operations for the greatest benefit of all stakeholders. In addition, the Group continuously diversify investment to other business to alleviate risk from the existing business and build sustainable future for the Group. During the year, the Group has invested in property development business, electronic motorbike and security guard service.

For the overall performance of 2022 were better than the previous year, as revenue increased from THB 2,729.21 million in 2021 to be THB 3,824.27 million in 2022, accounting for 40.12%, which resulted from increased in revenue from oil and gas construction service as the high progress delivered to client in the middle stage of the construction contract. Moreover, revenue from LPG trading and transportation business increased from THB 409.90 million in 2021 to be THB 541.34 million as increased in average selling price according to the board of National Energy Policy office has adjusted LPG selling price since the beginning of April 2022.

Moreover, in 2022, there was the sell of land with building and structure to the connected person which was approved by the Extraordinary General Meeting of Shareholders no. 1/2566 in December 2023, resulted in gain on sales of asset of THB 83.01 million. Net profit for the year 2022 increased to be THB 259.18 million, or net profit margin of 6.78%, from the year 2021 which was THB 151.18 million, or net profit margin of 5.54%.

On behalf of the Board of Directors, we would like to express our gratitude to shareholders, business partners, and all related parties who have continuously entrusted the Company and supported our business. I would also like to thank all executives and personnel who have dedicated their effort and hard work for the Company. The Board of Directors will exert our best efforts in leading the Company and overcoming business challenges, striding forward towards sustainability.



Dr. Chatchai Payuhanaveechai

Chairman of the Board of Directors
and Chairman of the Executive Committee

Board of Directors



1. Dr. Chatchai Payuhanaveechai

Chairman of Director, Chairman of Executive Committee

2. Dr. Teerachai Chantarojsiri

Independent Director, Chairman of Audit Committee, Chairman of Remuneration Committee

3. Dr. Somsak Pratomsrimek

Independent Director, Member of Audit Committee, Chairman of Risk Management Committee

4. Ms. Araya Puttipongthon

Independent Director, Member of Audit Committee, Member of Remuneration Committee

5. Dr. Somyos Tiranawatananun

Director, Executive Committee, Member of Remuneration Committee

6. Mr. Prasert Treeweeranuwat ^{1/}

Director, Executive Committee

7. Ms. Nita Treeweeranuwat ^{1/}

Director, Executive Committee, Chief Executive Office/President, Member of Risk Management Committee, Member of Anti-corruption Committee, Company Secretary

Note : ^{1/} Mr. Prasert Treeweeranuwat resigned from Director and Executive Committee, and Ms. Nita Treeweeranuwat resigned from Director, Chief Executive Officer/ President, Executive Committee, Member of Risk Management Committee, Member of Anti-Corruption Committee and Company Secretary since 10 March 2023.



Executive Committee



1. Dr. Chatchai Payuhanaveechai

Chairman of Executive Committee

2. Ms. Nita Treeweeranuwat ^{/1}

Executive Committee, Chief Executive Officer / President,

Vice President Administrative Department,

Vice President Sales Department,

Acting Vice President Human Resource

Department

3. Mr. Prasert Treeweeranuwat ^{/1}

Executive Committee, Vice President

Business Development Department

4. Dr. Somyos Tiranawatananun

Executive Committee

5. Mr. Somchai Kanbuakeaw

Executive Committee

Note : ^{/1} Mr. Prasert Treeweeranuwat resigned from Director and Executive Committee, and Ms. Nita Treeweeranuwat resigned from Director, Chief Executive Officer/ President, Executive Committee, Member of Risk Management Committee, Member of Anti-Corruption Committee and Company Secretary since 10 March 2023.

Operational structure of the group of Business policies and business overview companies

Takuni Group Public Company Limited and its Subsidiaries (“Group of Companies”) engages in the business of distributing liquefied petroleum gas and other related businesses. The company group has set a vision and operational goals. For future expansion and growth as follows

A vision has been formulated in running the business as a whole in order to achieve expanding and growing together at the same time by running the business in the way they can help each other. Emphasis is placed on running integrated business for each customer with regard to selling gas, delivering gas, gas installation service, inspection and testing and consulting service in safety engineering system in gas to ensure customers will receive maximum benefits, including building good relationship with customers. In the meantime, existing customer base is retained and new customer base is expanded.

Vision

To be one of the Energy Business Leader, to place Importance On Quality and Security



Mission

- 01 To expand business through integration to increase organization potential
- 02 To offer professional services by continuously developing organization and human resource
- 03 To emphasize the use of modern, safe and eco-friendly technology



Company Information and Other Information

ชื่อย่อ	: TAKUNI
Name	: Takuni Group Public Company Limited
Corporate Identification	: 0107557000110
Head Office	: 140/1 Soi Naveechareonsap, Kanchanapisak Rd, Bangkae , Bangkok
Business Operation	: LPG Trading, Transportation service, Construction service, LPG/CNG conversion kit installation for vehicles, Non-Destructive Testing and Inspection service as well as invested in property development, electronic motorcycle, and security guard service
Website	: www.takunigroup.com
Paid-Up Capital	: 400,000,118 Baht
NO. of Shares	: 800,000,236 shares
First day trade	: 19 August 2014
Telephone	: 02-455-2888
Fax	: 02-455-2763
Investor Relation	: Mr. Somyos Tiranawatananun 02-455-2888 / secretary@takuni.com
Company Secretary	: Mr. Somyos Tiranawatananun 02-455-2888 / secretary@takuni.com
Common Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng District, Bangkok 10400 Telephone 02-009-9999
Auditor	: Ms. Vipavan Pattavanvivek Certified Public Accountant (Thailand) No. 4795 KPMG Phoomchai Audit Company Limited 48th – 51st Floor Empire Tower 1 South Sathorn Road, Bangkok 10120 Telephone 02-677-2000

 **Business goals**

**Takuni Group Public
Company Limited : TG**

set its business goals in increasing an investment in other business not related to energy so as to diversify risks in running business caused by oil price fluctuation. The diversification will consider overall liquidity retention of business as much as possible. In 2019, an investment was made in associated company for developing Thawee Phetkasem-Kanchanapisek" housing estate project, 3-story semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was welcomed.



**Takuni (Thailand)
Company Limited : TT**

set its business goals by focusing on providing services in industrial gas pipeline system that includes new system installation and system maintenance. Emphasis is placed on expanding customer base into industrial factories so as to maintain total sales volume of the company,

**Rajchupleuk Engineering
Company Limited : RE**

Set its business goals by expanding the business to the provision of engineering inspection and testing services in the form of non-destructive testing, especially the part involved with natural gas for vehicles (NGV) and oil to be consistent with a government policy that extends rules and regulation to increase safety in that part, including emphasizing services in training on inspection and testing in safety engineering system, building good image in running business of RE to gain more reliability.



G Gas Logistics

Company Limited : GG

sets its business goals by expanding the transportation service to third party, besides from LPG transportation service to the parent company (TG), in order to enlarge service income not only by providing transportation service for NGV, Sulfuric acid but also construction material and equipment.



CAZ (Thailand)

Public Company Limited : CAZ

sets its business goals as construction service provider as Engineering Procurement Construction (EPC) to support the customer requirement with expertise and high quality services in every production and installation process.

Takuni Land

Company Limited : TL

Operates property development business. During 2020, TL has signed sales and purchase agreement of land to develop housing estate project with an associated company.



Guardian Global

Company Limited : Guardian

Guardian provide security guard service, house keeping service, as well as administrative staffs mainly to government agencies, state enterprises, as well as large organizations. TG has invest 51% in 2022.

Takuni Trading

Company Limited : TD

Operates manufacture, assembly, and sell parts of automobiles, motorcycles, electric car, electric motorcycles and or other related products. In 2019, TD has invested in an associated company in Taiwan to manufacture and sell electric motorcycle. Currently, it was in process of vehicle testing with the Department of Land Transport in Taiwan.



Significant changes and development

April 2014

Transform the company to be a public company and change the par value of ordinary shares from 10 baht per share to be 0.50 baht per share and increase registered capital to 200 million baht (400 million shares) to facilitate an offering of 100 Ordinary shares to general people and apply to be registered on the market for Alternative Investment (mai).

January 2011

Relocate the head office to 140/1, Soi Naweecharoensap, Khajanapisek Road, Bangkhae sub-district, Bangkhae district, Bangkok.

September 2011

Construct 1,000 tons LPG storage warehouse in lower north industrial estate in Phichit province and expand to sell LPG in central region and lower north

December 2013

Increase registered capital and paid up Capital to 150 million baht to be operating working capital of the company and to buy gas transportation trucks of subsidiary companies

March 2015

Invest in CAZ (Thailand) Company Limited to distribute investment to a group of gas and oil construction companies in eastern region.



May 2010

Increase registered capital and paid-up capital to 50 million baht in order to apply for the license in being a LPG trader under section 7 of Fuel Trade Act B.E.2543 and start to sell LPG to LPG stations in Bangkok and outskirts of Bangkok.

August 2012

Start to construct a gas warehouse in Pathum Thani province.

December 2012

Increase registered capital and paid-up capital of the company to 130 million baht to conduct business reengineering of the group of companies to be under the same supervision by issuing new share capital to pay off share buying of Takuni (Thailand) Company Limited, G Gas Logistics Company Limited and Rajchappleuk Engineering Company Limited from Treeweeranuwat family in order to merge into a subsidiary company under the same supervision.

To serve the business reengineering, the company shareholders sold the shares in gas stations and gas warehouses they were holding to existing company shareholders to eliminate conflict of interest.

January 2017

Invest in Takuni Land Company Limited (TL), a real estate business company, by 99.97% of the paid-up capital, aiming to expand business growth in the group of companies.

December 2020

TL sold lands to an associated company to develop "Thawee Phetkasem-Kanchanapisek" housing estate project, 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed.

March 2022

Invest in Enrich Property Company Limited (EP), a real estate business company, by 30.00% of the paid-up capital, aiming to expand business growth in the group of companies.

May 2022

Invest in Enrich Venture Company Limited (EN), a holding company in real estate business, by 20.00% of the paid-up capital, aiming to expand business growth in the group of companies.



January 2016

Increase registered capital to 600 million baht and paid up capital to 400 million baht to be the capital for business expansion of the company
Issue warrants for the subscription of new ordinary shares of Takuni Group Public Company Limited class 1 (TAKUNI-W) for 400,000,000 units and allocate to the company existing shareholders.

January 2019

CAZ (Thailand) Public Company Limited, a subsidiary company, offered to sell newly issued shares to general people for the first time for 80,000,000 shares and started trading on Market for Alternative Investment (mai) on 22 January 2019. After offering the sales of shares to general people, CAZ is still a subsidiary of the company. In this regard, combined financial statement is needed to prepare. Profit shares belong to the parent company from CAZ will decrease from 51.30% to 36.64% and the non-controlling interest will increase.

April 2019

Invest in Takuni Trading Company Limited (TD), a company running business in manufacturing, assembling and selling parts of automobiles, motorcycles, electric car, electric motorcycles and or other related products. The proportion of the investment is 99.70% of the paid up capital with 100,000 baht registered capital, aiming to expand business growth in the group of companies.

Business Operation

Revenue structure during 2020 – 2022 were as follow;

Revenue		2022		2021		2020	
		Million	%	Million	%	Million	%
		Baht		Baht		Baht	
1. LPG Trading	TG	541.34	14.16	409.90	15.02	509.92	16.56
2. Transportation	GG	18.39	0.48	12.83	0.47	17.59	0.57
3. Construction Service	TG,TT, CAZ, JKEC	3,139.50	82.09	2,197.58	80.52	2,326.54	75.58
4. Conversion Kit Installation	TT	2.53	0.07	1.51	0.06	3.70	0.12
5. Non-Destructive Testing and Inspection	RE	108.26	2.83	107.39	3.93	101.37	3.29
6. Property Development	TL	-	-	-	-	119.22	3.88
7. Security Guard Service	Guardian	14.25	0.37				
Total Sales and Service Income		3,824.27	100.00	2,729.21	100.00	3,078.34	100.00

LPG Trading business

Product and service

LPG trading business is one of the core business of the Group. The Company has a license for LPG trading under section 7 of Fuel Trade Act, B. E. 2543 (LPG trader under section 7) from Department of Energy Business, Ministry of Energy and allow to sell LPG to Transportation, households and industry sector.

The Company procures LPG from PTT refinery and other traders under Section 7 to sell LPG under trademark of “Champion Gas” to LPG stations which are the Company’s representative and industry sector. The Company has customers in about 48 stations across the country. Most of them are located around Bangkok, central and east of Thailand. For Industry sector, the Company sold to 40 customers which are in ceramic manufacturer, textile, packaging, painting, and food industry.

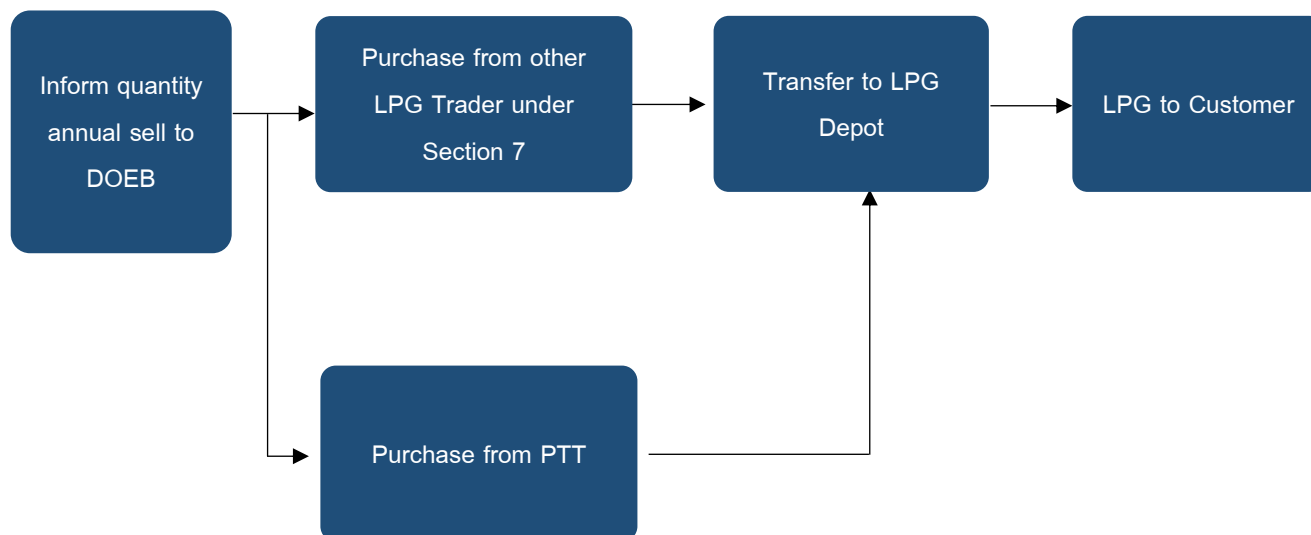
Presently, the Company is allowed to sell LPG volume of 50,000 tons per year and LPG Terminal in Phichit Industrial Estate, Pathum Thani Province is served as LPG reserve terminal pursuant to the laws.



Trademark
Champion Gas

Procurement Process

LPG Procurement



With regard to LPC provision in each year, the company must seek approval for LPG trade volume from Department of Energy Business and submit a report showing monthly sales volume of LPG and reserve LPG by 1% of the trade volume seeking for the approval. Department of Energy Business shall grant approval of the gas trade volume according to sales capacity of the company based on actual sales. The company is able to apply for additional trade volume if there is a tendency of a higher trade volume than the approved one. Currently, the company is granted permission to sell 50,000 tons of LPG per year by supplying LPG as required by the law gas storage warehouses of the company in the industrial estate in Phichit and Pathum Thani.

Later the company was granted approval for annual trade volume from Department of Energy Business, the company shall provide and receive gas from PTT or other LPG traders under Section 7. Currently, the company acquires LPG from two sources, i.e.

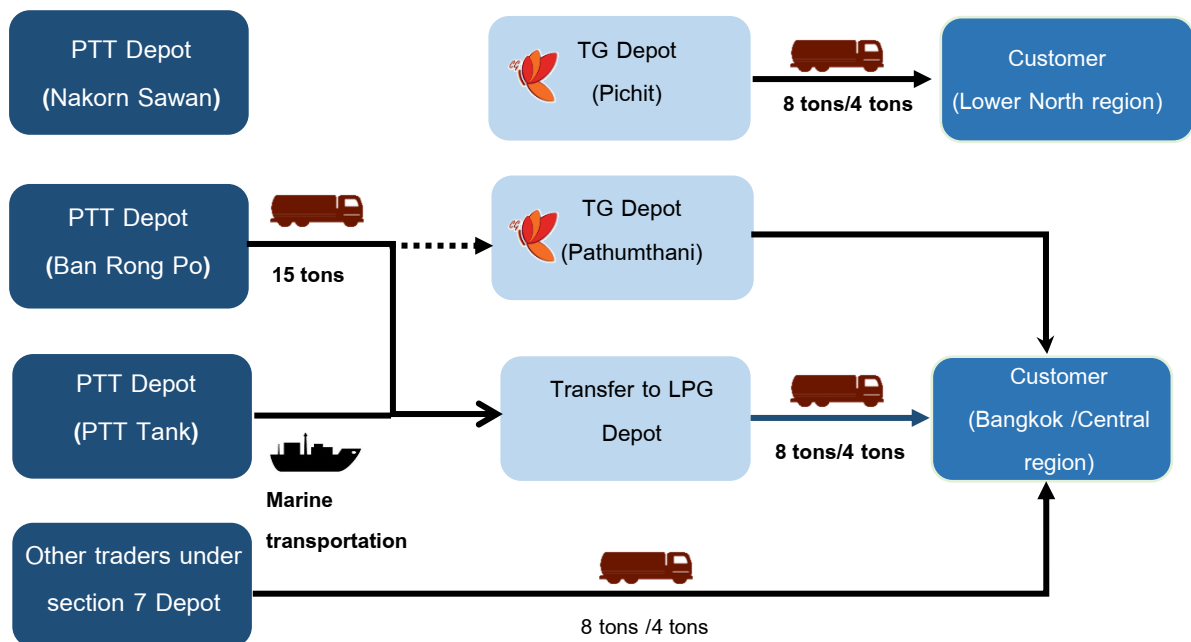
1. LPG traders under Section 7 who run gas separation plant and oil refinery plant such as PTT Public Company Limited and ESSO (Thailand) Public Company Limited. The proportion of average purchase is 57% of the total purchase amount, which most likely from PTT.
2. Other LPG traders under Section 7, the proportion of average purchase is 43% of the total purchase amount of LPG.

The company made a LPG purchase contract with PTT and other traders under Section 7 by informing a monthly purchase plan to the sellers while there are review and confirmation of a purchase volume every month.

Selling to customers and delivery of gas from gas storage warehouses

The company has sales department responsible for making direct contact with customers to inquire purchasing requirement and stimulate sales including offering other services in being sales promotion. Frequency of purchase from customers depends on a trade volume of each LPG station. As soon as customer purchase orders arrive, the company shall receive gas from gas storage warehouses of PTT or other traders under Section 7 to deliver to customers. Inclusion criteria of gas storage warehouses that the company will receive gas are considered from distance of delivery to customers, gas prices at each warehouse, and warehouse fee in case of gas transshipment. Currently, the company receives LPG from PTT at Ban Rong Po Gas Terminal, and PTT Tank Terminal and gas storage warehouses of other traders under Section 7 in Bangkok and outskirts of Bangkok. Every time of gas delivery from gas terminals requires a transportation certificate identifying gas volume to be delivered and final destination.

Overview of LPG purchasing and delivery of the group of companies



As for gas delivered to customers in Bangkok and outskirts of Bangkok or provinces in the central region, the company shall receive gas from Bangpakong gas storage depot in Chachoengsao province using land transportation by a gas truck with 15 tons load capacity or water transportation by a boat. All gas will be delivered to warehouses of the company to receive and load gas to a truck with 8 tons load capacity or 4 tons load capacity including using as a distribution point for delivering to customers.

The service of gas warehouse to transfer the company gas is transportation cost management due to characteristics of running business of LPG traders under Section 7. The law prescribed not to transfer gas between tanker trucks, making each time gas will be delivered to only one customer. However, in case customers live near the gas terminals or depots that the company buy, the company shall use a truck with 8 tons load capacity or 4 tons load capacity to deliver gas directly to customers.

For gas delivery to customers in the upper central region or lower north region, in most cases the company shall receive gas from PTT gas terminal in Nakhon Sawan by using a truck with 8 tons load capacity to deliver to customers and receive gas from the company gas storage warehouse in Phichit to deliver to customers in lower north region.

The company land transportation of gas is carried out by G Gas Logistics Company Limited, a subsidiary company and LPG transporter under Section 12 of Fuel Trade Act B.E. 2543.

The Company's gas warehouse

Presently, the Company has 2 LPG terminals used as LPG distribution and reserve point as follows:

Terminal	Location	Storage Capacity (Ton)
1. Phichit	Phichit Industrial Estate, Nakorn Sawan-Pittsanulok Road, Nong Lum Sub-district, Vachirabarami District, Phichit Province	1,000
2. Pathum Thani	Ban Pathum District, Pathum Thani Province	400



Both LPG terminals at Phichit and Pathum Thani are used for LPG distribution and LPG reserve terminal pursuant to the laws, which is currently 500 tons.

Distribution channel

Since most of the company customers are LPG station and factories, the company makes a direct contact with customers by having a sales team responsible for making contact with customers, divided by areas of responsibility to ensure customers are thoroughly taken care of. As LPG stations and factories require LPG continuously, the sales team has to coordinate with customers regularly to learn about the volume of gas required by customers and offer sales by the time they expect that customers will additionally purchase gas so as to stimulate purchasing. Besides, the sales team is able to offer other services of the group of companies that are associated with customer business as well to ensure services are given to customers integrally; for example, safety equipment inspection service for gas system in LPG stations or factories that operators need to inspect according to the requirements of the law.

Approaching new customers

The company makes direct contact with customers. The sales team will make contact with customers to sell LPG and offers services to customers in their areas of responsibility. For new customers, it is required to check customers' documents such as company certificate, business license, commercial registration certificate, etc., and evaluate distance and transportation cost from the nearest gas depots being the company gas storage warehouses or gas storage warehouses of LPG traders under Section 7 that the company has a sales contract with. Next, executives shall consider sales price determination, credit limit giving, the length of time to pay off debt based on types of customers' business. Averagely, customers have the length of time to pay off debt by 15-30 days.

Competition in the Industry

Due to the volatility of oil price during the past year and Corona Virus (COVID-19) in 2020, the demand for LPG in overall automotive sector has decreased. Also, the total consumer LPG sales have declined since main LPG consumer are gas stations. Therefore, LPG traders under section 7 have to compete against each other to maintain their sales figure.

Also, in order to enter into LPG procurement and distribution business for LPG station, it is required to have license under section 7 of Fuel Trade Act B.E. 2543.

Qualifications of persons applying for being LPG traders under Section 7

- Have registered capital more than 50 million baht and 100 million baht or higher working capital
- Have trade volume per year from 50,000 tons or higher reported to Department of Energy Business
- Have gas supply by 1% of trade volume per year.

Due to the above-mentioned qualifications, it is more difficult for small operators to enter into the business. In addition, competition in LPG trading is not only in prices but also in the quality of services, speed of gas delivery including other technical services to customers that make new business operators compete with existing business operators in a more difficult manner. Also, the Company has sales department which responsible for directly contacting customer in order to know customers' demand, stimulate sales and offer other services according to the Company strategy in providing fully integrated services which included transportation service, safety testing and gas piping maintenance. This helps the Company create value to customers and make differentiate from other competitors.

Market Share and Competitors

Currently, there are 18 LPG traders under section 7 for industrial sector, automotive sector and household sector in Thailand which has quantity sold as follows;

(Units : Thousand Tons)

	Name	2022		2021		2020	
		Quantity	%	Quantity	%	Quantity	%
1	PTT Oil and Retail Business Public Company Limited	1,464.29	41.98	1,425.99	42.26	1,437.68	42.59
2	WP Energy Public Company Limited	637.96	18.29	590.21	17.49	611.42	18.12
3	Unic gas and Petrochemicals Public Company Limited	422.49	12.11	418.31	12.40	437.77	12.97
4	Siam Gas and Petrochemicals Public Company Limited	352.05	10.09	329.62	9.77	365.22	10.82
5	PAP Gas and Oil Company Limited	107.30	3.08	123.66	3.66	134.19	3.98
6	Orchid Gas (Thailand) Company Limited	116.04	3.33	114.58	3.40	130.82	3.88
7	Atlas Energy Company Limited*	252.49	7.24	160.45	4.75	45.13	1.34
8	Thaigas Corporation Company Limited	-	-	41.07	1.22	41.63	1.23
9	Biggas Technology Company Limited	16.00	0.46	20.08	0.60	39.6	1.17
10	UNO Gas Company Limited	31.18	0.89	29.95	0.89	34.5	1.02
11	Takuni Group Public Company Limited	28.61	0.82	25.86	0.77	30.58	0.91
12	Esso (Thailand) Public Company Limited	21.56	0.62	22.86	0.68	22.27	0.66
13	NS Gas LPG Company Limited	15.97	0.89	12.11	0.36	15.72	0.47
14	Saengthong Petroleum Company Limited	-	-	6.04	0.18	10.11	0.3
15	Bangchak Corporation Public Company Limited	15.18	0.44	8.59	0.25	9.08	0.27
16	IRPC Public Company Limited	3.36	0.10	41.29	1.22	3.77	0.11
17	PTT Public Company Limited	3.64	0.62	3.81	0.11	3.34	0.1
18	PTG Energy Public Company Limited	-	-	-	-	2.62	0.08
	Total	3,488.13	100	3,374.48	100	3,375.48	100

Source : Department of Energy Business, Ministry of Energy

Competitive strategies

Since LPG is not different in each manufacturer, target customers of the group of companies, i.e. gas stations and factories are sensitive to change in prices and make a comparison of LPP prices sold by each LPG trader under Section 7. Therefore, they set selling prices to be similar for benefits of price competition. In this regard, price is not the only major factor for competing in LPG supply and selling business but also the quality of services and reliability in LPG traders. Consequently, executives of the group of companies take factors affecting business competition into consideration so as to set strategies for making a difference and strengthen their competitive advantage as follow:

1. Increase gas depots for gas storage and transfer

Since acquiring gas or using services from gas depots of other LPG traders under Section 7 gives rise to additional operating costs such as transfer depot fee, gas storage fee, etc., including limitation in the length of service hours and volume of gas purchase from each depot, contributing to lack of agility and limitation in increasing sales volume. To have their own gas storage warehouses or depots brings competitive advantage to LPG traders under Section 7.

The group of companies is aware of the importance in possessing own gas depots. Therefore, an investment is made into the construction of additional gas depot in Pathum Thani province, an area of major customers of the group of companies. This depot is capable of storing 400 tons of gas. Gas supply will be moved to Pathum Thani gas depot which can help reduce expenses, especially transfer depot fee, reduce risk of gas supply shortage, and can expand customer bases to the north and west areas of Bangkok in which today there are no gas depots of LPG traders under Section 7 located in these areas.

2. Deliver gas in a timely manner

For LPG stations and factories, major customers of the company, reliability of gas distributors in supplying and delivering gas in a timely manner that meet requirements is very important to business operations. Though in general customers have gas purchase plans in advance, for customers who are LPG stations, sales volume in each period is uncertain, giving rise to a case that customers urgently need to purchase gas, especially customers in Bangkok having limitation in duration of delivery as gas tanker trucks are allowed to be on road during 22.00 – 05.00 hours only. Therefore, ability in supplying gas and delivery management of gas distributors are important factors in building trust to customers and retaining customer bases.

The company gives importance to building trust and reliability in running business by means of skills in transportation management from more than 10 years of experience in transportation business. Having numbers of gas tanker trucks to facilitate increasing order quantities from customers including the construction of gas depot in Pathum Thani to reserve gas and a destination for loading gas will ensure that the company will be able to supply and deliver gas to customers at all times.

3. Provide services to customers closely and integrally

Services provided to customers closely and integrally is one of important factors in making a difference to how the company runs the business. With regard to the LPG supply and delivery business, the company has a policy to have the sales team make contact with customers regularly to maintain good relationship with them and encourage repeat purchases. Besides, the company runs many businesses related to LPG, being

able to offer other services in addition to selling and delivering LPG so as to provide convenience to customers being LPG stations and factories; for example, installation service for industrial gas piping system, safety inspection required by laws, safety training for employees, etc.

4. Efficient cost management

As product characteristics are not different among manufacturers, LPG traders must try to control sales prices in a competitive level. As a consequence, cost and expense control, especially cost of LPG, cost of transportation and management expenses have a considerable impact on profitability of the group of companies. The company employs various guidelines to control such costs and expenses; for example, planning to acquire and deliver LPG from sources with the lowest cost of LPG and cost of transportation, setting routes and using GPS tracking for trucks to check transportation routes and speed including setting appropriate quantity of fuel used in each time of delivery to ensure transportation cost management is efficient.

As for management expenses, the company uses centralization strategy by combining all agencies supporting company business operations and subsidiaries to be at the company only so as to reduce the number of employees, job redundancy and to increase work efficiency while management expenses between each other are calculated as proper.

Price setting policy

Costs incurred in acquiring gas of LPG traders under Section 7 are wholesale depot prices and other expenses related to the acquisition. Wholesale depot prices are announced by Energy Policy and Planning Office (EPPO) Ministry of Energy. Therefore, factors affecting different costs incurred in acquiring gas of LPG traders under Section 7 come from other expenses incurred in acquiring and delivering gas such as depot fee (Throughput) is service fee for loading gas to-from each depot, transportation cost between gas depots, management cost, etc.

Overview of LPG consumption in Thailand

Liquefied petroleum gas or LPG is used as a material in petrochemical industry and fuel in transportation, industry, and household sectors due to country economic growth and increasing fuel prices. The use of LPG as a fuel for vehicles has considerably decreased since 2015 due to a high decline of global oil prices in conjunction with the spread of coronavirus 2019 (COVID-19) that have an effect on the LPG consumption in transportation sector. However, LPG consumption in petrochemical industry increases continually in harmony with economic growth.

Relevant laws and regulatory agencies

Being a LPG trader under Section 7 of Fuel Trade Act B.E. 2543 (2000), the company is required to follow relevant laws. Important laws, rules, regulations, and notifications are as follow:

1. Fuel Trade Act B.E. 2543 (2000) and Fuel Trade Act (No.2) B.E. 2550 (2007).
2. Fuel Control Act B.E. 2542 (1999).
3. Emergency Decree on Remedy and Prevention of Shortage of Fuel Oil B.E. 2516 (1973).
4. Industrial Estate Authority of Thailand Act B.E. 2522 (1979).
5. Ministerial Regulation and Notification of Ministry of Energy on fuel trading and transportation.

Environmental impact

Each procedure of operations starting from LPG acquisition and storage does not involve any process related to emission from waste to external environment. However, due to characteristics of the company business operations that are associated with storage and transportation of inflammable objects, the company is required to follow safety rules and regulations issued by regulatory agencies such as Department of Energy Business, Department of Industrial Works, Department of Land Transport, and Industrial Estate Authority of Thailand to prevent health and environmental hazards. The company does not have any disputes related to environment.

Hazardous and Construction Equipment transportation service

Products and services

All of land transportation of LPG is operated by G Gas Logistics Co., Ltd. (GG), the Company's subsidiary and transporter under Section 12 of Fuel Trade Act, B. E. 2543. LPG transportation to the Company and its subsidiaries is accounting for 65.44% and other LPG trader and LPG station is accounting for 34.56%. Currently, number and detail of trucks owned the Group is as follows:

Type of Truck	Number	Loading Capacity (Ton)
LPG trucks		
Semi - Trailer	4	15.0
10 – wheel truck	10	8.0
6 – wheel truck	2	4.3
Construction Material trucks		
Semi - Trailer	5	50.0

All of the Group's trucks have licenses and their conditions including tanks mounted on them have been regularly inspected as per specified by the laws. GG also installed GPS system in all of the trucks to track information of each truck as well as to monitor, control driving behavior of the drivers and prevent their misconduct. Result gained from using such GPS tracking system made GG able to avoid severe accident and can always transport gas to the customers on timely manner.

Transportation service income during 2020 -2022 were as follow;

	2022		2021		2020	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Transportation Service Income	46.61	100	37.12	100	41.47	100
- LPG to the Parent Company	23.38	50	19.59	53	20.07	48
- LPG to third party	18.39	40	12.83	35	3.63	9
- Ammonia	-	-	-	-	13.94	34
- Material and Equipment for Construction	4.84	10	4.70	12	3.83	9

Marketing and Competition

To operate LPG transportation service business, apart from having LPG transporter under Section 12 of Fuel Trade Act license and form from LPG trader under section 7 for each delivery truck, the business require huge investment capital to procure delivery truck and most of LPG trader under section 7 has its own LPG transportation provider for the cost management benefit and to transport gas to the customers on timely manner. Moreover, LPG transportation cost has its own standard cost and refer to the transportation cost of large trader under section 7. Therefore, it is quite difficult for small operators to enter into this business.

Procurement of product and service

As soon as GG receives orders from customers, GG shall receive gas from PTT gas terminal or gas depots of other LPG traders under Section 7 to deliver to customers:

To deliver gas to customers in Bangkok and outskirts of Bangkok or provinces in the central region, the company shall receive gas from Ban Rong Po Gas Terminal or Takuni Gas Depot in Pathum Thani or gas depots of other LPG traders under Section 7 to deliver to the company gas depot for transferring to 8 tons or 4 tons loading capacity tanker trucks before delivering to customers. In case customers are located near gas depots that the company purchases, the company shall use 8 tons or 4 tons loading capacity tanker trucks to directly transport gas to customers.

To deliver gas to customers in upper central region or lower north region, in most cases the company shall receive gas from PTT gas terminal in Nakhon Sawan and Takuni gas depot in Phichit to deliver to customers by using 8 tons loading capacity tanker trucks.

Relevant laws and regulatory agencies

As a fuel carrier under Section 12 of Fuel Trade Act B.E. 2543 (2000), GG is required to follow relevant laws. Important laws, rules, regulations, and notifications are as follow:

1. Fuel Trade Act B.E. 2543 (2000) and Fuel Trade Act (No.2) B.E. 2550 (2007).
2. Fuel Control Act B.E. 2542 (1999).
3. Emergency Decree on Remedy and Prevention of Shortage of Fuel Oil B.E. 2516 (1973).
4. Ministerial Regulation and Notification of Ministry of Energy on fuel trading and transportation.

Environmental impact

Each procedure of LPG transportation operations does not involve any process related to emission from waste to external environment. However, due to characteristics of the company business operations that are associated with transportation of inflammable objects, the company is required to follows safety rules and regulations issued by regulatory agencies such as Department of Energy Business, Department of Industrial Works, Department of Land Transport, and Industrial Estate Authority of Thailand to prevent health and environmental hazards. The company does have any disputes related to environment.

Construction service

Products and Services

Takuni (Thailand) Co., Ltd. (TT) provides construction service as oil and gas construction, i.e. construction of gas piping system in LPG terminal, gas filling plant, LPG station, LPG transportation trucks as well as gas piping system in industrial plants, restaurant or department store which used LPG as fuel for cooking, under supervision, design, calculation of the expert and experienced teams of engineers. The Company has been certified for ISO 9001: 2008 Standard on manufacturing, installation and sales from UKAS Institute.

The Group has invest in CAZ (Thailand) Company Limited which also provides Oil and Gas construction (Engineering Procurement Construction) including Engineering Design, Fabrication, Civil and Erection work. These products are served customers in various industries, especially energy business customer who want high standard and quality of construction such as oil refinery, power station, companies in natural gas and petroleum industries which located in Maptaphut area, etc.



Business operations of the subsidiaries - CAZ (Thailand) Public Company Limited (CAZ) and Takuni (Thailand) Company Limited (TT) - may seem similar in the provision of construction service. However, the businesses of both parties differ in terms of expertise and standard of work. Thus, clients would decide to engage the services based on suitability to the job.

CAZ operates its business as construction service provider with its clients being large operators in the oil, gas, and petrochemical industry. This requires experience, emphasis on standards of raw materials, controlled manufacturing process, teams of engineers with expertise and understanding in various products able to advise clients and teams of craftsmen standard-certified for welding various types of products, enabling the Company to ensure high quality services with quality control exercised in every production and installation process. In addition, the Company received certificates of standard from renowned organizations such as ASME and NBIC, with regular checks every 3 years, resulting in high cost of service.

TT, like CAZ, also operates its business in construction service. However, the scope of construction business is limited to LPG pipe construction system such as shopping centers, hospitals, and restaurants. In addition, the standards regarding construction, raw materials, and labor quality are at a level as required by law. As such, TT is not able to deliver standards comparable to CAZ due to limitations such as expertise other than in LPG pipe system, engineers' capabilities, and specialized labor qualifications.

Marketing and Competition

For LPG piping construction business, most of service providers are small operators who mostly render services to small-sized industrial plants. TT is regarded as medium to large operator whose business is directly involved in gas-related industry, so most of customers of TT are medium or large industrial plants that place importance on safety system. That's why they usually use construction services from credible medium to large operators. There are only a few companies in this category.

For the competition in oil and gas construction business, the Group has good knowledge and management team as well as long experience in these types of businesses. Its product and service are well accepted by customers as it has well-equipped service centers. Moreover, since most of Group's customers are in oil, petroleum, and oil refinery industries, its competition and growth tend to be in the same direction with its customer's industries.

Service rendered on installation of LPG/CNG conversion kits in vehicles business

Products and Services

Takuni (Thailand) Co., Ltd. ("TT") provides service on installation of NGV and LPG conversion kits in general vehicles by using equipment branded Zavoli, a product from Italy. The Company's employees shall provide consultation on installation of gas conversion kits in passenger car which is most suitable for the customers' requirement as well as estimated cost for their consideration before installation which normally takes about 2 days. After such installation, the Company shall issue related certificates on conversion kit installation,

so that the customer can use them to submit for application for a change of fuel system to the Department of Land Transportation.

Besides from providing services on gas piping system construction, TT also distributes equipment for gas filling plant, LPG stations and LPG transportation trucks to general customers. Equipment distributed also including those produced, developed or adjusted by TT. These equipment, in the past, are imported from foreign country and expensive.



NGV Supply Control System



Quick joint/ Gas pipe head / Gas pipe head cover



Gas Detector

Competition in the Industry

There are many operators, both large and small, who provide installation services of gas conversion kits for passenger cars. TT is regarded as a large operator for installation of NGV conversion kit in passenger car and a small operator for installation of LPG conversion kits. Most of operators who render service for LPG/CNG conversion kit are small traders and typically equipment used are imported from China.

Testing service and engineering safety inspection service business

Products and services.

Rajchappleuk Engineering Co., Ltd. ("RE") provides testing service and engineering independent testing service (Third Party Engineering/Inspection Service) as independent specialists for organizations to inspect safety or evaluate status for maintenance and repair which is probably governed by legal regulations or requirements of customers.

RE services can be divided into 2 characteristics as

1. Non-destructive testing

It is a testing process to find mistakes or defects of work pieces using physics process that does not destroy those work pieces such as

- Radiographic testing is a method using either x-rays or gamma rays to examine the internal structure of manufactured components for identifying any flaws or defects. A film is used to record information. It is most likely used to examine weld connection in oil refinery plants or oil pipelines.

- Sound waves test: It is used to test the thickness of the test objects to identify any flaws or defects of texture of the test objects such as tanks, pipeline system and other equipment.

- Magnetic particle testing: It is a non-destructive testing process for detecting surface and slightly subsurface flaws in most ferromagnetic materials. It is mostly used in testing pipeline or metal structure work.

- Penetrant testing: It is an effective means for detecting discontinuities which are open to the surface of nonporous metals and other materials using liquid penetrant testing.

- Visual inspection: This method involves the visual observation of the surface of a test object such as corrosion, physical damage, cracks which may affect the strength of work pieces.

2. Inspection and Certification

It is an inspection process to certify the quality of work including non-destructive testing process to certify operating condition of work pieces according to the objectives of inspection. Inspection is probably conducted prior to the opening of new factories, during installation or after use. Inspection is also conducted to serve legal certification for customers such as LPG/NGV tank certification, tank inspection at gas depots, gas filling plant inspection, gas station inspection, etc.

The inspection process to certify the quality of work includes inspection and certification of boilers or boilers in which the heat transfer media (fluid) is heated imported from abroad, inspection/control/monitoring construction /repair/ transform to meet designs and details certified to international standards, inspection of installation plans and component parts to be in accordance with engineering principles, testing, analyzing, and preparing reports on safety-in-use and advising correct solving methods according to engineering principles.

Inspection and testing service of RE depends on characteristics of the test work. In case of inspecting gas pipeline system in gas depots or gas stations to detect leakage on pipelines, general instruments can be used instead of using special instruments required by non-destructive testing (NDT). In case of work for detecting flaws in material structure that cannot be seen by the naked eye, the NDT process is required. Examples of NDT are inspecting and testing safety system for the use of high-pressure storage containers such as NGV (Natural Gas Vehicle) tanks, LPG (Liquefied Petroleum Gas) tanks, sizes or boilers, etc.

Competition in the Industry

Testing and inspection service business of RE is an independent profession which does not have much large operators, so competition in this industry is not high. Each operator has different type of customers. Most of competition in industry is about creation of credibility. RE is regarded as medium operator and there are 12 operators which have business size closed with RE. Large operators who operate similar business with RE are Qualitech Public Co., Ltd., Siva Testing Inspection and Consulting Co., Ltd. and etc.

Distribution channel

Distribution channel to access customers of RE can be classified into 2 characteristics as

1. Customers of the group of Takuni Company such as gas stations purchasing petroleum gas from TG, customers from industrial gas pipeline installation of TT, customers from gas system installation for cars of TT, etc.

2. General customers to whom RE make direct contact by means of a disclosed database of government agencies such as Department of Industrial Works, lists of operators in the group of energy business, etc. RE engineers will make contact to offer services determined by laws. Currently, most of RE customers are the ones to whom RE made direct contact.

Business strategy

RE has a policy to expand its scope of services to more sophisticated NDT inspection and testing in order to add more value to work for achieving the set goals. RE has a strategy to develop company employees on the basis of on the job training and different patterns of training to improve employees' work skills including considering an investment in instruments used in inspection and testing so as to increase opportunities and service patterns in other aspects.

Procurement of products and services

To provide services related to testing and inspection of engineering safety, potential of each business operator in providing services depends on 2 major factors, i.e.

1. Being licensed to test in various aspects, which can be divided into 2 subgroups as a corporate license and a license for testing practitioners. Most of RE licenses are valid for 3 years and renewal will be implemented when they are due. RE is considered a company holding experience and qualification in testing and inspection that meet international standards such as ASNT, PCN, ASME, and is ISO9001:2008 certified in non-destructive testing and inspection.

License and Certificate as at 1 March 2023 are as follows:

Department/Organization	Type of Certificate/License
Department of Energy Business (DOEB)	Testing and Inspection according to FUEL CONTROL ACT, B.E. 2542 (1999) and registered with the Department of Energy Business. <ol style="list-style-type: none"> 1. Inspection Body Certificate for Liquefied Petroleum Gas Type 1 2. Inspection Body Certificate for Facility of Liquefied Petroleum Gas Type 1 3. Inspection Body Certificate for Fuel Level 3 4. Inspection Body Certificate for Natural Gas Station 5. Inspection Body Certificate for Facility of Natural Gas Type 1 6. Inspection Body Certificate for Power Stations of Natural Gas

Department/Organization	Type of Certificate/License
Department of Land Transport	<p>Approved to be inspector and tester of fittings and installation of fittings and equipment.</p> <p>According to the ministerial regulations prescribing fittings and equipment for vehicles that use compressed natural gas as fuel, B.E. 2550 (2007)</p> <p>Ministerial Regulation Prescribing Equipment and Accessories of Vehicles Used in Transport Using Compressed Natural Gas as Fuel, B.E. 2550 (2007)</p> <p>Ministerial Regulation Prescribing Fittings and Equipment for Vehicles Using Liquefied Petroleum Gas as Fuel, B.E.2551 (2008)</p>
Building Control Board	Certificate of state registration of the legal entity of Inspector
Council of Engineers Thailand (COET)	Licensed to practice the Controlling Engineer profession according to the Act B.E. 2562 (2019)
Department of Industrial Works (DIW)	Boiler Engineering Certification Body or Boiler that uses liquid as a heat medium according to the Ministerial Regulation on Safety Standards for Steam, Liquid Boiler and Pressure Vessel in a Factory, B.E. 2549 (2006)
Office of Atoms for Peace (OAP)	License to possess or use radioactive material
Ministry of Industry, Thai Industrial Standards Institute	Accredited according to Inspection Body (ISO 17020:2012) Type A, Accreditations No. Inspection 0048
The American Society for Nondestructive Testing Inc. (ASNT)	Certification for Mr. Udom Meephaungpol and Mr. Satish Kumar Dornal, as NDT Level III
The American Petroleum Institute (API)	Certification for Mr. Satish Kumar Dornal as API 653 Inspector of oil tank
The American Welding Society (AWS)	Certification for Mr. Udom Meephaungpol, Mr. Bunjob Chansathep, Mr. Sarawut Chiangma, Mr. Wasan Thaisahnga, as AWS Certified Welding Inspector (CWI) with code endorsement, ASME IX, B31.1, B31.3 and ASME VIII DIV.1.
The British Institute of Non-Destructive Testing (BINDT)	Certification to Mr. Sutin Tongjantananam, Ms. Sutharat Kamyoo, and Ms. Ploypailin Khomaroon as PCN Level 2 (EN ISO 9712) in RI, UT, PAUT, PT and MT Methods.
Certification Scheme for Welding Inspection Personnel CSWIP/TWI welding inspector WIS5 Training and Examination Services Granta Park, Great Abington Cambridge CB21 6AL United Kingdom Copyright © TWI Ltd	Certification to Mr. Komsan Kuea-kudmin, Mr. Artid Thmamrak, Mr. Panupong Rattanaburi as Radiographic Interpretation Level II in compliance with ISO 9712

Department/Organization	Type of Certificate/License
Number of Engineer, NDT Operators	- 22 Engineers
and Welding/QC Inspector/Inspector (at	- 19 NDT level II Operators
31 December 2022)	- 43 NDT level I Operators
	- 4 Welding/QC Inspector/Inspectors

2. Adequacy of instruments and equipment. Most of RE services are services related to system testing which depends on a person’s ability. Therefore, the instruments and equipment will be basic instruments that a level 3 NDT technician must supply and prepare as an asset to supplement in applying for NDT service certification. Most of instruments do not require a high investment such as welding connection detector using ultrasonic wave, welding connection detector using radiation, welding connection detector using magnetic particle, welding connection detector using penetrant, hardness tester, high pressure water pump, depth gauge, gas tank expansion testing equipment, etc.

Process of engineering safety testing and inspection services

The process of RE services can be briefly summarized as follow:

1. RE makes contact with customers and offer prices of services.
2. Implement all matters related to testing and inspection, especially the ones identified by laws that require government sector officials to participate in the testing and inspection. RE shall coordinate with Department of Energy Business to set a date for inspection.
3. Perform testing and issue a certificate to customers. In case customers’ work pieces or equipment have defects which are not compliant with the standards, RE shall offer additional services for making improvement and correction.

Testing and inspection services at RE require approximately 2-3 days except the case of testing and inspection of a large gas storage system which will depend on gas tank sizes and testing and inspection tasks.

Property Development Business

Product and service

Takuni Land Company Limited (TL) is a subsidiary company running real estate development business in 2020. The company sold a land to an associated company for developing “Thawee Phetkasem-Kanchanapisek” housing estate project, 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed. There were customers booking 90 units and already transferred during 2022 of 26% out of 93 total units in the project.

Marketing and competition

The cost of land purchase of the group of companies is not so high. The location is near main roads and electric train stations. The group of companies holds experience in construction work, making the company confident that construction cost control will be efficiently implemented and can compete with other real estate business operators. The group of companies selects to co-invest with those who have experience in real estate development business to address brand risk as the company's brand has not gained reputation, affecting the setting of sales prices lower than what other famous operators did.

Security Guard Business

Product and service

In December 2022, the Company has invested in a subsidiary which provide security guard, housekeeping, and other personnel service (KPN Security and Service Co., Ltd., which currently change the name to be Guardian Global Co., Ltd. ("Guardian")). As Guardian is able to submit a bid from government agencies, state enterprises, as well as large organizations every year, it can generate regular income to the Group. Presently, Guardian has 2,400 employees to provide such a service.

Marketing and competition

In both government and private sector bidding, the qualifications of the bidder for services must be determined by the employer, including:

1. Possess legal capacity
2. Not being bankrupt
3. Not in the process of liquidation
4. Possess a license to operate a security business.
5. Obtain ISO certification according to standards, if receiving ISO9001, ISO14001 and ISO45001, it will be an advantage.
6. Have experience in work with a value of not less than 2,000,000–5,000,000 baht.

This is a standard set by the employer in order to be able to select service providers who are fully qualified and able to provide quality services. The company has completed the standard certificate according to the qualifications of the bidder, both public and private projects Therefore, the company has the basic qualifications to meet the needs and participate in high-value bidding.

Service strategies

The Group has been certified to provide maid services and security according to ISO9001: 2015, ISO14001:2015 and ISO45001:2018, including being certified as an establishment to provide a security training course in accordance with Section 34, paragraph 2 of the Security Business Act 2015, including having a plan to use patrol robots to help with building security, which is a service by bringing robots that have been developed to support security work together with security personnel to increase work efficiency and ensure a safe and

reliable environment including increasing standards for work. The patrol robots that help with building security work will have the following features:

- Able to detect weapons and suspicious objects
- Able to detect face and emotions
- When there is suspicion, alerts can be sent to the central area so that officers can be aware of the situation more quickly.
- When urgent assistance is needed, staff can be called immediately.

In addition, the Group also has a plan to develop technology to support online reservation of cleaning services and bodyguard services in order to select personnel to meet customer needs quickly, easily and conveniently, creating a strong point that is different from other providers

Assets used in business operation

As at 31 December 2022, the Group has property, plants, and equipment used in the operation as follows;

Description	Ownership	Net Book Value (Million Baht)	Commitments
1. Land and Land Improvement			
1.1 Land 2 plots at Ban Pathum District, Pathum Thani Area 7 Rai Used for LPG Depot	TG	26.50	N/A
1.2 Land 1 plots at Muang Rayong District, Rayong Area 6 Rai 9/10 Square wa	GG	6.85	N/A
1.3 Land 3 plots at Bangchang District, Rayong Area 65 Rai 2 Ngan 2.10 Square wa Land 1 plot at Huaypong Sub-District, Muang Rayong District, Rayong Area 43 Rai 3 Ngan 16 Square wa	CAZ	183.80	Collateral for Overdraft, Short-term and Long-term Borrowing, and Letter of Guarantee of CAZ, totaling of 925.50 Million Baht
1.4 Land 5 plots at Pluakdaeng District, Rayong Area 79 Rai 47 Square wa	CAZ	76.52	Collateral for Overdraft, Short-term, and Letter of Guarantee of CAZ, totaling of 975.00 Million Baht
1.5 Land 1 plots at Banmai, Muang Pathumthaini District, Pathumthaini Area 64.5 Square wa	Guardian	4.00	Collateral for Overdraft

Description	Ownership	Net Book Value (Million Baht)	Commitments
1.6 Land 2 plots at Sainoi, Sainoi District, Nonthaburi Area 62.1 Square wa	Guardian	12.32	Collateral for Long-term Borrowing
1.7 Land lease recorded as Right of Use in financial statements	TG / GG / CAZ	5.47	N/A
Total Land		315.46	
1 Buildings and Building Improvements			
2.1 LPG Depot at Phichit	TG	2.35	N/A
2.2 LPG Depot at Pathum Thani	TG	2.36	N/A
2.3 1 Floor Building on Land item 1.3 used as Head Office and shop	CAZ	62.72	Collateral for Overdraft, Short-term and Long-term Borrowing, and Letter of Guarantee of CAZ, totaling of 925.50 Million Baht
2.4 2 Floor Building on Land item 1.4 used as shop	CAZ	45.60	Collateral for Overdraft, Short-term, and Letter of Guarantee of CAZ, totaling of 975.00 Million Baht
2.5 Building on Land item 1.6 used as Head Office	Guardian	0.86	Collateral for Long-term Borrowing
Total Buildings and Building improvements		113.89	
3 LPG Cylinders and equipment	TG	12.71	N/A
4 Equipment and office supplies	TG / TT / GG / RE / CAZ / JKEC / Guardian	175.71	N/A
5 Vehicles			
5.1 For Transportation services 25 trucks - 2 trucks for 5 tons - 10 trucks for 8 tons - 4 trucks for 15 tons - 5 trucks for 50 tons	GG	12.57	N/A

Description	Ownership	Net Book Value (Million Baht)	Commitments
5.2 For internal used in operation	TG / TT / GG / RE / CAZ / JKEC / Guardian	29.25	N/A
Total Vehicles		41.82	
6 Construction in Progress	RE / CAZ	7.37	N/A
Total Property, plant, and equipment		666.96	

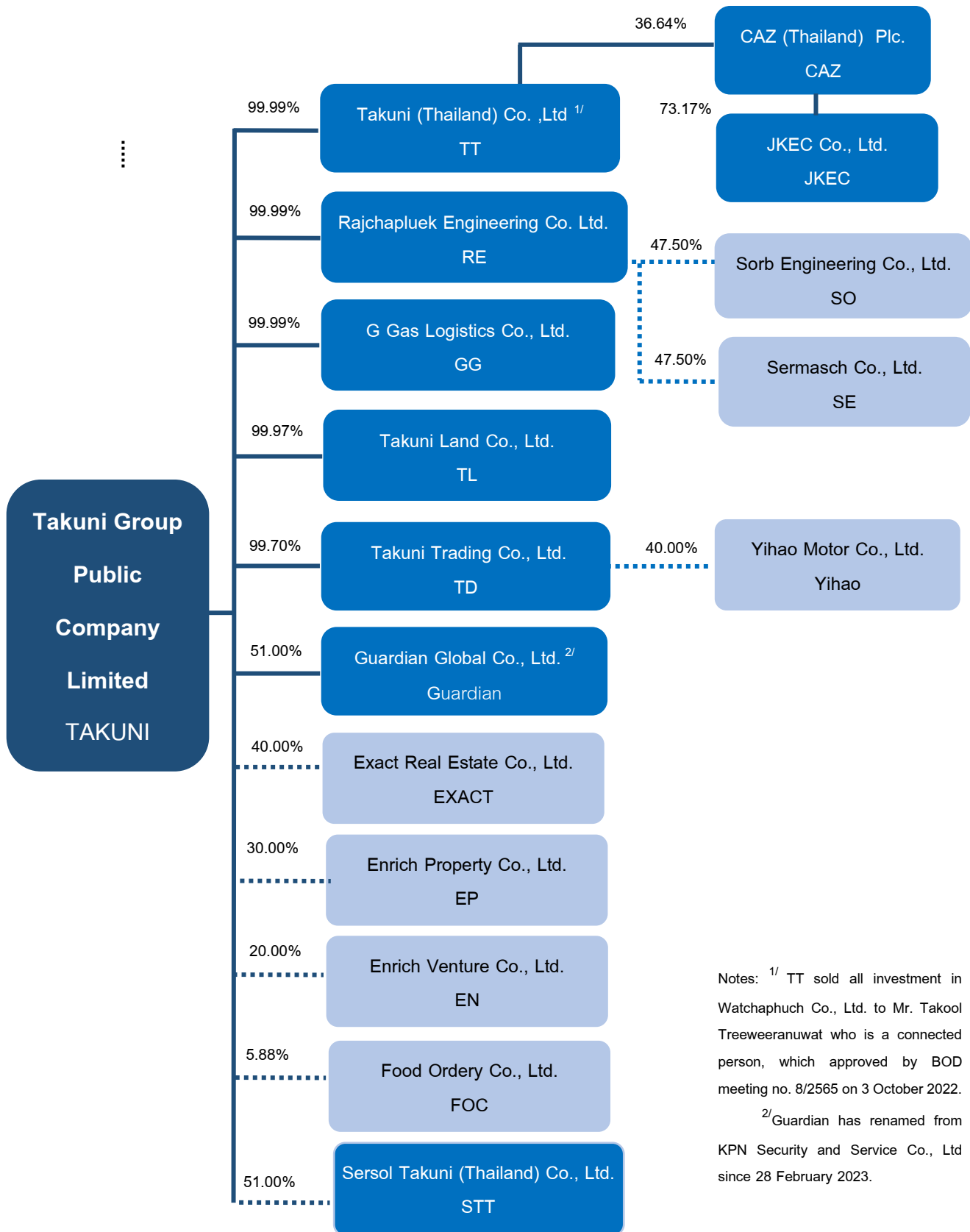
Investment policy in subsidiary and associated companies

The company has a policy to invest in businesses beneficial to the company so as to increase competitive advantage. The policy is set as follow:

- Investment in subsidiaries – The Company shall have power to control and set management policies. The Board of Directors appoints Chief Executive Officer/Managing Director and top executives of the company to be committee in the subsidiaries. Policies and practice guidelines are brought to the subsidiaries to ensure the operations and management are carried out in the same direction.
- Investment in associated companies – The Company shall have the rights to assign the company's representatives to be committee according to the size of shareholding to oversee and audit the management to meet the strategies jointly determined.

Company Structure

As at 31 December 2022, the Group structure are as follows;



Notes: ^{1/} TT sold all investment in Watchaphuch Co., Ltd. to Mr. Takool Treeweeranuwat who is a connected person, which approved by BOD meeting no. 8/2565 on 3 October 2022.

^{2/} Guardian has renamed from KPN Security and Service Co., Ltd since 28 February 2023.

Relationship with the group of businesses of major shareholder

After the reorganize of the Group in 2012, the Group and the major shareholder, family of Khun Prasert Treeweeranuwat, has no businesses having the same characteristics as the company's businesses or businesses that can compete with the company. In the past the major shareholder's family conducted gas station and gas filling plant businesses, i.e. Middle G Company Limited, Praksa Company Limited, Wangvichit Petroleum Company Limited and Pioneer Petroleum Company Limited with their siblings and friends as a minor shareholder. However, in the business reengineering, the group of businesses of Khun Prasert family sold ordinary shares of those companies to major shareholders of each company so as to eliminate conflict of interest that may occur.

Besides, to prevent conflict of interest among the family, the company, and subsidiaries and to retain the rights of shareholders and to treat shareholders equitably and fairly, Treeweeranuwat family by Khun Prasert, Khun Kanchana, Khun Nita and Khun Takool made a contract with the company that each person including related persons referred to in Section 258 shall not conduct businesses which are in competition with the businesses of the company and businesses of the subsidiaries and shall not conduct businesses associated with liquefied petroleum gas, natural gas and oil. This contract has a legal binding until all 4 persons in Treeweeranuwat family shall hold shareholders altogether amounting to less than 10% of paid-up capital of the company and no one is company executive.

Shareholders

Takuni Group PLC. has registered and paid-up capital of 400,000,118 Baht at 0.5 Baht per share.

Top Fifteen of The Shareholders as of March 9, 2023 are as follow:

	Shareholders	No. of Shares	%
1	Mr. Kanatuch Woontranon	48,500,000	6.06%
2	LGT BANK (SINGAPORE) LTD	41,250,000	5.16%
3	Mr. Viroj Nookumdee	37,616,900	4.70%
4	Thai NVDR Co., Ltd.	37,045,095	4.63%
5	Mr. Surapong Harnvilai	34,305,000	4.29%
6	Mr. Rujatorn Milintajinda	27,326,300	3.42%
7	Mr. Theera Kitjarurat	24,337,500	3.04%
8	Mr. Amorn Subtaweekul	15,524,700	1.94%
9	Mr. Ritirong Boonmeechot	15,500,000	1.94%
10	Ms. Yuwadee Vachiraprapa	15,012,002	1.88%
11	Mr. Narong Jiarathum	15,000,000	1.87%
12	Mrs. Woraphan Chuengsap-paisan	14,000,000	1.75%
13	Mr. Pisit Viriyenawat	13,600,000	1.70%
14	Mr. Prapol Milintajinda	11,739,300	1.47%
15	Ms. Leena Vanawit	11,505,300	1.44%
	Total	362,262,097	45.28%

Share Capital

Initial	:	TAKUNI
Name	:	Takuni Group Public Company Limited
Registered and Paid-up Capital	:	400,000,118 baht
Common Shares	:	800,000,236 Share
Par Value	:	0.50 baht
Offering Date	:	19 August 2014

Other security

The Extraordinary General Shareholders Meeting No. 1/2558 on 2 December 2015 has the resolution to issue warrant to purchase ordinary shares of TAKUNI with the following detail:

Warrant to purchase ordinary shares of Takuni Group Public Company Limited No.1 ("TAKUNI-W") not exceed 400,000,000 units allocated to the existing shareholders who subscribed for new ordinary shares that offered to the existing shareholders by right offering without charge. The exercise ratio was 1 unit of warrant to 1 ordinary share. As the right offering period expired on 8 January 2016, there were shareholders who subscribed for new ordinary shares of 399,999,874 shares. The Company also issue TAKUNI-W of 399,999,874 units with detail as follows;

Category of Warrants	:	Warrant to purchase the ordinary shares of Takuni Group Public Company Limited No.1 (TAKUNI-W)
Type of Warrants	:	Specify warrant holders and transferable
Number of Offering Warrants	:	399,999,874 units
Exercise Ratio	:	1 unit of warrant to 1 ordinary share, subject to any adjustment of exercise price and exercise ratio
Exercise Price	:	2 Baht
Date of Issue of Warrants	:	29 January 2016
Term of Warrants	:	Not exceed 5 years from the Date of Issue of Warrants. At expiry of Warrants it will not extend the term of Warrants
Exercise Period	:	Warrant Holders can exercise the right to purchase ordinary shares of the Company totaling of 6 time as <ol style="list-style-type: none"> 1. The last working day of December 2016 2. The last working day of December 2017 3. The last working day of December 2018 4. The last working day of December 2019 5. The last working day of December 2020 6. 28 January 2021, which is the last exercise period
Period of Declaration of Intention to Exercise Warrants	:	Not less than 5 business days period prior to each exercise date
Date of Expiry of Warrants	:	29 January 2021 onward

Adjustment of Exercise Price and Exercise Ratio

The Company has adjusted exercise price and exercise ratio of TAKUNI-W because the Company pays dividends in excess of 40% of its net profit after tax in any accounting period during the tenor of the Warrants

The Adjustment 1 Effective since 13 March 2017

Existing condition:	Exercise Price	2 Baht per share
	Exercise Ratio	1 unit per 1 share
New Condition:	Exercise Price	1.97 Baht per share
	Exercise Ratio	1 unit per 1.02 share

The Adjustment 2 Effective since 23 March 2018

Existing condition:	Exercise Price	1.97 Baht per share
	Exercise Ratio	1 unit per 1.02 share
New Condition:	Exercise Price	1.93 Baht per share
	Exercise Ratio	1 unit per 1.04 share

The Adjustment 3 Effective since 13 March 2019

Existing condition:	Exercise Price	1.93 Baht per share
	Exercise Ratio	1 unit per 1.04 share
New Condition:	Exercise Price	1.88 Baht per share
	Exercise Ratio	1 unit per 1.07 share

The Adjustment 4 Effective since 11 March 2020

Existing condition:	Exercise Price	1.88 Baht per share
	Exercise Ratio	1 unit per 1.07 share
New Condition:	Exercise Price	1.79 Baht per share
	Exercise Ratio	1 unit per 1.12 share

The Exercise of TAKUNI-W

- ✓ As at 30 December 2016, the first exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.
- ✓ As at 29 December 2017, the second exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.
- ✓ As at 28 December 2018, the third exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.
- ✓ As at 30 December 2019, the fourth exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.
- ✓ As at 30 December 2020, the fifth exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.
- ✓ As at 28 January 2021, the last exercise of TAKUNI-W, there were warrant holder exercise TAKUNI-W 211 units to purchase ordinary share of TAKUNI 236 shares.

The utilization of capital increase

The Extraordinary General Shareholders Meeting No. 1/2558 on 2 December 2015 has the resolution on the right offering (RO) to existing shareholders of the Company during 4 - 8 January 2016, offering 400 Million shares at the price of 1.00 Baht per share which is 400 Million Baht in total. The objectives for the utilized of capital increase were to use as working capital and to invest in renewable energy business. As at 31 December 2021, the Company still remain cash for invest in renewable energy business of Baht 119.05 Million. The Company expect to use this fund to invest in the electronic motorcycle manufacture and assembly in Taiwan.

Dividend Policy

The Company and its subsidiaries has the policy of paying dividend to shareholders at no less than 40% of net profit after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than the above rate, depending on the necessity of working capital use for business expansion. A resolution of the Company's Board of Directors regarding the dividend payment must be proposed to the Shareholder Meeting for approval, except for an interim dividend payment, which the Board of Directors may approve and then report to the next Shareholder Meeting

Detail of dividends payment during 2020 - 2022 are as follows;

Performance	Statement of Comprehensive Income (Company)	Share Capital	Dividend per Share (Bah)	Amount (Baht)	% Paid Dividends
2022	70,751,502	800,000,236	0.0300	24,000,007	33.92
2021	20,885,129	800,000,236	0.0250	20,000,006	95.76
2020	32,056,843	800,000,236	0.0375	30,000,009	93.58



Risk Management

Risk Factors

Risks that could have a material effect on operational performance and financial status of the Company are summarized below.

1. Risk from Safety of Storage and Transportation of LPG

The executive place importance on two supervision issues:

1.) Accountability in the terminal – The Company has installed terminal efficient safety equipment and extinguisher to meet safety standard required by the government. In addition, the Company got the permit for liquefied petroleum gas terminal to constructing the terminal from Ministry of Energy as well as extended the permit every year. Thus, the Company is confident that the warehouse meet safety standard.

2.) Employee performance on storing and transporting gas – The Group has set up work rule for employee to test safety equipment daily as well as held the seminar to train all employees to understand how to perform their duties properly. Each employee must received employee card which certified by Ministry of Energy.

In addition, the Company has buy Industrial All Risks Insurance on LPG terminal and LPG transporting truck which have liability coverage for third party to lighten on group's load when accident occurred. With the stated risk management, the executive believe that the Group's risk management is sufficient and similar to other in the same industry.

2. Risk from technological change

As of today technologies in automobile grow rapidly, especially technology in electrical energy, making consumes have more choices of fuel types with cheaper prices such as E85 or B20 while they do not have difficulty in modifying car engines. In this regard, gas consumption in transportation sector decreases significantly. Meanwhile, a way of life of people in urban areas also changes; they live in condominiums and have electrical appliances for cooking without using gas, contributing to a decline in gas consumption of household sector and affecting gas selling business and related businesses like gas system installation in cars and testing of gas safety system businesses that face a decrease in sales volume.

The Group expands its business to construction business, real estate development business, security guard service, and electronic motorbike to diversify risks in conducting business including recruiting and developing qualified personnel to facilitate customer expansion to a group that does not belong to the energy business only. In the meantime, the market for services of engineering safety testing is expanded to the east region so as to expand the customer base.

3. Risk from Capital Funding

The Group continuously diversify investment to other business to alleviate risk from the existing business, not only security guard service but also electronic motorbike business and its financing service. Therefore, the Group need more funding for such investments and working capital. The Group has increased the liquidity by creating good relationship with many financial institutions as well as comparing and using the appropriate cost of fund on timely basis. In addition to increased funding, in 2023, the Group consider to issue and offer the Company's debentures to accommodate the investment of the Company, use as working capital and/or used in business operations and/or business expansion of the Company.

4. Risk from entering the electric motorcycle business

With the technological advancement of renewable energy and the environmental impact of combustion engines, the Group therefore focuses on electric motorcycle business by investing in an associated company in Taiwan since 2020 to develop and produce electric motorcycles which was expected to be sold by 2022 and had plans to expand businesses related to electric motorcycles in Thailand. However, government policies related to electrification in transportation remain uncertain, including rapid advancement in the production of propulsion parts, controllers and battery power. Therefore, the company group has to constantly keep up with the news and movements of technology, including seeking business alliances, cooperating with relevant equipment manufacturers to develop strategies and products to meet the market demand and have the capability to compete, including determining guidelines for after-sales service in order to create a standard for the brand to be known and trustworthy.

Driving business to sustainability

Policy and goal for sustainability management

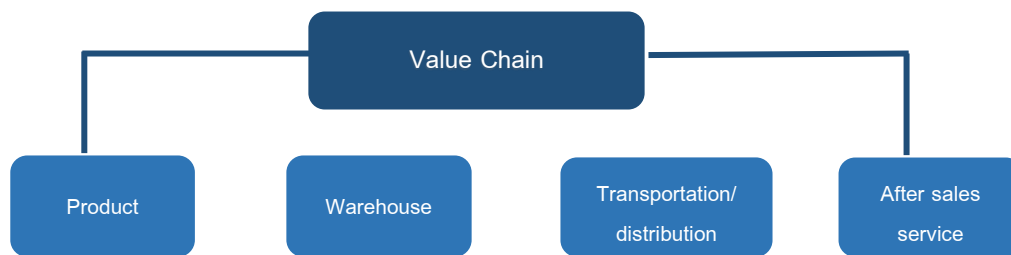
The Group of companies sets a vision to run businesses as a whole for being able to expand and grow together by adhering to social responsibility, environmental responsibility and taking all stakeholders into consideration including promoting free competition, not to take any action that leads to market distortion resulting in a negative effect on consumers in order to grow the businesses securely and sustainably.

The Company appointed corporate social responsibility and sustainability committee (ESG) comprising management executives, managers, and employees to have power and duty to develop social, environmental, and economic responsibilities and produce reports summarizing performance to Board of directors. Besides, ESG committee communicated with employees including stakeholders for acknowledgement using communication channels such as website, email, Skype, Facebook, or public relations announcement, etc.

	Indicators	Long-term goals	Goals for 2022	Performance in 2022
Employee	Training hour	32 hours /person/year	20 hours/person/year	16 hours/person/year
Business	Retain sales volume	Non-decreasing	Non-decreasing.	Increase by 40.12%.
	Increase products/ New business	more than 1 product (business) / year	more than 1 product (business)/ year	Security Guard and Property Development business.
	Environment	Green space	Increase the number of trees and water animals in the area 10% per year.	150 plants

Impact management on stakeholders in business value chain

“Fueling our society safety and clean”



	Product	Warehouse	Transportation/ distribution	After sales service
Processes	<ul style="list-style-type: none"> ● Sales estimation ● Letter of guarantee ● Purchase quota 	<ul style="list-style-type: none"> ● License ● Safety ● Product management ● Testing as required by laws 	<ul style="list-style-type: none"> ● Truck management ● Provision of transport service ● Safety 	<ul style="list-style-type: none"> ● Promotion ● After sales service (testing as required by laws/ giving consultation).
Stakeholder	<ul style="list-style-type: none"> ● Distributors ● Financial institutions ● Department of Energy Business ● Shareholders 	<ul style="list-style-type: none"> ● Community and Society ● Customers (be able to gain cheap prices/convenience). ● Department of Energy Business. ● Employees. ● Shareholders. 	<ul style="list-style-type: none"> ● Employees ● Transporters ● Government sector (price setting) ● Shareholders 	<ul style="list-style-type: none"> ● Customers ● Testing by service providers ● Community and Society ● Shareholders
Relevant issues to sustainability	<ul style="list-style-type: none"> ● Fair price ● Quality gas ● Preparedness in capital ● Fairness and equality of purchase quota permission ● Following relevant laws 	<ul style="list-style-type: none"> ● Safety ● Treating employees well. ● Prices/convenience ● Product access ● Preparedness in capital ● Following relevant laws ● Community and society 	<ul style="list-style-type: none"> ● Knowledge/safety ● Treating employees well ● Fair operating practices. ● Good return 	<ul style="list-style-type: none"> ● Customers ● Testing by service providers ● Community and Society ● Shareholders

Company value chain starts from providing products which the company shall inform sale volume to distributors and Department of Energy Business to ensure the company shall be granted permission of gas purchase quota in an equitable manner similar to other LPG traders under Section 7. With regard to purchase and sale of goods, the company must have a financial institution issue a letter of guarantee in accordance with the value of purchasing and selling by the time that a distributor sets a credit term in order to be the collateral of purchasing and selling.

After receiving gas, the company shall store gas in warehouses that meet standard and safety and are licensed by Department of Energy Business including passing safety testing required by law to ensure hazard will not occur to employees, customers, and neighboring communities. Safety training is held regularly for employees and customers who receive services in the warehouses. The company distributes goods in many areas, enabling customers to access goods conveniently, fast, and in a timely manner.

As for goods delivery, the company has quality gas tanker trucks that are safe and environmentally friendly. Employees responsible for delivery service are required to own a driving license of hazardous goods and regularly receive safety training, and must be able to deliver goods to customers to meet a required schedule. Energy Policy and Planning Office (EPPO) Ministry of Energy shall set gas retail prices properly and fairly to ensure consumers in all sectors can access gas equitably.

The Company focuses on after sales service to all groups of customer in terms of knowledge training in being gas filling attendants, safety testing service as required by laws including the provision of gas system maintenance and repair service to ensure that the gas system of customers is functional and meets standards and safety for neighboring communities and society. Quality products with safety are offered to customers as well as excellent services so that customers will receive maximum satisfaction for serving sustainable consumption.

Environmental dimension in sustainability management

The Company gives importance to taking care of environment in all processes and external environment by taking account of social and environmental impact on the basis of international standards. The company is committed to developing green and modern technology to enable all processes of the company to achieve the highest efficiency.

The Company participated in Green Industry Project created by Ministry of Industry and was announced to achieve Green Industry in the 2nd level (Green Active) in developing environmental work plans to reduce environmental impact in a concrete manner. The Company implemented activities reducing environmental impact in accordance with the set goal by growing fruit trees, flowering trees, and kitchen vegetables to increase green spaces as plants provide shade and improve air circulation by absorbing carbon dioxide, a cause of global warming, and collecting some particles such as dust, or smoke. In addition, the kitchen vegetables can be eaten and rich in vitamins and minerals, chemical free, reduce household expenses and the important thing is it allows employees to enjoy doing activities together, bringing good relationship within the Company.



Green Industry Project – Pathum Thani Gas Depot, employees and executives work in collaboration to make green spaces.

Within Phichit and Pathum Thani Gas Depot, employees and managements together planted agricultural crops and horticulture for their own consume such as, mange, banana, lemon, jackfruit, coconut,longan, rambutan, star gooseberry, tomato, galangal, lemon grass and sadao.



Furthermore, since 2021 the Group provided a green space by the sides of warehouse building at the head office. Rain trees and Korean banyan trees (*Ficus annulata*) were grown to reduce greenhouse gas emission and increase recreational space for employees.

5R principles that include Reduce, Reuse, Recycle, Repair and Reject have been adopted to activities under the project “TAKUNI Care”. Activities were organized under the environmental management policy and employees were encouraged to participate in the activities and were instilled consciousness to conserve environment in a sustainable manner.

- Reduce : It is a way of waste reduction such as the purchase of a refillable product.
- Reused : It is a way to extend product life cycle, learn to utilize them more efficiently, and use them again or more than once.
- Recycle : It is a method to put used objects or materiats through the process of converting waste materials into new materials and objects.
- Repair : It is a way to fix or mend something suffering for damage or fault to be used again.
- Reject : It is a approach to avuid using hazardous products.

Redeeming merit from waste activity

The objective of this activity was set to be consistent with the 5R policy (Reduce, Reuse, Recycle, Repair and Reject) and aimed for zero waste, generating income from waste separation, and saving more expenses by reuse or repair approaches. By the way, income from the waste separation was contributed to the donation made to Protection and Development of Disabled Persons at Ban Nontaphum.

Statistics on the Company resource consumption

	2018	2019	2020	2021	2022
	(Million baht)	(Million baht)	(Million baht)	(Million baht)	(Million baht)
Electricity consumption	2.12	2.32	2.13	2.09	2.90
Water consumption	0.18	0.18	0.23	0.22	0.40

The Group had a measure for hazardous waste disposal or waste that may cause ecosystem pollution by recalling hazardous waste to be eliminated by the third party who is legally certified with certain standards.

The Group is aware of environmental responsibility in running transportation business. GPS tracking devices are installed in all company gas tanker trucks (the devices must be certified by Department of Land Transport) to help control a driving standard of the truck drivers such as controlling driving speed, controlling driving distance or not to leave the engine running while parked, etc. Reports will be submitted to the meeting of executives every month. Reflective stickers are attached around the trucks to increase safety while driving at night.



Social dimension in sustainability management

Treatment to employees and workers

The Group consider quality employees as the significant and valuable resource that can lead the sustainable growth to the company. As the result, the Group emphasis on human resource management, including safety and hygiene in the workplace, fair payment and benefits, non-discrimination from differences in race, religion, sex, and social status , work conditions and promoting rights. The Group also manages the business scrupulously and is aware of an impact on violation of rights of employees, communities, and society in conjunction with seeking preventive measures to monitor and oversee the Company business. A complaint mechanism is appropriately established for those who believe that their rights are violated or they receive unfair treatment through the following channels:

Channel 1: A written complaint can be sent by post addressed to Chairman of the Audit Committee or Secretary of the Audit Committee to Takuni Group Public Company Limited 140/1, Navecharoensap Alley, Kanjanapisek Road, Bang Khae Sub-district, Bang Khae District, Bangkok, 10160.

Channel 2: A written complaint can be sent to email address: auditcom@takuni.com

Channel 3: A written complaint can be sent to the Company website <http://www.takunigroup.com>

Respect to rule of laws and human rights principles

Running business on the basis of respect to laws is what all employees in the company are aware of and give importance to. It is required in the company ethics in the corporate governance manual that the Group shall follow laws, rules, regulations, requirements and resolutions of the meeting of shareholders with honesty and carefulness.

The Group is committed to the operations of the Board of Directors, executives, employees, and all stakeholders shall be carried out with respect and honor on the basis of human dignity or do not take any action that shall have an effect on rights and liberties of other people and against the provisions of laws. The mentioned above practice guidelines are organizational ethical standards that all employees shall strictly follow. In case of violation of failure to comply, punishment shall be imposed depending on severity of actions and deemed wrongful discipline.

The Group gives importance to activities that possibly have an effect on human rights principles in all aspects, and follows relevant laws. The company has a clear policy not to employ child workers, adheres to freedom of religion, non-discrimination from differences in race, religion, sex, and social status. Besides, the company strictly pays respect to the principles of human rights of all levels of employees by protecting and not to disclose personal information of employees such as personal profile, salary, etc to other people outside or persons who are not associated with acknowledgement without being permitted by employees. Operational regulations are prepared in the form of a manual so that employees are well aware of rules and regulations at work through orientation training before start working.

The Group is aware of equality and human rights of the Company employees, the Company has adhered to enhancement of employee human rights with fair practices and equality starting from the process of recruitment, working, and career path without discrimination of any kind based on sex, age, race, religion, and physical appearance such as employing people with deformity and providing facilities in terms of safe and suitable workplace and work conditions including promoting rights and roles of female employees in the organization. Therefore, both male and female applicants are employed with fair and equal treatment or rights, duties, responsibilities, and chances.

Personnel of Takuni Group Public Company Limited and its affiliates

Currently, 16 executives

Currently, 4,362 employees



10 Males



6 Females



3,453 Males



909 Females

There are 28 employees being persons with disability and the Company opens chances to support career building for persons with disability to be self-reliant and able to reduce family and social burden as well.

The Group implements development system of career path, knowledge competency and skill competency by notifying the policy so that all employees shall access and acknowledge.

The Group has a policy to treat all employees equally and fairly by taking care of their livelihood, safety, and hygiene at workplace including giving importance to increasing knowledge, working skills, and expertise so as to elevate employees' work ability levels to a professional manner. The company has a policy to promote employees to have an opportunity to practice and develop themselves regularly to meet the field of jobs they are responsible for, both management level and operation level. Training is held both inside and outside the company.

Development and increase of knowledge and working skills for professional expertise

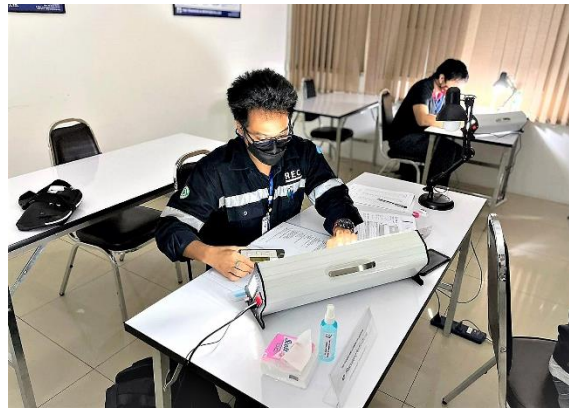
Employee training	2019	2020	2021	2022
Internal training	3 times (30 persons)	14 times (250 persons)	5 times (102 persons)	5 times (132 persons)
External training	53 times (126 persons)	25 times (59 persons)	16 times (57 persons)	21 times (80 persons)



In house training for ISO 9001:2015 and internal quality control



ASMENBIC Code Clinic Training Course



CSWIP Radiographic Interpretation Level 2 (RI)



Annual Fire Evacuation and fighting rehearsal on 13 December 2022

Loan project

The Group has implemented the loan offer project for employees by making an agreement with G Capital Public Company Limited to provide personal loan (in the form of welfare loan) by receiving special interest rate, conditions of credit limit approval, and installment period better than asking loan from other financial institutions, which can reduce their debts from using credit cards, prevent informal loan or problems affecting their working performance that can lead to corruption problems in the Company.

Housing Loan project

The Group together with with Government Housing Bank has provided mortgage loan with lower interest rate in order to empower our employee to have their own habitat.

Vaccinate for Corona Virus 2019 (COVID-19)

During the pandemic of COVID-19, the Group gave priority to our employee's health. The Company has provided COVID-19 vaccine to our employee to prevent the spread of the virus.



Annual Physical Check Up

The Group emphasized our employee healths and encourage their own health awareness, the Company provided annual physical check up for employee to follow up their health in order to avoid any illness in the future.



Community or social responsibility

The Group is aware of being a part of a community or society and responsible for providing assistance or support public beneficial activities to a community including developing community and social environment for better living by creating employment and making diversity of economic activities that can improve the organizational strength.

Responsibility to customers

The Group is committed to fair market practices by offering quality and safe products in conjunction with providing excellent services to customers, responding to customer requirements, giving suggestion in using products, providing consultation of how to solve problems, and handling complaints to ensure customers have maximum satisfaction for sustainable consumption by using one stop service strategy. In addition to acquisition of gas for customers, the company provides services related to gas and gas equipment systems in terms of installation, maintenance, safety testing and inspection required by laws.

The company provides training courses to customers about “liquefied petroleum gas filling attendant training” and “personnel responsible for overseeing places using liquefied petroleum gas” to encourage customers to take into account of the safety use of petroleum gas in 2022 as follow;

- | | | |
|-------|----------------------------|------------------------------|
| No. 1 | During 6 – 7 July 2022 | with attendant of 28 persons |
| No. 2 | During 11 -12 October 2022 | with attendant of 21 persons |



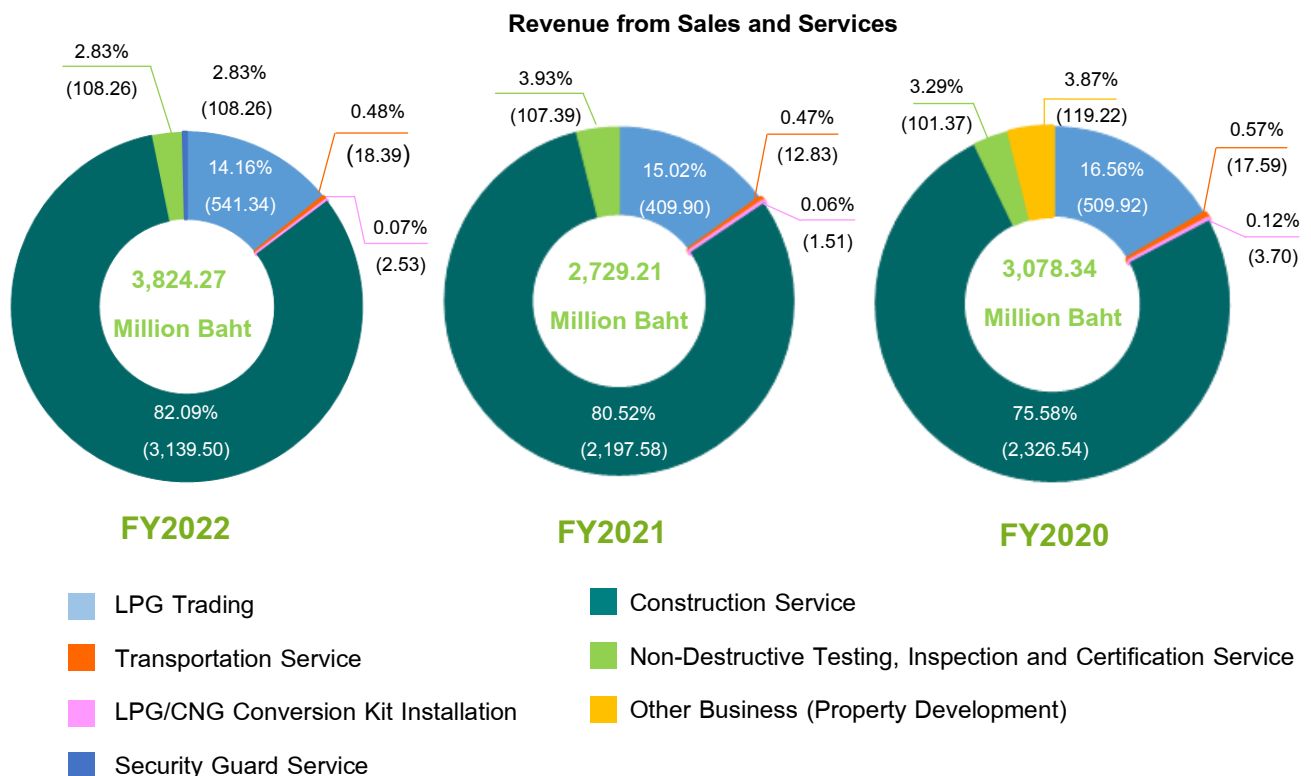
Liquefied petroleum gas filling attendant training During 6 – 7 July 2022



Liquefied petroleum gas filling attendant training During 11 -12 October 2022

Management Discussion and Analysis

The Company and its subsidiaries business are Liquid Petroleum Gas (LPG) trading and energy related business. Type of their business can be classified into 6 groups: LPG trading business, hazardous and construction equipment transportation service, LPG/CNG conversion kit installation for passenger cars, Construction services, Non-Destructive Testing and Inspection service and other business, which now mainly property development. The Company's revenue structure by business units are as follow:



In 2022, total revenue of the Company and its subsidiaries amounting of 3,824.27 Million Baht, sharply increased from 2,729.21 Million Baht in 2021 and 3,078.34 Million Baht in 2020. The increased in revenue mainly resulted from increased in revenue from oil and gas construction service as 3,139.51 Million Baht in 2022 from 2,197.58 Million Baht in 2021 and 2,326.54 Million Baht in 2020, as well as increased in revenue from LPG Trading which was 541.34 Million Baht in 2022 from 409.90 Million Baht and 509.92 Million Baht in 2021 and 2020, consequently. Moreover, in 2020, the Group has revenue of property development business of 119.21 Million Baht as selling of land to develop semi-detached house project of the associated company. However, from the Company's revenue by business unit, construction services and LPG trading were the largest portion, which is 82.09% of total revenue, and 14.16% of total revenue, respectively.

Revenue

LPG Trading

Takuni Group Public Company Limited (“TG”), LPG trader under section 7 of Fuel Trade Act, B.E. 2543, is responsible for LPG procurement and trading business. Revenue from LPG trading is one of the major portion revenues of the Group. However, overall LPG volume for the year 2022 has increased 10.66% compared to the last year, as transportation sector (LPG Station) increased 13.24%, household sector increased 3.82% and industrial sector increased 9.70% not only because of the fluctuation and high oil price, but also the alleviation of COVID-19 restrictions, result in the increased in overall demand of LPG as fuel usage. Moreover, average LPG selling price also increased 19.48% from the prior year as the board of National Energy Policy office has adjusted LPG selling price since the beginning of April 2022.

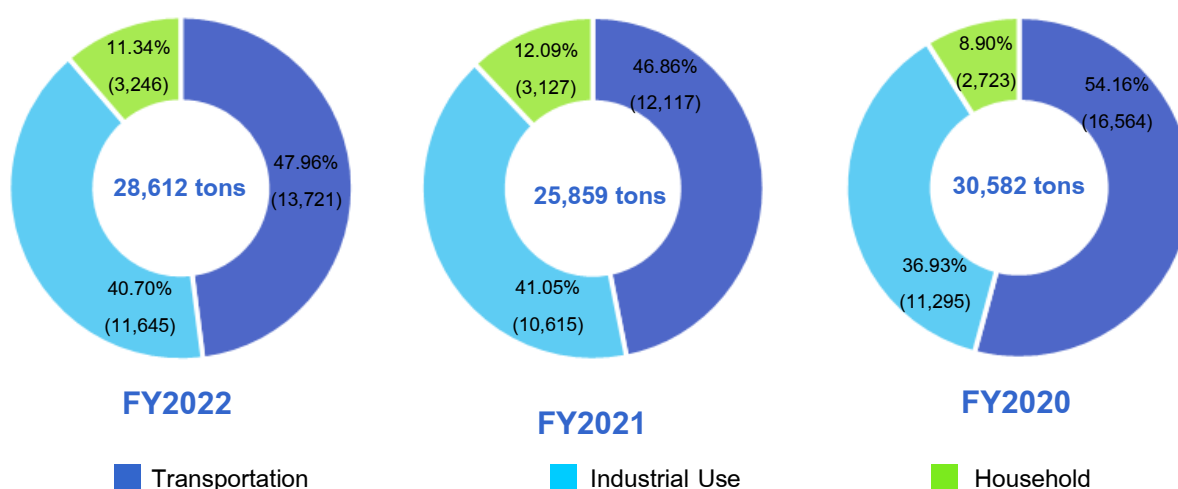
However, LPG volume sold during 2021 decreased 15.44% compared to 2020 because the spread of COVID-19 since the beginning of 2020 that made less transportation throughout the Kingdom, also the decreased in average selling price 4.97% from the previous year.

Structure of Revenue from LPG trading in 2020 to 2022 are as follow:

	2022	2021	2020
LPG sales volume (Tons)	28,612	25,859	30,582
Change in sales volume	10.65%	(15.44%)	(22.64%)
Selling Price (THB per ton)	18,932	15,845	16,674
Change in selling price	19.48%	(4.97%)	(11.21%)

The sales volume of 2020 to 2022, which 88% - 91% were sold to industrial sector and transportation sector, can be clearly seen through the graph as follows;

LPG Sales Volume by section

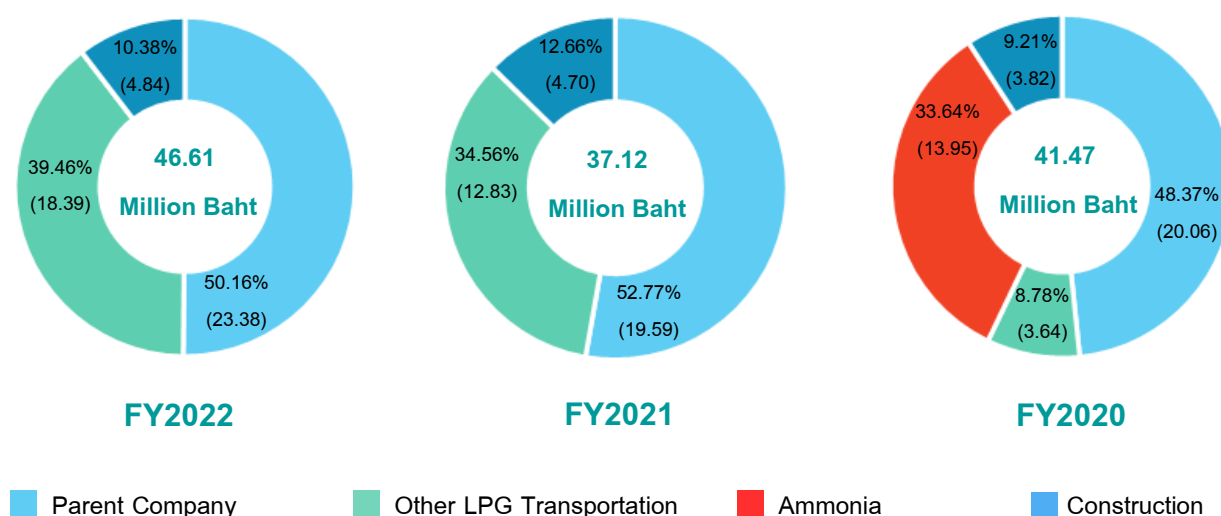


The Group believe that LPG usage in automotive section will continuously decrease because there are more options on fuel used as well as global oil price affect the usage in automotive section. However, the Company has expanded market to industrial sector in order to maintain overall LPG volume.

Hazardous and construction equipment transportation service

G Gas Logistics Company Limited (“GG”) is responsible for providing hazardous and construction equipment transportation for the Company and other customers. Currently, the Company, with total 21 trucks, provides LPG transportation service mainly its subsidiaries. Transportation service income from related party were 20 - 23 Million Baht, which account for 48% - 53 % of total transportation service income during 2020 - 2022.

Revenue from LPG Transportation service



Revenue from transportation service to the third party which present in 2022 consolidated financial statement, amounting of 18.39 Million Baht, has been slightly increased from 2020 which had revenue of 12.83 Million Baht, because the Group has expand LPG service to third party after Ammonia transportation service contract has been terminated since January 2021.

Construction service

Takuni (Thailand) Company Limited (“TT”) and CAZ (Thailand) Public Company Limited (“CAZ”) are responsible for industrial oil and gas piping system construction as Engineering Procurement Construction. CAZ operates its business as construction service provider with its clients being large operators in the oil, gas, and petrochemical industry. This requires experience, emphasis on standards of raw materials, controlled manufacturing process, teams of engineers with expertise and understanding in various products able to advise clients and teams of craftsmen standard-certified for welding various types of products, enabling CAZ to ensure high quality services with quality control exercised in every production and installation process. While TT operates its business in construction service with scope of LPG pipe construction system such as shopping

centers, hospitals, and restaurants. In addition, the standards regarding construction, raw materials, and labor quality are at a level as required by law. In the other word, the businesses of both parties differ in terms of expertise and standard of work. Thus, clients would decide to engage the services based on suitability to the job.

For 2020-2022, revenue from construction service is the major portion revenue of the Group. Revenue from construction service for the year 2022 was 3,139.50 Million Baht significantly increased from revenue of 2,197.58 Million Baht in 2021 because the increased in progress delivered, as the middle stage of the construction contract, for oil and gas construction service project awarded since 2021.

In 2021, the Group recognized revenue 2,197.58 Million Baht, significantly decreased from revenue of 2,326.54 Million Baht and 2,228.33 Million Baht, from 2020 and 2019 respectively, because most of projects were in completion stage as well as the new awarded project are mostly in the beginning state which has lower progress delivered.

During 2018, TG -which is LPG trader- has awarded LPG Depot construction project of 494.93 Million Baht as TG has financial capacity and management as well as met other condition of the customer. Revenue from this project during 2018 to 2020 was 12.32 Million Baht, 379.21 Million Baht, and 103.40 Million Baht consequently. The project has completed since the third quarter of 2020.

As at 31 December 2022, the Group has backlog for construction service in oil and gas sector totaling of 2,430.83 Million Baht.

Non-Destructive Testing and Inspection service

Rajchapluek Engineering Company Limited ("RE") is responsible for providing non-destructive testing and inspection services for manufacturers, LPG stations and automobiles against international standards and regulations. Revenue from Non-Destructive Testing and Inspection service to the third party increased from 101.37 Million Baht in 2020 to 107.39 Million Baht in 2021 and to 108.26 Million Baht in 2022, accounting for 5.94% and 0.81% respectively, due to the expansion of service into eastern region in order to enlarge service rather than Testing and Inspection service according to Department of Energy Business (DOEB) requirement. Non-Destructive Testing and Inspection service in eastern region represent 64.01% of Testing and Inspection service income, from the year 2020 which was only 59.31% of Testing and Inspection service income.

Other business (Property Development and Security Guard Service)

In December 2022, the Group has invested 51.00% in a subsidiary -outsourcing service for security guard, maid, and administrative staff, as a result the Group recognized revenue for 2022 of 14.25 Million Baht.

The Group has revenue of 119.22 Million Baht in 2020 because the sale of land to an associated company for property development business as modern luxury 3-story detached house under "Thawee Petchkasem Kanchanaphisek" project. The project has launched in the beginning of February 2021, with currently reservation of 90% of total houses and 26% of total houses has been transferred in 2022. However, this revenue from land disposal is non-recurring revenue.

Other revenue

Other revenue of the year 2022 was 106.19 Million Baht, composed of gain on asset disposal 83.02 Million Baht as the Group has disposed land with building and structure to the connected person which was approved by the Extraordinary General Meeting of Shareholders no. 1/2566 in December 2023, interest income from financial institutions, consultant fee, training service income, rental income and utility income from investment properties, bad debt recovery totaling of 23.18 Million baht.

Other revenue of the year 2021 was 30.81 Million Baht, comprised of interest income from financial institutions, training service income, rental income and utility income from investment properties, gain on asset disposal and COVID-19 supported from the Social Security Office.

Cost of Sales/ Services and Selling and Administration expense

LPG Trading

Cost of LPG trading are comprised of fuel, transportation to depot and to customer, and through-put charge. In 2022, the Company can maintain gross profit from LPG trading as the strategy of not engage in LPG price war together with well-planned on LPG transportation both to depot and to customer. Through-put and transportation cost for 2022 has decreased from 6.16% of total cost in 2020 to be 5.32% of total cost.

For selling and administrative expense of LPG trading mainly are personnel and depreciation expense. Total selling and administrative expense in 2022 was 42.32 Million Baht accounting for 7.82% of LPG sales, decreased form 2021 which was 41.57 Million Baht, accounting for 10.14% of LPG sales and from 2020, which was 46.20 Million Baht, accounting for 9.06% of LPG sales.

Hazardous and construction equipment transportation service

The costs of transportation service are comprised of fuel, personnel, repair and maintenance and depreciation expense. The proportion of cost of transportation service during 2020-2022 were approximately 60% - 75% of service income.

Moreover, gain on disposal of over-demanded truck in 2021 was increased from the previous year, while administrative expense has no significant change, operating profit ratio for 2021 was increased from 11.92% in 2020 to be 27.99% in 2021.

Construction service

The costs of construction service are mainly comprised of material, labor (both for employee and subcontract), design, consultant, and depreciation of tools and equipment. For oil and gas construction, material and labor cost are 84% to 88% of total cost of service during 2020 to 2022.

Selling and administrative expense in 2022 was 98.58 Million Baht, slightly increased from the previous year which was 96.79 Million Baht because increased in personnel expense. Also, selling and administrative expense in 2021 has increased to be 96.79 Million Baht from 82.05 Million Baht in 2020, accounting for 17.96%, because increased in personnel expense - including employee bonus and increased in number of employee to

support the construction service business, non-refund withholding tax receivable and preventive expenses of COVID-19 outbreak.

Operating profit margin from construction service in 2022 was 8.10%, no significant changed from the prior year which was 8.06% of construction service income. However, operating profit margin from construction service in 2021 was sharply increased from the year 2020 which was 3.72%, because the new awarded construction service projects which signed contract in Q3'21 have higher profit margins than previous projects. Moreover, in 2020, because of the effect of COVID-19, the Group must revise the budget cost of some construction project, as well as the decreased in work done that can be billed to clients, the Group need to use more short-term credit facility from both financial institutions and third party for working capital resulted in increased in financial cost.

Non-Destructive Testing and Inspection service

The costs of testing and inspection service are mainly comprised of personnel, subcontract cost, material and supplies, and depreciation expense at the ratio to cost of services of 80% - 92%.

Total personnel expense for 2022 and 2021 has slightly decreased 1.95% and 3.02% compared to the last year, respectively, because the revised of cost and expense to be in line with the performance. However, operating profit margin in 2022 decreased to be 8.15% from 14.82% of its revenue in 2021 because of the high profit margin for inspection service awarded in 2021.

Profitability

The Group's gross profit according to the 2022 consolidated financial statements was 427.57 Million Baht, accounting for gross profit margin as 11.18%, slightly increased from 2021 and 2020 which were 355.36 Million Baht and 273.89 Million Baht, or gross profit margin as 13.02% and 8.90%, respectively.

The slightly decreased in gross profit in 2022 compared to the previous year come from the revised of estimated cost for oil and gas construction service business to be as current cost.

The increase in gross profit in 2021 mainly resulted from the new awarded construction service projects which signed contract in Q3'21 have higher profit margins than previous projects. While the decreased in gross profit in 2020 came from the adjustment of estimated cost for oil and gas construction service business as the COVID-19 pandemic affect labour cost and consumable for construction as well as hygiene products used for preventing the spread of coronavirus.

Net profit attributable to the parent company in 2022 was 127.81 Million Baht, or net profit margin of 3.34%, increased from the prior year which was 63.15 Million Baht, or net profit margin of 2.31%, because gain on sale of land and building to the connected person in December 2022 as well as the closely control selling and administrative expense in order to maintain overall net profit from the operation.

Financial Position

(Unit: Million Baht)	31 December 2022	31 December 2021	31 December 2020	Changes from 2021	Changes from 2020
Assets					
Cash and cash equivalents	180.32	525.83	472.61	(345.51)	53.22
Trade and other receivables - net	585.89	400.29	265.18	185.60	135.11
Contract assets	633.81	634.78	524.09	(0.97)	110.69
Liabilities and shareholders' equity					
(Unit: Million Baht)	31 December 2022	31 December 2021	31 December 2020	Changes from 2021	Changes from 2020
Inventories	80.81	70.17	61.08	10.64	9.09
Indemnification asset	14.08	-	-	14.08	-
Pledged and restricted bank deposits	20.03	27.29	29.82	(7.26)	(2.53)
Investment in associates	54.57	4.26	1.45	50.31	2.81
Loans to related parties	304.62	60.70	18.32	243.92	42.38
Investment Properties	-	3.82	4.29	(3.82)	(0.47)
Property, plant and equipment	666.96	710.71	721.36	(43.75)	(10.65)
Goodwill	19.38	19.38	19.38	-	-
An excess of purchase consideration transferred over fair values of identifiable net assets received	172.68	-	-	172.68	-
Receivable from sale of land	-	76.24	76.24	(76.24)	-
Retention receivables	220.51	97.15	54.19	123.36	42.96
Withholding tax deducted at source	110.31	51.48	151.19	58.83	(99.71)
Other assets	115.39	40.22	57.34	75.17	(17.12)
Total assets	3,179.36	2,722.32	2,438.22	457.04	284.10
Liabilities and shareholders' equity					
Overdraft and Short term borrowing	180.26	373.50	509.11	(193.24)	(135.61)
Trade and other payables	433.82	400.53	277.02	33.29	123.51
Payable for acquisition subsidiary	89.00	-	-	89.00	-
Contract liabilities	529.41	290.14	141.44	239.27	148.70
Borrowing from financial institutions	102.94	126.30	122.94	(23.36)	3.36
Financial Lease Liabilities	50.46	76.89	60.70	(26.43)	16.19
Deferred income	12.54	14.24	14.24	(1.70)	-
Other liabilities	188.85	92.54	83.13	96.31	9.41
Shareholders' equity	1,592.08	1,348.18	1,229.64	243.90	118.54
Total liabilities and shareholders' equity	3,179.36	2,722.32	2,438.22	457.04	284.10

Total Asset

The value of total assets as at December 31, 2022 was 3,179.36 Million Baht increased 457.04 Million Baht and 284.10 Million Baht from 2021 and 2020 which was 2,722.32 Million Baht and 2,438.22 Million Baht, respectively. The major assets of the Group were Cash and cash equivalents, Trade and other current receivables, Contract assets and Property, plant and equipment totaling of 65% -83% of total assets during 2020 – 2022.

On 13 December 2022, the Company has invested in KPN Guard and Service Co., Ltd. (Currently change to be Guardian Global Co., Ltd, (“Guardian”)) by purchase 51.00% of shares from its shareholders (“seller”) with total price of 204.00 Million Baht. The Company already paid the purchase price of 115.00 Million Baht in 2022 and record the remaining of 89.00 Million Baht as payable for acquisition of subsidiary. However, the purchase price was over than fair value of net asset received, the Group recorded as an excess of purchase consideration transferred over fair values of identifiable net assets received amounting of 172.68 Million Baht. Currently, the Company engaged independent appraiser to determine fair value of identifiable assets acquired and liabilities assumed from the business acquisition. Moreover, the seller has responsibility to completely and correctly paid all taxes, fines, penalties or surcharges to relevant government agencies for liability arising from acts or omissions of any acts that are against the law, which occurred or existed as at 13 December 2022, the Company recorded the responsibility as Indemnification asset of 14.08 Million Baht as of 31 December 2022.

Cash and cash equivalents

As at 31 December 2022, Cash and cash equivalents decreased 345.51 Million Baht as because the Group has payment of loan to financial institutions and lease liabilities during the period totaling of 277.34 Million Baht, payment for dividend of 49.79 Million Baht, invested in subsidiaries and associate companies of 167.13 Million Baht, net loan to related parties of 244.00 Million Baht, and payment for tools and equipment purchased amounting of 63.29 Million Baht to support the business expansion, especially in oil and gas construction business. However, the Group has received cash from land receivable of 76.24 Million Baht, sales of land and building of 121.02 Million Baht, and increased in construction income received in advance from oil and gas construction service of 239.27 Million Baht.

Trade and other current receivables, Contract assets

	FY2022		FY2021		FY2020	
	Million Baht	%	Million Baht	%	Million Baht	%
TG	48.03	3.94	51.52	4.98	37.68	4.77
TT	13.37	1.10	1.44	0.14	1.44	0.18
RE	45.40	3.72	36.86	3.56	26.62	3.37
GG	3.45	0.28	3.25	0.31	6.42	0.81
CAZ	1,041.62	85.40	941.11	90.92	717.11	90.86
Guardian	67.34	5.52	-	-	-	-
Other	0.49	0.04	0.88	0.09	-	-
Trade and other current receivables, Contract assets	1,219.70	100.00	1,035.06	100.00	789.27	100.00

At the end of 2020 - 2022, the Group has Trade and other current receivables and Contract assets of 789.27 Million Baht, 1,012.87 Million Bhat, and 1,219.70 Million Baht, respectively, which accounting for 32-38 of total assets. Trade and other current receivables comprised of net trade receivable, prepaid expense, advance payments to subcontracts and accrued income. Contract assets (unbilled receivable) were revenue recognized under TFRS 15 (Revenue from contracts with customer) but still not billing under the client's process.

Trade receivable of TG mainly are LPG stations which has 7-10 days credit term, and industries filling plant which has 30-60 days credit terms. Trade receivable of RE mainly are industries and LPG trader under section 7 of Fuel Trade Act, B.E. 2543 which has 30-60 days credit terms. Trade receivable of CAZ composed of Contract assets of 589.25 Million Baht and Trade receivable from construction service of 452.38 Million Baht which has 30-60 days credit terms, significantly increased from the previous year which was 297.80 Million Baht because the increased in revenue and billing to customer for oil and gas construction service but not yet due on payment.

Moreover, the Company invested in outsource security guard and maid service as subsidiary company in December 2022, there was contract asset from such a service of 30.81 Million Baht and receivable of 36.53 Million Baht, which 99% are government agencies, state enterprises with credit term of 30-60 days.

A receivable is measured at transaction price less allowance for expected credit loss (allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments.

Property, plant and equipment

	FY2022		FY2021		FY2020	
	Million Baht	%	Million Baht	%	Million Baht	%
TG	48.48	7.27	54.71	7.70	59.45	8.24
TT	0.26	0.04	33.14	4.66	36.15	5.01
RE	39.58	5.93	40.72	5.73	40.91	5.67
GG	20.33	3.05	24.38	3.43	27.45	3.81
CAZ	536.97	80.51	557.76	78.48	557.39	77.27
Guardian	21.34	3.20	-	-	-	-
Property, plant and equipment	666.96	100.00	710.71	100.00	721.35	100.00

At the end of 2020-2022, the Group has property, plant and equipment of 721.35 Million Baht, 710.71 Million Baht and 666.96 Million Baht, consequently, which accounting for 21% - 30% of total assets.

In 2020, property, plant and equipment decreased 43.75 Million Baht from the prior year because asset disposal during the year and sell of land and building to the connected person in December 2022 totaling of 32.94 Million Baht, depreciation expense of 98.48 Million Baht, while purchase equipment amounting of 66.20 Million Baht to support the expansion of oil and gas construction service during the year and property, plant and equipment from acquisition a subsidiary of 21.34 Million Baht.

In 2021, the slightly decreased in property, plant and equipment amounting of 10.64 Million Baht came from disposal and depreciation expense of 96.02 Million Baht, while purchase equipment amounting of 85.38 Million Baht to support the expansion of oil and gas construction service during the year.

Capital Structure

At the end of 2020 – 2022, the Group has capital structure as follow;

	FY2022		FY2021		FY2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade and other current payable	522.82	16.44	400.53	14.71	277.02	11.36
Contract Liabilities	529.41	16.65	290.14	10.66	141.44	5.80
Short-term borrowing from financial institutions	180.26	5.67	373.50	13.72	509.11	20.88
Long-term borrowing from financial institutions	102.93	3.24	126.30	4.64	122.94	5.04
Other liabilities	251.87	7.92	183.67	6.75	158.06	6.48
Total Liabilities	1,587.29	49.92	1,374.14	50.48	1,208.57	49.57
Total Equity	1,592.07	50.08	1,348.18	49.52	1,229.64	50.43
Total liabilities and Equity	1.00		1.02		0.98	

Capital structure of the Group composed both from liabilities and shareholder's equity, with debt to equity ratio of 0.98, 1.02 and 1.00 during the year 2020-2022. The Group continuously has net profit from operation and resulted in increased of shareholders' equity from 1,229.64 Million Baht in 2020 to be 1,348.18 Million Baht and 1,592.07 Million Baht in 2021 and 2022, respectively.

As at 31 December 2022, the Group has total liabilities of 1,587.29 Million Baht, increased from the previous year which has 1,374.14 Million Baht and 1,208.57 Million Baht- accounting for 15.51% and 13.70% incremental. Major liabilities of the Group were Trade and other current payable, Contract Liabilities, and Borrowing from financial institutions. The change in liabilities come from;

- Trade and other current payable increased from the previous year amounting to 122.29 Million Baht as the Group paid for material and subcontract cost during the year. Also, there was payable for acquisition of a subsidiary of 89.00 Million Baht.
- Contract liabilities (Unearned income and Advance received from construction service) increased 239.27 Million Baht from the previous year because the advances received from construction contracts of awarded project during the year.
- Bank overdraft and Short-term borrowing from financial institutions decreased 193.27 Million Baht compared to 2021 due to the repayment during the period. During 2022 and 2021, the Group has cash flow proceeded from short-term borrowing of 520.64 Million Baht and 941.50 Million Baht for working capital, also repayment borrowings of 718.84 Million Baht and 1,077.10 Million Baht, respectively.

Shareholders' equity as at 31 December 2022 was 1,592.07 Million Baht, which equity attributable to owners of the parent was 1,037.46 Million Baht. It has been increased from 2021 which was 926.53 Million Baht, and from 2020 which was 892.87 Million Baht, due to the comprehensive income to the parent company amounting to 130.93 Million Baht in 2022 and 63.66 Million Baht in 2021. Moreover, there were dividend payment of 20.00 Million Baht and 30.00 Million Baht in 2022 and 2021, respectively.

Source and Used of Funds

The Group used long-term source of funds, not only from liabilities but also shareholder's equity, for long-term assets. As during 2020 – 2022, the Group applied long-term loan and shareholder's equity at the ratio of 55.47%, 54.16% and 53.31% of total assets to invest in non-current asset, which mainly are property, plants, and equipment or approximately 21%-30% of total asset.

Liquidity

From the capital structure together with source and used of funds mention above, the Group has high liquidity, some of short-term loan were used for current assets. Most of current asset composed of cash and cash equivalence at the ratio of 6%-20% of total assets during 2020 -2022. Moreover, Trade Receivable mainly in not yet due classification. Thus, the liquidity of the Group is high.

For cash flow during 2020 -2022, the Group has net cash from operating activities of 199.88 Million Baht, 320.16 Million Baht, and 315.18 Million Baht and net cash flow used in investing activities of 61.55 Million Baht, 64.64 Million Baht, and 220.67 Million Baht, respectively. For the investing activities in 2022 was the investment in subsidiaries and loan to related parties, which mainly in real estate and electric motorcycle business.

For financing activities in 2022, the Group has net cash used in financing activities of 444.98 Million Baht from the repayment of borrowing from financial institutions 238.21 Million Baht, repayment of short-term loan from related parties and other parties 117.85 Million Baht, repayment of lease liabilities 39.13 Million Baht, and dividend payment totaling of 49.79 Million Baht.

Financial Ratio

		Consolidated Financial Statements		
		31 December	31 December	31 December
		2022	2021	2020
LIQUIDITY RATIO				
Current Ratio	(times)	1.11	1.40	1.29
Quick Ratio	(times)	0.51	0.77	0.70
Operating Cash Flow to Current Liabilities	(times)	0.33	0.26	0.28
Receivable Turnover	(times)	6.03	8.20	10.79
Average Collection Period	(days)	44.75	44.50	33.84
Inventory Turnover	(times)	45.00	36.17	19.80
Average Holding Period	(days)	6.00	10.09	18.43
Payable Turnover	(times)	7.36	7.01	8.32
Average Payment Period	(days)	36.70	52.09	43.89
Cash Cycle	(days)	14.05	2.50	8.38
PROFITABILITY RATIO				
Gross Profit Margin	(%)	11.18	13.02	8.90
Operating Profit Margin	(%)	9.08	7.95	3.91
Cash to Profitability Margin	(%)	8.24	11.73	6.49
Net Profit Margin	(%)	6.78	5.54	2.39
Return on Equity	(%)	13.33	6.94	3.63
EFFICIENCY RATIO				
Return on Assets	(%)	11.60	8.47	4.96
Return on Fixed Assets	(%)	52.36	34.67	22.80
Assets Turnover	(times)	1.30	1.06	1.29
FINANCIAL POLICY RATIO				
Debt to Equity Ratio	(times)	1.53	1.48	1.35
Interest bearing debt to EBITDA ratio	(times)	1.96	1.90	3.43
EBITDA Coverage ratio	(times)	0.57	0.67	0.35
Dividend Payment Ratio	(%)	25.47	43.17	49.22



Corporate Governance

Corporate Governance Policy

The Board of directors recognizes the importance and necessity of good corporate governance in managing the Company efficiently and transparently and promoting the Company's business expansion continuously and stably. This is to build the confidence to all stakeholders as well as benefit in long term. Thus, the Committee established and timely revised the Good Corporate Government policy, which approved by Board of Directors meeting no .10/2565 on 9 November 2022, in accordance with Good Corporate Government principle for the listed company in this Stock Exchange of Thailand to use in overseeing the Company operation and the good corporate governance policy was communicated to the chairman and employees at all levels to understand and follow. They have subdivided as follows:

Section 1 The Right of Shareholders

Shareholders as the owners of the Company are entitled to attend the shareholder's meeting to cast their vote and give opinion in about the strategic direction of the business. Apart from this, there are basic rights of shareholders in accordance with related regulations and law such as right to receive the adequate information of company, right to approve the Company's financial statements, right to receive their share of profits, right to propose agenda items, right to nominate qualified candidates as the board of directors and individual directors, right to approve the remuneration of board of directors, right to approve the appointment auditors and the remuneration of audit and right to approve the connected transactions.

In each shareholder's meeting, the Company will provide the meeting invitation with the information and opinion of the Board of Directors attached in the meeting book as in occasion for shareholders to receive advance notice before the meeting at least seven days unless otherwise specified by regulations, notice or command of the Stock Exchange of Thailand and Securities and Exchange Commission. The invitation letter along with meeting information was also posted in company website, www.takunigroup.com, 30 days prior to the meeting date for shareholders to read and understand about the information given in order to make appropriate decisions. In addition, there are accurate and complete recording question and important opinion in the meeting report for shareholders to check it out through the Company website after sending the meeting report to the Stock Exchange of Thailand.

Section 2 The Equality Treatment of Shareholders

The Company recognizes the importance of the shareholder's right and place importance on creating equality happen to all shareholders who are referred to as executive, non-executive, foreigner and minor as well as promote and protect shareholder's basic right. Thus, every shareholder has the equal right to buy, sell and transfer the securities, receive the equal proportion share of profits, receive adequate information, cast the vote to elects as well as removes directors, appoints auditors, question and give opinion to the meeting in matters that have impact to the company such as allocating cash dividend, determining and amending the regulation and memorandum of association, increasing or decreasing capital and approving special

transactions, etc. In addition, the company informed all rules and how to attend the meeting as well as process of casting the vote in shareholder's meeting in invitation letter.

The Company emphasizes the equal rights of to cast their vote at a shareholders' meeting by using one share – one vote principle. In the meeting, the company also opens an opportunity to shareholders to propose agenda items and nominate qualified candidates as the board of directors in advance of one month before Annual Shareholders' General Meeting as well as invites the shareholders to submit opinion and questions in advance of meeting to company's Investor Relation (Tel. 092-252-1277 or line ID: takuni2014 or E-mail: secretary@takuni.com)

Furthermore, the Company facilitates and encourages shareholders to attend and vote at the shareholder's meeting by allowing shareholders to vote before the meeting at least one hour and so on until the meeting is over. In case the shareholders cannot attend the meeting by themselves, the company opens an opportunity to the shareholders by providing proxy form that shareholder can express their views and cast their vote on. The forms are available on company website. Also, the shareholder must give authorize to at least one independent director to vote on their behalf.

Section 3 The Role of Stakeholders

The Company commits to treating all stakeholders equally. The Company recognized that supporting from all stakeholders will help increasing the Company's potential in competing with other as well as generating profit for the Company. This will also advantage company in long term. Thus, the Company comply with the laws, regulations and mutual contract, efficiently disclose adequate information for stakeholders and operate in the way that not convene or cause the negative impact to interested groups under the following guideline.

Shareholder: The Company is committed to better represent the shareholders in business to create maximum satisfaction for shareholders by taking into account of the growth of value of company in long-term and actions reveal information in a transparent and credible.

Employee : The Company recognized the importance of employees as the supporter of company's work plans and the one who help drive company to the determined business objective. Thus, the company treats all employees fairly and equally. The company also encourages employees to participate in the atmosphere felling safe at work by setting clearly and concisely steps of working, choosing equipment that meet the safety standard, analyze safety risk to establish appropriate defensive control measures, communicate with employees to make them understand and work in the common direction, create good working atmosphere and team building. These help build team confidence and spirit in working as well as ensure employees' well-being.

Executive : The Company recognizes the importance of the executives as the people who plays important roles in determining strategic directions and business plans as well as controlling the Company to move in the right direction to achieve the target determined by the board of directors. To show our awareness, the Company proposes appropriate and fair compensation to the executive in order to compensate and motivate the

executive's intention and effort in management to achieve company's determined target.

Business Partners: The Company recognizes the importance of the Company's business partners that help support and drive business to achieve its determined growth and target. Thus, the Company will treat all the partners equally and fairly on the basis of fair return to both parties and strictly comply with trading condition.

Customers : The Company recognize the importance of customers by giving first priory to maintaining good and sustainable relationship with them, complying with contracts, agreements or conditions transparently, committing to meet and serve goods and services for satisfaction and confidence to customers and disclose customers secret information.

Trade Partners: The Company conducts fair practice with all trade partners, strictly complies with trading conditions and not demand or receive any dishonest benefits from the trading partners.

Creditors: The Company complies with agreements between the Company and its creditors by paying creditors in a timely manner to creating trust and sincerity among each other.

Competitors: The Company complies with competitor in a frame of fairly rule and emphasize on creating of business competitive edge by developing the Company's potential, not to seek confidential information of business competitors in improper or dishonest manner or damage the reputation of our competitors either directly or by indications

Environment: The Company places important on environment preservation by preventing environmental impact which may incur and exceed legal limit as well as increase efficiency of resources usage and controlling its environmental impact in accordance with the laws and regulations.

Community/Society: The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment.

Government Sectors and Related Units: The Company recognizes the roles, duties and responsibilities of government sectors and related units and has a strong intention of cooperating with them to lighten their loads by complying with related rules, regulations, and laws. In addition, the secretary is assigned to responsible for inspecting and reviewing the compliance with related rules, regulations, and laws and the performance of internal auditors whether it in accordance with the manual and related standard or not before sending the report of review and inspection to the board of directors annually.

In case related parties or stakeholders have a complaint, suggestion or questions about illegal or unethical practices, incorrect financial reporting or insufficient internal control, they can report or ask the audit committee directly by contacting the secretary of the audit committee (auditcom@takuni.com) The Company will carry out the complaint justly and secretly in accordance with the petition process and result of the investigation will be reported to the board of directors.

Section 4 Disclosure and transparency

The Board of Directors recognized the important of sharing, including both financial and non-financial information in accurate and complete, reliable, transparent and time manner accordance with the rules of Securities and Exchange Commission and Stock Exchange of Thailand, which influence process in a decision making of investors and stakeholders of the Company. The Company has disclosed the information of company in both Thai and English via media and publishing information of the stock exchange of Thailand and the Company's website.

The Board of Directors passed the inspection from independent auditors is responsible for consolidated financial statements of the Company and its subsidiaries and financial information appearing in the annual report. Such financial statements prepared in accordance with general accepted accounting standard in Thailand by selection of appropriate accounting policies and compliance on a regular basis as well as disclosure adequate in the financial statement which in this audit committee will review the quality of reporting of financial and internal control systems and attach opinion of the Board of Directors in company's annual report. The Board of Directors also responsible for the Board of Directors report which has to be submitted along with the annual audit report.

Furthermore, the Company has disclosed the compensation of individual committee and executive, performance in review, the attendance of such meeting by each committee member and other information such as information about committee and executive's resume, training history, committee and executive's securities holding within three workdays from the day securities have sold, bought or transfer by the company's secretary.

Supervision on Usage of Inside Information

The Company supervises on usage of inside and stockbroking information that have not been publicly disclosed for self-seeking by stating in the regulation as follows;

- Director, executive, staff and employee must keep confidential news or inside information of the Company and its subsidiaries a secret and not exploit the information directly or indirectly for personal or other gain except the information has been publicly disclosed.
- The Company's director, executive, staff and employee who acknowledge the financial and/or important inside information that may has effect on the price of securities should avoid buying and selling company's securities a month before the financial statement and inside information publicly disclosed. Furthermore, these people must not disclose the significant information to other included their spouse and minor children as well as company's executive, staff and employee. Anyone infringe the regulation, they considered committed serious offence and will be fired as well as receive no compensation.

Moreover, the Company will acknowledge all managements and directors on duty to report of management's securities holding to the Securities and Exchange Commission according to its requirements

Section 5 Responsibilities of the Board of Directors

Corporate Governance Policy

The Company has established corporate governance policies of the Company in written which cover the equitable treatment of shareholders guideline, vision to create long term value and the efficient and effective management guideline that is consistently acceptable and help maximize the wealth of investors and relevant parties. Transparency and sufficient disclosure of information to all related parties are also emphasized by the Company. About risks, the company has assessed risks, formulated WO strategy and followed up with the management regularly.

The Board of Directors has timely revised the corporate governance policy and approved the latest corporate governance policy by Board of Director meeting no.10/2565 on 9 November 2022 and distributed to all management and employees in order to apply accordingly.

Internal control and audit are other important issues that company focuses on. The Board of Directors has assessed internal control performance annually as well as encourages all committee and the management team to attend Thai Institute of Directors Association (IOD) and other training programs continuously to gain knowledge on duties of committee and the management.

Anti- Corruption

The Company is aware of and gives importance to anti-corruption both inside and outside the organization. The Company commits to conduct business with transparency and accountability which can be audited in all working processes and procedures and the Company does not accept all forms of corruption. Besides, the Company regulates policies and measures to prevent and combat corruptive activities. The Company communicates with employees of all levels and the organizational ethics is determined to encourage all employees to be aware of corruptive actions as the Company realizes that corruption destroys business, society, and the country. Therefore, the implementation of anti-corruption must come from the intention of all agencies and sectors to join their forces to drive, instill, and enhance corruption-free for Thai society.

The Company has timely revised the anti-corruption policy and approved by the Board of Director meeting no.1/2566 on 3 February 2023. The Company has shown its intention in joining Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in August 2015 and was certified as a member of CAC on 7 February 2020 in which the certification is valid for a period of 3 years. Also, the Company has renewed the membership on 7 February 2023.

Conflict of interest

The Board of Directors and Executive Board have intention to minimize conflict of interest and consider about the issue carefully with honest, reason, independence and under the framework of business ethics to maximize overall benefit of the Company. Thus, to manage the Company transparently and avoid the act of self-interest, the Company determined that the committee, executive, and related parties must disclose their gains and losses to the Audit Committee by contacting the company's secretary as well as informing about their securities holding to the Audit Committee to comply with regulation of Securities and Exchange Commission. Furthermore, in Executive and the Board of Directors meeting, interested person are not allow to cast his or her vote or approve that transaction.

To approve any connected transactions, the Company takes itself and shareholder's benefit in consideration and approve them in accordance with the fair market price. The processes are done without any special favors and the pricing are on an arms - length basis. All connected transactions must be approved by the Audit Committee members which are all independent directors and the Committee will propose both connected transactions and conflict of interest transaction to the Board of Directors after they carefully consider them and take the announcement of the Securities and Exchange Commission in to account. Furthermore, disclosure of connected transactions and conflict of interest transaction will be done every quarter.

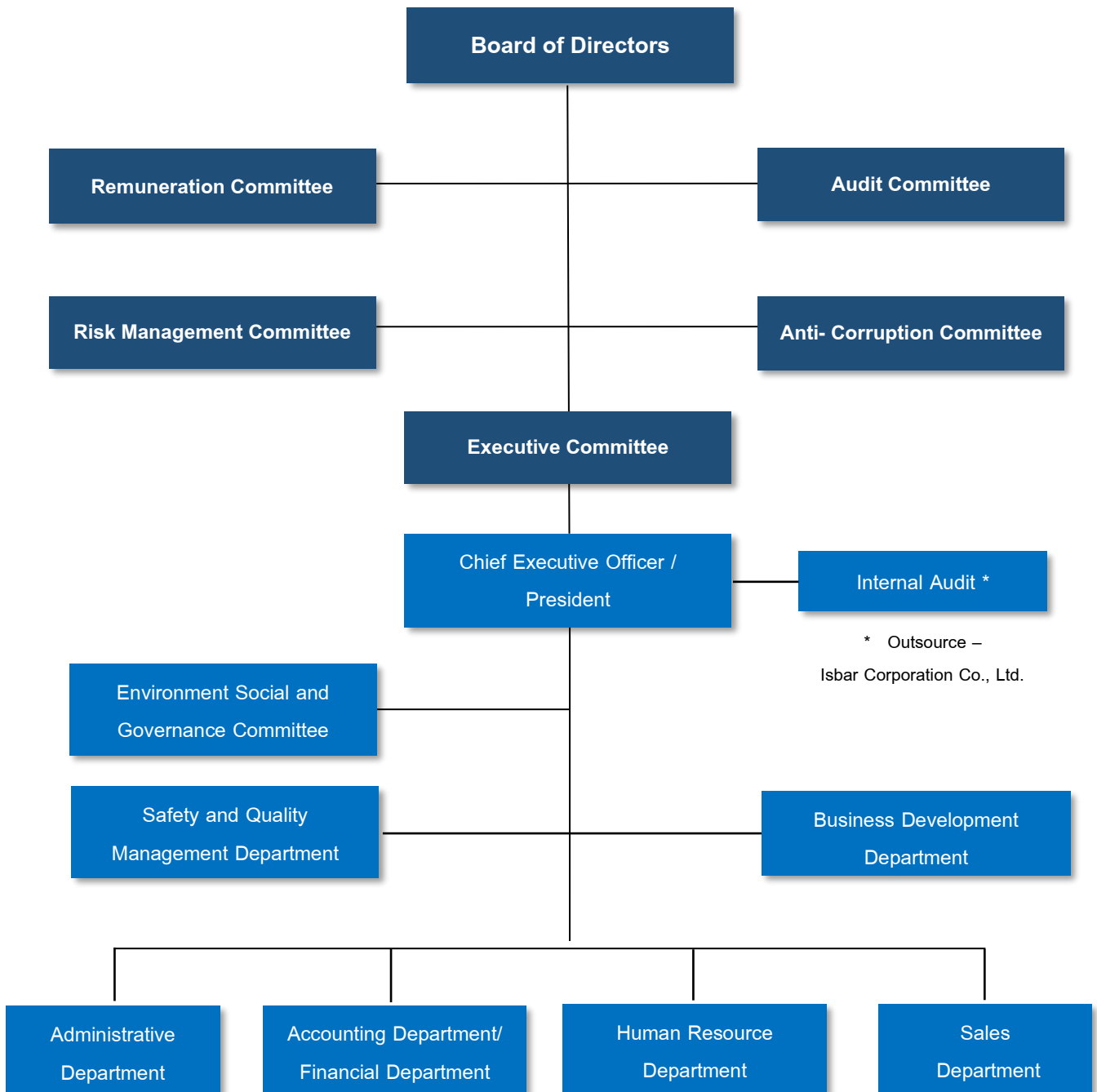
Code of Conduct

The Company has set the ethical practices of the Board of Directors, executives and employees to all relevant guidance in the performance of its mission with integrity and equitable treatment to company and all groups of stakeholders. The mentioned ethical practices were approved by the Board of Directors meeting no. 10/2565 on 9 November 2022. Also, the company has announced and informed to all employees to know and practice strictly.

Governance Structure and The Board of Directors and Management Team

Organisation Chart

The Executive Committee has approved the organization chart on the Executive Committee Meeting no. 6/2563 on 9 November 2020 as follow;



Committees

The corporate structure of the Company is comprised of the Board of Directors and executives. The Board of Directors has 6 committees: Audit committee /Remuneration Committee/Executive Committee/Risk Management Committee/ Anti-Corruption Committee and Environmental Social and Governance

Board of Directors

As of 3 February 2023, the Board of Directors consists of 7 directors.

- 4 independent directors (57.14% Of the entire board)
- 3 Directors (Executive) (42.86% Of the entire board)

Board Lists and Training Detail

First Name - Surname	Position	Date of placement	Training Role and function Skills of director ^{6/}
1 Dr. Chatchai Payuhanaveechai ^{1/}	Chairman of Director / Chairman of Executive Committee	Term 1 15/12/2022	DCP
2 Dr. Teerachai Chantarojsiri ^{2/}	Independent Director / Chairman of Audit Committee / Chairman of Remuneration Committee	Term 1 15/12/2022	DAP
3 Mr. Somsak Pratomsrimek ^{3/}	Independent Director / Member of Audit Committee/ Chairman of Risk Management Committee /	Term 1 15/12/2022	DAP
4 Ms. Araya Puttipongthon ^{4/}	Independent Director / Member of Audit Committee/ Member of Remuneration Committee / Chairman of Anti-Corruption Committee	Term 1 15/12/2022	DAP/ DCP/ AACP
5 Dr. Somyos Tiranawatananun ^{5/}	Director / Executive Committee / Member of Remuneration Committee	Term 1 15/12/2022	DAP

First Name - Surname	Position	Date of placement	Training Role and function Skills of director ^{6/}
6 Mr. Prasert Treeweeranuwat ^{6/}	Director (Executive)/ Executive Committee	Term 1 26/3/2007 Term 2 17/4/2014 Term 3 26/4/2017 Term 4 25/4/2019 Term 5 27/4/2021	DAP
7 Ms.Nita Treeweeranuwat ^{7/}	Director (Executive)/ Executive Committee Member of Risk Management Committee / Member of Anti-Corruption Committee / Corporate Secretary	Term 1 19/12/2012 Term 2 4/4/2013 Term 3 26/4/2016 Term 4 23/4/2018 Term 5 27/4/2021	DAP / DCP / CSP / EDP

Note : ^{1/} Dr. Chatchai Payuhanaveechai was appointed by the Board of Director meeting no. 7/2565 on 16 September 2022 as Chairman of Executive Committee and appointed by the Board of Director meeting no. 11/2565 on 15 December 2022 as Chairman of Director, replacing Mr. Somchai Kanbuakeaw who resigned from Director and Chairman of Remuneration Committee since 15 December 2022.

: ^{2/} Dr. Teerachai Chantarojsiri was appointed by the Board of Director meeting no. 11/2565 on 15 December 2022 as Independent Director and Chairman of Audit Committee, replacing Mr. Mr. Kaveewat Songsakulkiat who resigned from Director, Chairman of Audit Committee and Member of Remuneration Committee since 22 September 2022. Also, Dr. Teerachai Chantarojsiri was appointed by the Board of Director meeting no. 1/2566 on 3 February 2023 as Chairman of Remuneration Committee.

: ^{3/} Mr. Somsak Pratomsrimek was appointed by the Board of Director meeting no. 11/2565 on 15 December 2022 as Independent Director and Member of Audit Committee, replacing Mr. Pramote Talawat who resigned from Director, Member of Audit Committee and Member of Remuneration Committee since 15 December 2022. Also, Mr. Somsak Pratomsrimek was appointed by the Board of Director meeting no. 1/2566 on 3 February 2023 as Chairman of Risk Management Committee.

Mr. Somsak Pratomsrimek is an Audit Committee who had knowledge and experience to review the financial statements.

: ^{4/} Ms. Araya Puttipongthon was appointed by the Board of Director meeting no. 11/2565 on 15 December 2022 as Independent Director and Member of Audit Committee, replacing Mr.Kanit Wattanavichien who resigned from Director and Member of Audit Committee since 15 December 2022. Also, Ms. Araya Puttipongthon was appointed by the Board of Director meeting no. 1/2566 on 3 February 2023 as Member of Remuneration Committee and Chairman of Anit-Corruption Committee.

: ^{5/} Dr. Somyos Tiranawatananun was appointed by the Board of Director meeting no. 11/2565 on 15 December 2022 as Director and Executive Committee, replacing Ms.Kanchana Rimpanichayakij who resigned from Director and Member of Audit Committee since 15 December 2022. Also, Mr. Somyos Tiranawatananun was appointed by the Board of Director meeting no. 1/2566 on 3 February 2023 as Member of Remuneration Committee and Board of Director meeting no. 3/2566 on 10 March 2023 Deputy Chief Executive Officer/ President and Deputy Company Secretary, replacing Ms. Nita Treeweeranuwat.

: ^{6/} Mr. Prasert Treeweeranuwat resigned from Director and Executive Committee since 10 March 2023. The Board of Director meeting no. 4/2566 on 14 March 2023 has appointed Mr. Prapas Kong-led as Director and Executive Committee instead.

: ^{7/} Ms. Nita Treeweeranuwat resigned from Director, Chief Executive Officer/ President, Executive Committee, and Company Secretary since 10 March 2023. The Board of Director meeting no. 4/2566 on 14 March 2023 has appointed Mr. Justin Lim Hwa Tat as Director and Executive Committee instead.

: ^{8/}

DAP	= Director Accreditation Program
DCP	= Director Certification Program
RCP	= Role of the Chairman Program
ACP	= Audit Committee Program
CSP	= Company Secretary Program
QFR	= Improve the quality of financial reporting
EDP	= Executive Development Program

The Company's authorized signatories

The Company's authorized signatories are Mr. Somyos Tiranawatananun and Ms. Nita Treeweeranuwat jointly signed and affix the Company's seal. ^{1/}

Note : ^{1/} As Ms. Nita Treeweeranuwat has resigned from Director since 10 March 2023. The Board of Directors approved the Company's authorized signatories as any two of Mr. Somyos Tiranawatananun, Mr. Chatchai Payuhanaveechai, Mr. Justin Lim Hwa Tat jointly signed and affix the Company's seal.

Scope of duty and responsibility

Board of Directors

The company's Board of Directors directs, oversees and monitors the company's business operations to be in line with what shareholders approve and laws that govern the company including the objectives, regulations, resolutions in the meetings of shareholders and resolutions of the company's Board of Director, and set policies, vision, strategies, goals, missions, and business plans, directs and monitors the management team to manage the company operations to meet the determined policies in an efficient manner. The company's Board of Directors must use their discretion and prudence to make business decision and perform their duty with responsibility, honesty, carefulness in accordance with best practices so as to increase highest economic value to the business and maximum security to shareholders.

Audit committee

The company's Board of Directors is well aware of the importance of corporate governance. Consequently, audit committee is appointed which comprises independent committee who audits the operations of the company, verifies the effectiveness of internal control to ensure business affairs of each agency are conducted efficiently, legally and in line with best practice rules and regulations. Audit committee performs its duty to verify financial statements of the company with auditors to ensure that the company's financial statements are reliable, disclose information accurately and correctly in accordance with relevant standards and requirements

including building trust and reliability among investors and stakeholders that the business affairs are audited and monitored carefully with fairness and transparency and the business is conducted following corporate governance.

Nomination and Remuneration Committee

The company's Board of Directors requires nomination and remuneration committee to recruit and select appropriate persons to hold the positions of committee, executive committee, Chief Executive Officer/Managing Director and top executives of the company, to consider succession planning steps of top executives including determining principle of the company's Board of Directors evaluation, sub-committee, Chief Executive Officer, and to approve patterns, criteria, and value of remuneration with regard to salary and other benefits paid to committee, Chief Executive Officer, and Managing Director.

Executive committee

The company's Board of Directors appoints and assigns executive committee to supervise and monitor the conduction of business and the company operations including setting organizational structure, policies, directions, and strategies for conducting business of the company, business expansion, determination of financial plans, budget, human resource management, investment in information technology to meet the objectives, regulations, policies, rules, requirements, orders, and resolutions of the meetings of the Board of Directors and/or resolutions of the meetings of shareholders of the company including monitoring the operations of the company to comply with the policies of the Board of Directors and set goals, directing and monitoring the operations to achieve the highest quality and efficiency.

Risk management committee

Risk management committee has duty to evaluate risks and impacts that may arise, set policies on risk management to cover various risks in management, to monitor the implementation of risk management including analyzing, evaluating, preparing systematic monitoring and report, and reporting risks and suggestion in risk management to audit committee and the company's Board of Directors on a regular basis.

Anti-corruption committee

Anti-corruption committee has duty to set policies and practice guidelines to cover all forms of corruption in management, to provide support and develop personnel to have knowledge about anti-corruption, to monitor practice guidelines in anti-corruption including analyzing, evaluating, preparing systematic monitoring and report, and reporting complaints of corruption arising in the organization directly to the audit committee.

Environment Social and Governance committee

Environment Social and Governance committee has duty to set policies, directions, and guidelines to implement social and environmental responsibility and company sustainability, to give approval to strategies and activities of the company to achieve goals pursuant to sustainability and social activity policies, to consider the preparation of budget and expenses in operating social and environmental responsibility and sustainability, to monitor the progress of implementation and evaluate the effectiveness of the implementation pursuant to sustainability and social activity policies of the company and report to the executive committee including verifying and giving approval to disclosure of social and environmental responsibility reports in the company annual reports.

Executive

The Executive Committee meeting no. 1/2566 on 3 February 2023, has appointed the Company's executives as follow:

First Name - Surname	Position
1. Mr. Chatchai Payuhanaveechai	Chairman of Executive Committee
2. Ms. Nita Treeweeranuwat	Chief Executive Officer/ Managing Director Vice President Administrative Department/ Vice President Sales Department/ Acting Vice President Human Resource Department/ Managing Director TAKUNI LAND CO.,LTD. Managing Director TAKUNI TRADING CO.,LTD. Managing Director TAKUNI THAILAND CO.,LTD Managing Director G-GAS LOGIISTICS CO.,LTD.
3. Mr. Prasert Treeveeranuwat	Executive Committee/ Acting Vice President Business Development Department
4. Mr. Somchai Kanbuakeaw	Executive Committee / Director RAJCHAPLEUK ENGINEERING CO.,LTD.
5. Mr. Somyos Tiranawatananun	Executive Committee
6. Mrs. Thitima Tanapakit	Vice President Accounting Department / Financial Department

Note : ^{1/} Ms. Nita Treeweeranuwat and Mr. Prasert Treeweeranuwat resigned from Director and Executive Committee since 10 March 2023. The Board of Director meeting no. 4/2566 on 14 March 2023 has appointed Mr. Justin Lim Hwa Tat and Mr. prepay Kong-led as Director and Executive Committee instead.

Management Remuneration

In 2020 - 2022, the Company and its subsidiaries The Company's management is paid in the form of salaries, bonuses and provident funds. And other returns as follows:

(Unit: Million Baht)

Management Remuneration	2022 16 person	2021 15 person	2020 16 person
- Remuneration			
Salary	29.46	29.01	29.36
Bonus	9.24	5.09	2.45
- Other compensation			
Provident Fund ^{1/}	0.36	0.29	0.29
Car allowance	Yes	Yes	Yes
Total	39.06	34.39	32.09

Note : ¹¹ The Company and its subsidiaries Provident fund is provided by the contribution company at a rate of 2% of salary. CAZ (Thailand) Public Company Limited Provident fund is provided by the contribution company at a rate of 3-5% of salary

Staff

As of December 31, 2020 - 2022, the number of the Company and its subsidiaries' staff (not include executive) are as follow:

Takuni Group Public Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Sales	5	4	4
Human Resources	5	6	6
Finance and Accounting	16	17	17
Purchasing	3	2	2
IT	3	3	3
Warehouse-Gas	9	10	10
Executive Secretary	1	1	1
Safety and Quality Management	-	1	1
Total	42	44	44

Takuni (Thailand) Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Administrative	2	1	1
Engineering	6	7	4
Conversion kit installation	5	2	3
Industry service	1	1	1
Maid	2	2	3
Total	16	13	12

G Gas Logistics Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Transportation	26	26	28
Security	1	1	1
Total	27	27	29

Rajchapluek Engineering Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Operation	141	161	151
Administration	11	11	9
Safety	3	2	2
Sales	8	9	6
Finance and Accounting	2	3	3
Total	165	186	171

GAZ (Thailand) Public Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Executive Secretary	1	1	1
Marketing	1	-	-
Finance and Accounting	5	5	5
Purchasing	5	5	5
Appraisal Department	5	4	4
Warehouse and Delivery Department	2	2	1
Human Resources	7	10	9
Drawing Department	16	16	14
IT	3	3	3
Construction Department	432	321	270
Production and Erection	2,681	1,277	2,311
Total	3,158	1,594	2,623

JKEC Company Limited

Division	Number of Staff		
	31 December 2022	31 December 2021	31 December 2020
Human Resource	17	4	6
Finance and Accounting	2	2	2
Project Control	3	4	5
Construction Department	40	63	57
Production and Erection	892	807	1,096
Total	954	880	1,166

As of 31 December 2022, 2021 and 2020, the total number of the Company's employees (not include executive) was 4,362 employees, 2,744 employees and 4,045 employees, respectively. Total amount of compensation (which is in cash form of salary, bonus, contribution fund, and social insurance and overtime fee) was 1,060.67 Million Baht for 2022, 741.13 Million Baht for 2021, and 1,105.77 Million Baht for 2020.

In addition, employer contributions are required to be paid to a Bualuang Mutual Fund since June 2014 with objectives to build morale and encouraging to the employees and to motivate them to work with the Company for a long term.

Labor Dispute within past 3 years

- None -

Other Significant information

Company secretary	Mr. Somyos Tiranawatananun (appointed by Board of Directors meeting no. 3/2566 on 10 March 2023 as Deputy Company Secretary, replacing Ms. Nita Treeweeranuwat)
Chief Financial Officer	Mrs. Thitima Tanapakit
Accounting Manager	Mrs. Thitima Tanapakit
Internal Audit	Outsource, Isbar Corporation Co., Ltd.
Head of Compliance	Mr. Somyos Tiranawatananun
Investor relations	Mr. Somyos Tiranawatananun 02-455-2888 / secretary@takuni.com
Audit Fee	5.80 Million Baht (Audit fee 5.57 Million Baht, Other compensation 0.23 Million Baht)

Legal Disputes

As at 31 December 2022, the Group has no legal dispute that effect more than 5% of total shareholders' equity.



Report on significant operations in corporate governance

Summary of performance of the Board of Directors in the recent year

In 2022, the company's Board of Directors directed and monitored the business operations, sub-committee including management team to meet the set policies in an efficient manner and comply with corporate governance.

Board of Directors is responsible for supervising, establishing and maintaining risk management and internal control system. This is to ensure that transaction records are such accurate, complete, timely and adequate for protecting the company's assets and preventing corruption or materially abnormal operation. The board also has appointed the Audit Committee which consists of independent directors who are responsible for governing the consolidated financial statements, evaluating and reviewing the internal control system to ensure its efficiency and effectiveness.

The company's Board of Directors took responsible for financial reports of the company and subsidiaries including information appeared on the annual report, 56-1 One report, and financial statements that the audit committee verified the quality of financial reports, internal control system, and the full disclosure in the footnotes of the financial statements by presenting to the company's Board of Directors in every quarter. The preparation of the financial statements was audited by auditors permitted by The Securities and Exchange Commission Thailand and complied with generally accepted accounting principles in Thailand. Significant information related to financial and non-financial information were disclosed and implemented accurately, completely, rationally, in a reliable manner while accounting policies were used.

Besides, the company's Board of Directors required to have preparation of performance evaluation of the company's Board of Directors at least once a year. Evaluation results shall be used as a frame in considering roles and performance in duties, problems, and obstacles of the Board of Directors. Suggestion shall be used to improve and develop the operations.

Board of Directors' Meeting and Sub-Committee in 2022

	First Name - Surname	Number of Attendance / Number of Meetings			
		Board of Directors Meeting (7 person) 11 meetings	Audit Committee Meeting (3 person) 4 meetings	Remuneration Committee Meeting (3 person) 3 meetings	Executive Committee Meeting (6 person) 13 meetings
1.	Mr. Kaveewat Songsakulkiat ^{1/}	9/9	3/3	2/3	-
2.	Mr. Kanit Wattanavichien ^{2/}	9/9	3/3	-	-
3.	Mr. Pramote Talawat ^{3/}	9/9	4/4	2/3	-
4.	Mr. Prasert Treeweeranuwat	11/11	-	-	13/13
5.	Ms. Nita Treeweeranuwat	11/11	-	-	13/13
6.	Ms. Kanchana Rimpanichayakij ^{4/}	9/10	-	-	12/13
7.	Mr. Somchai Kanbuakeaw ^{5/}	9/9	-	2/3	13/13
8.	Mrs. Thitima Tanapakit ^{6/}	-	-	-	12/13
9.	Mr. Udom Meephaungpol ^{6/}	-	-	-	12/13
10.	Mr. Somyos Tiranawatananun ^{7/}	-	-	-	1/13
11.	Mr. Chatchai Payuhanaveechai ^{8/}	-	-	-	-
12.	Dr. Teerachai Chantarojsiri ^{9/}	-	-	-	-
13.	Mr. Somsak Pratomsrimek ^{9/}	-	-	-	-
14.	Ms. Araya Puttipongthon ^{9/}	-	-	-	-

Note ^{1/} Mr. Kaveewat Songsakulkiat has resigned from Director, Audit Committee, and Remuneration Committee since 22 September 2022.

^{2/} Mr. Kanit Wattanavichien was appointed as Audit Committee on 21 March 2022 and resigned from Director, and Audit Committee since 15 December 2022.

^{3/} Mr. Pramote Talawat was appointed as Director, Audit Committee, and Remuneration Committee on 11 January 2022 and resigned from Director, Audit Committee, and Remuneration Committee since 15 December 2022.

^{4/} Ms. Kanchana Rimpanichayakij resigned from Director and Executive Committee since 15 December 2022.

^{5/} Mr. Somchai Kanbuakeaw was appointed as Director and Chairman of Remuneration Committee on 11 January 2022 and resigned from Director and Chairman of Remuneration Committee since 15 December 2022.

^{6/} Mrs. Thitima Tanapakit and Mr. Udom Meephaungpol resigned from Executive Committee since 15 December 2022.

^{7/} Mr. Somyos Tiranawatananun was appointed as Director and Executive Committee since 15 December 2022.

^{8/} Mr. Chatchai Payuhanaveechai was appointed as Chairman of Executive Committee since 16 September 2022 and appointed as Chairman of Directors since 15 December 2022.

^{9/} Dr. Teerachai Chantarojsiri, Mr. Somsak Pratomsrimek, and Ms. Araya Puttipongthon was appointed as Director since 15 December 2022.

Director Remuneration

Director remuneration has been passed the carefully consideration of the Board of Directors' meeting and the remuneration amounts are as follow:

1. Financial Remuneration

The following remuneration for the Board of Director and Audit Committee was approved at the 2022 Annual General Meeting of Shareholders on April 26, 2022 as follow:

Company's Committee	Monthly compensation / person	Meeting allowance per time / person
Independent Director	30,000 Baht	NO
Chairman of Audit Committee	30,000 Baht	NO
Independent Director	25,000 Baht	NO
Director (Executive)	NO	10,000 Baht
Director	NO	10,000 Baht

Directors' remuneration on a monthly basis Meeting allowance Gratuities and other incentives. The total amount of not more than 2,000,000 baht.

For the year 2022, the Board of Directors Audit Committee and Nomination and Remuneration Committee in the form of meeting allowances as follows:

First Name - Surname	Monthly Compensation	Meeting allowance	The directors' Gratuities	Total (Baht)
1. Mr. Kaveewat Songsakulkiat	266,166.66	-	-	266,166.66
2. Mr. Kanit Wattanavichien	286,667.00	-	-	286,667.00
3. Mr. Pramote Talawat	279,167.00	-	-	279,167.00
4. Mr. Prasert Treeveeranuwat	-	110,000.00	-	110,000.00
5. Ms. Nita Treeweeranuwat	-	110,000.00	-	110,000.00
6. Ms. Kanchana Rimpanichayakij	-	90,000.00	-	90,000.00
7. Mr. Somchai Kanbuakeaw	-	90,000.00	-	90,000.00
8. Mr. Chatchai Payuhanaveechai	-	-	-	-
9. Dr. Teerachai Chantarojsiri	17,000.00	-	-	17,000.00
10. Mr. Somsak Pratomsrimek	14,166.00	-	-	14,166.00
11. Ms. Araya Puttipongthon	14,166.00	-	-	14,166.00
12. Mr. Somyos Tiranawatananun	-	-	-	-
Total	877,332.66	400,000.00	-	1,277,332.66

2. Other forms of compensation or welfare

- No

Report of Audit Committee

The Audit Committee of Takuni Group Public Company Limited consists of three independent directors who are not executive directors, employees, or consultants of the company or its subsidiaries. The committee has performed the engagements independently under Audit Committee Charter to oversee the company so that the company has sufficient corporate governance. This is consistent with the rules and guidance for the Audit Committee specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee carried out the responsibilities by using knowledge, prudence, and adequate independence for interests of stakeholders equally for review of the financial statements, risk assessment, review of internal control and audit system, review of the Corporate Governance and regulatory compliance, appointment of the certified external auditors, review of the connected transactions or transactions with potential conflicts of interest.

In year 2022, the Audit Committee held 4 meetings, occasionally with the management, internal auditors, and independent auditors to discuss on relevant issues. The Audit Committee agrees that the Financial Reports of the Company for the year 2022 were accurate, reliable, sufficiently disclosed, and prepared in accordance with generally accepted accounting principles. The Company's risk management process is proper and the overall internal control system of the Company is effective and appropriate for the operations. The business has complied with all laws, regulations, and obligation related to the business as well as sufficiently integrated corporate governance with work performance leading to transparency and reliability. The Audit Committee also agrees that the Company continuously improved its operation systems to be higher quality and appropriate of its business environment.

Internal Control and Connected Transactions

Internal Control

Takuni emphasizes on internal control. The Board of Directors has designated the Audit Committee to review the Company's assessment of its internal control system and to regularly monitor internal control progress. The internal control system should be adequate and appropriate to the Company's risks to ensure effective and efficient operation and resource utilization. During Audit Committee meeting, in agenda relating to the approval of internal control system and transactions, the Company's external auditor and internal auditor are invited to attend the meeting to present, acknowledge follow-up, and explore remedial measures to promptly respond to observations on timely manner in the perspective of the appropriate scope of responsibility, operational plans, assessment of the adequacy, quality of risk management and internal control system, corporate governance as well as to ensure the compliance of all laws, regulations and requirements relating to business operation as referred in the internal control guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which devises five major compositions of internal control

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication, and
- (5) Monitoring Activities.

In addition, the Company has determined that the outsourced internal auditor approved by Audit committee with adequate qualifications and expertise in accounting system and internal control, monitored the Company's internal control system. The company appointed Isbar Corporation Company Limited by Khun Natita Rojjanapakin to be the internal auditor in 2022 to verify the internal control system and internal auditing to be appropriate and effective to ensure the financial control and operations shall comply with the determined guideline in an efficient manner including auditing legal practices and requirements related to the company. The outsourced internal auditor has performed its duties independently and reported directly to the Audit Committee. The Audit Committee agreed to the same opinions as that of the Board of Director that the internal control system of the company was adequate, appropriate and has preventive measure against misappropriate of assets of the Company. The Company has also provided enough employees to efficiently implement the system.

Connected Transactions

Summary of person or juristic person who might have conflict of interest are as follows:

Connected Person	Relationship
Mr. Prasert Treeweeranuwat	As of December 31, 2022 Mr. Prasert Treeweeranuwat, took a position of company's Director and Executive Committee.
Ms. Nita Treeweeranuwat	As of December 31, 2022 Ms. Nita Treeweeranuwat, took a position of company's Director, Executive Committee and Chief Executive Officer/ President.
Middle G Co., Ltd. (Gas Station)	Mr. Prasit Treeweeranuwat, a managing partner, is brother of Mr. Prasert Treeweeranuwat who is a company's shareholder and Managing Director. *Note Vera has cease the operation since September 2021.
Vera Ltd., Part. (Gas Station) *	
Pranee Petroleum Co., Ltd. (Gas Station)	
Baboon Base Co.,Ltd.	Mr. Takool Treeweeranuwat, who is son of Mr. Prasert and brother of Ms. Nita, took a position of company's Director.

Related Party Transactions

Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			FY2022	FY2021	FY2020	
Revenue from LPG Trading	-Middle G	TG provides LPG to this related party.	28.61	16.42	10.60	These are considered as normal business transactions. The selling price is comprised of fuel price and transportation fee in which calculated from same basis as other customers.
	-Pranee Petroleum		13.66	8.45	10.46	

Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			FY2022	FY2021	FY2020	
	- Vera		-	0.37	-	The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Revenue from LPG Transportation	-Vera	GG provides LPG transportation service to this related party.	-	0.02	0.08	This is considered as normal business transaction. The service fee and condition are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Revenue from sell and services	-Middle G	TT sells spare parts of gas piping system to these related party.	-	0.001	0.006	This is considered as normal business transactions. All selling price and sales condition are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Revenue from sell and services	-Middle G -Vera	RE provides testing and inspection service to	- -	0.014 0.006	- 0.006	These are considered as normal business transactions. All service

Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			FY2022	FY2021	FY2020	
		these related parties.				rate and condition are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Short-term borrowing	-Ms. Nita	TG has borrowing for working capital. Interest of 4.50% (compare to MOR of 2 commercial banks which were 5.85%).	15.00 0.08	-	-	
Asset Disposal	-Baboon Base	TT sold land building to Baboon	120.00	-	-	The Audit Committee has considered and viewed that the above transaction was fair and support the working capital of the Group. The asset disposal was approved by the Extra General Meeting of Shareholders no. 1/2565 on 9 December 2022.

Policies of the connected transactions in the future

Company's policies of the connected transactions would be classified as follows:

- For normal business transactions and the transactions that support the normal business like purchasing and selling goods, offering services, etc., Audit Committee will consider and give opinion on the reason and necessity of recording stated transaction as well as normal trading policy of price mechanism. The transactions must be fair and irrelevant when the transfer of interests between the Company and person used to compare with the transfer of interests between the persons who might have conflict of interest and public or other relevant. Also, the consideration and opinion on the reason and necessity of recording stated transaction are quarterly given and perform according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of connected transactions.

- Financial assistance transaction must operate under necessity, reasonableness, fair terms and conditions and gives the Company the highest benefit. For Guarantee transaction according to the requirement of loans from financial institutions to use as working capital which is a normal condition for providing loans to business whether by direct guarantee or placing collateral, the Company shall not incur any costs arising from the guarantee and shall not lose any benefits. The guaranteed transactions must be necessary for business operations. Moreover, the Audit Committee must consider and give opinion on the reason and necessity for the mentioned financial assistance transaction for the Company's maximum benefit. For provided and guaranteed transactions shall be treated as a normal transaction with third parties, including the consideration of fairness and complying with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and regulations, notifications, including compliance with the disclosure requirements of connected transactions.

- Apart from normal business transactions and the transactions that support the normal business such as other asset or services transaction, revenue transaction, financial assistance transaction, etc. the Company assigned Audit Committee to consider and give opinion on the reason and necessity of recording stated transaction according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of the Company and its subsidiaries connected transactions. Moreover, the Company does not have policy for giving loans to person who might have conflict of interest to run a business or perform instead of the Company.

With the purpose to perform transparently and accord to governance principle, in case the Company makes connected transaction with the person who might have interest of conflict, directors with gain and loss are not being entitled to vote and would not participated in that meeting.

In addition, the Board of Director will perform in compliance with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on connected transactions and acquisition and disposal of the Company and its subsidiaries asset transactions to avoid conflict of interest and maximize all shareholders benefit.

Takuni Group Public Company Limited
and its Subsidiaries

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Takuni Group Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Takuni Group Public Company Limited and its subsidiaries (the "Group") and of Takuni Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisition of subsidiary	
Refer to the notes 3 (a) and 4 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2022, the Group acquired the business of Thai company which engages in providing security, housekeeping and other services. As a result, the Group accounted for an excess of purchase consideration transferred over the fair values of identifiable net assets received amounting to Baht 173 million in the consolidated statement of financial position as at 31 December 2022.</p> <p>I considered this to be key audit matter because the business combination is material and the identification and the measurement of fair values of the assets acquired and liabilities assumed involved significant judgment.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Reading the share purchase agreement and inquiring management to understand key terms and conditions of the transaction. • Considering the identification of the assets acquired and liabilities assumed and purchase consideration transferred which prepared by management. • Evaluating the appropriateness of the methodologies underpinning the measurement of the assets acquired and liabilities assumed by management. • Considering the adequacy of the financial statements disclosures in accordance with the relevant Thai Financial Reporting Standards.

Recognition of revenue from construction contracts	
Refer to the notes 3 (r), 7 and 8 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group's major revenue is from various construction contracts such as EPC services, Structure Machanic and Piping (SMP) services and others, whereby the conditions of each contract are various and different. Revenue from construction contracts is recognised when the performance obligation is satisfied over time by reference the percentage of completion of each contract at the reporting date including consideration of provision for loss-making contracts.</p> <p>The recognition of revenue from construction contracts, provision for loss-making contracts, related receivables and contract assets is related to the following key factors:</p> <ul style="list-style-type: none"> ● Costs incurred; ● Surveys of performance completed to date; ● Total cost estimation of the contract; and ● Revision for certain events or conditions that occur or expect to occur to complete the contract resulted in contract modification and revision of total cost estimation of the contract. <p>I considered this to be key audit matter because the recognition of revenue from construction contracts required judgement and estimates made by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> ● Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls; ● Testing total cost estimation of the contracts which was approved by the management including changes in total cost estimation during the year, actual costs incurred, revenue from construction contracts, possible for loss-making contracts, related receivables and contract assets with contracts and supporting documents; ● Assessing the reasonableness of changes in total cost estimation during the year; ● Testing the data used in calculation of percentage of completion with supporting documents; ● Analysing the gross profit, work progress and inquire the rationale for differences from the management; ● Considering the adequacy of the financial statements disclosures in accordance with the relevant Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 4 to the financial statements. During 2022, the Group has acquired the business of Thai company and engaged an independent appraiser to determine the fair value of identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the reviews have not yet been completed therefore the determination of the fair value and the allocation of the purchase price was determined provisionally and is subject to potential amendment. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2023

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	180,324,120	525,827,411	15,264,647	257,813,034
Trade and other current receivables	7	585,885,873	400,285,678	124,573,640	84,432,377
Contract assets	8	633,808,011	634,777,109	-	-
Short-term loans to related parties	5	81,934,392	47,320,000	93,384,392	86,750,000
Short-term loans to other party		42,284,249	-	-	-
Inventories	9	80,811,590	70,171,487	23,971,031	13,654,110
Refundable withholding tax deducted at source		36,442,870	-	-	-
Indemnification asset		14,078,413	-	-	-
Other current assets		8,412,362	11,095,704	102,462	108,854
Total current assets		1,663,981,880	1,689,477,389	257,296,172	442,758,375
Non-current assets					
Restricted deposits at financial institutions	16	20,030,490	27,287,974	2,801,000	15,600,000
Investments in subsidiaries	11	-	-	316,248,870	111,458,970
Investments in associates	10	54,573,808	4,255,385	62,241,800	4,000,000
Long-term loans to related parties	5	222,693,176	13,383,671	261,066,642	130,937,600
Investment properties	16	-	3,819,899	-	-
Property, plant and equipment	13, 16	666,961,672	710,705,795	48,117,819	52,020,321
Goodwill	14	19,383,641	19,383,641	-	-
An excess of purchase consideration transferred over the fair values of identifiable net assets received	4	172,683,978	-	-	-
Intangible assets		14,277,587	14,441,756	879,313	1,225,859
Receivable from sale of land	5, 15	-	76,240,690	-	-
Retention receivables	8	220,510,298	97,154,401	-	-
Withholding tax deducted at source		73,867,847	51,477,556	9,058,454	8,676,652
Deferred tax assets	23	7,776,388	5,752,145	214,416	631,520
Other non-current assets		42,623,620	8,938,802	5,693,383	3,004,577
Total non-current assets		1,515,382,505	1,032,841,715	706,321,697	327,555,499
Total assets		3,179,364,385	2,722,319,104	963,617,869	770,313,874

The accompanying notes from an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2022	2021	2022	2021
		(in Baht)			
Current liabilities					
Bank overdrafts	6, 16	4,963,999	-	-	-
Short-term borrowings from financial institutions	16	175,300,000	373,502,000	-	-
Trade and other current payables		433,818,037	400,533,479	24,441,314	25,476,113
Payable for acquisition of subsidiaries	4	89,000,000	-	89,509,900	-
Contract liabilities	8	529,410,146	290,141,964	-	-
Short-term borrowings from related party	5, 16	-	-	55,000,000	-
Short-term borrowings from other parties	16	73,139,112	20,000,000	-	-
Current portion of long-term borrowings					
from financial institutions	16	79,843,200	38,640,000	-	-
Current portion of lease liabilities	16	28,215,901	36,305,930	496,749	1,023,655
Income tax payable		15,703,116	1,253,552	-	-
Other current liabilities		63,124,978	47,758,461	732,352	238,666
Total current liabilities		1,492,518,489	1,208,135,386	170,180,315	26,738,434
Non-current liabilities					
Long-term borrowings from financial institutions	16	23,097,654	87,660,000	-	-
Lease liabilities	16	22,239,819	40,582,568	3,404,185	3,900,934
Deferred income	15	12,540,503	14,236,079	-	-
Non-current provisions for employee benefits		8,191,084	11,077,505	234,269	733,708
Other non-current liabilities		28,700,165	12,443,231	593,087	486,287
Total non-current liabilities		94,769,225	165,999,383	4,231,541	5,120,929
Total liabilities		1,587,287,714	1,374,134,769	174,411,856	31,859,363

The accompanying notes from an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
Liabilities and equity					
		<i>(in Baht)</i>			
Equity					
Share capital:	17, 20				
Authorised share capital		400,000,118	400,000,118	400,000,118	400,000,118
Issued and paid-up share capital		400,000,118	400,000,118	400,000,118	400,000,118
Share premium on ordinary shares	18	305,528,071	305,528,071	305,528,071	305,528,071
Share surplus from business combination					
under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated					
Legal reserve	18	16,252,000	12,597,000	16,252,000	12,597,000
Unappropriated		213,189,512	105,919,314	67,425,824	20,329,322
Other components of equity		81,852,708	81,852,708	-	-
Equity attributable to owners of the parent		1,037,458,699	926,533,501	789,206,013	738,454,511
Non-controlling interests	12	554,617,972	421,650,834	-	-
Total equity		1,592,076,671	1,348,184,335	789,206,013	738,454,511
Total liabilities and equity		3,179,364,385	2,722,319,104	963,617,869	770,313,874

The accompanying notes from an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
Note	2022	2021	2022	2021
<i>(in Baht)</i>				
Revenue				
Revenue from sales of goods	543,877,846	411,409,902	541,344,420	409,921,597
Revenue from construction contracts and rendering of services	3,280,396,459	2,317,795,401	-	-
	19	3,824,274,305	2,729,205,303	541,344,420
			409,921,597	
Costs of sales of goods	9	(525,182,134)	(393,438,904)	(521,644,273)
Costs of construction contracts and rendering of services		(2,871,519,725)	(1,980,410,534)	(394,398,908)
			-	-
Gross profit		427,572,446	355,355,865	19,700,147
Other income		106,192,752	30,810,585	93,563,366
Distribution costs		(4,809,360)	(4,390,617)	(2,203,212)
Administrative expenses		(181,543,754)	(164,928,119)	(41,573,535)
Profit from operating activities		347,412,084	216,847,714	70,908,397
Finance costs		(15,053,548)	(25,077,004)	(408,927)
Share of profit (loss) of associates				
accounted for using equity method		(5,233,490)	1,808,794	-
Profit before income tax expense		327,125,046	193,579,504	70,499,470
Income tax expense	23	(67,940,130)	(42,397,517)	(283,277)
Profit for the year		259,184,916	151,181,987	70,216,193
			20,885,129	

The accompanying notes from an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans		4,889,234	1,750,408	669,136	-
Income tax relating to items that will not be reclassified	23	(977,847)	(350,082)	(133,827)	-
Other comprehensive income for the year, net of tax		3,911,387	1,400,326	535,309	-
Total comprehensive income for the year		263,096,303	152,582,313	70,751,502	20,885,129
Profit attributable to:					
Owners of parent		127,808,257	63,150,565	70,216,193	20,885,129
Non-controlling interests	12	131,376,659	88,031,422	-	-
		259,184,916	151,181,987	70,216,193	20,885,129
Total comprehensive income attributable to:					
Owners of parent		130,925,198	63,663,751	70,751,502	20,885,129
Non-controlling interests	12	132,171,105	88,918,562	-	-
		263,096,303	152,582,313	70,751,502	20,885,129
Basic earnings per share	24	0.160	0.079	0.088	0.026

The accompanying notes form an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements							Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings	Other components of equity	Equity attributable to owner of the parent	Non-controlling interests	
Year ended 31 December 2022								
Balance at 1 January 2022	400,000,118	305,528,071	20,636,290	12,597,000	105,919,314	81,852,708	421,650,834	1,348,184,335
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
Dividends to owners of the Company	-	-	-	-	-	-	(29,787,684)	(49,787,684)
Total distributions to owners of the parent	-	-	-	-	(20,000,000)	-	(29,787,684)	(49,787,684)
<i>Changes in ownership interests in subsidiaries</i>								
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	30,583,717	30,583,717
Total transactions with owners, recorded directly in equity	-	-	-	-	(20,000,000)	-	796,033	(19,203,967)
Comprehensive income for the year								
Profit	-	-	-	-	127,808,257	-	131,376,659	259,184,916
Other comprehensive income	-	-	-	-	3,116,941	-	794,446	3,911,387
Total comprehensive income for the year	-	-	-	-	130,925,198	-	132,171,105	263,096,303
Transfer to legal reserve	-	-	-	3,655,000	(3,655,000)	-	-	-
Balance at 31 December 2022	400,000,118	305,528,071	20,636,290	16,252,000	213,189,512	81,852,708	554,617,972	1,592,076,671

The accompanying notes form an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Retained earnings	
Year ended 31 December 2021						
Balance at 1 January 2021	400,000,000	305,527,766	11,552,000	30,489,195		747,568,961
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners of the parent						
Shares options exercised	20	305	-	-	-	423
Dividends to owners of the Company	25	-	-	(30,000,002)		(30,000,002)
Total contributions by and distributions to owners of the parent	118	305	-	(30,000,002)		(29,999,579)
Comprehensive income for the year						
Profit	-	-	-	20,885,129		20,885,129
Total comprehensive income for the year	-	-	-	20,885,129		20,885,129
Transfer to legal reserve	18	-	1,045,000	(1,045,000)		-
Balance at 31 December 2021	400,000,118	305,528,071	12,597,000	20,329,322		738,454,511

The accompanying notes form an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Total equity	
			Legal reserve	Unappropriated		
			<i>(in Baht)</i>			
Year ended 31 December 2022						
Balance at 1 January 2022	400,000,118	305,528,071	12,597,000	20,329,322	738,454,511	
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends to owners of the Company	-	-	-	(20,000,000)	(20,000,000)	
<i>Total distributions to owners of the parent</i>	-	-	-	(20,000,000)	(20,000,000)	
Comprehensive income for the year						
Profit	-	-	-	70,216,193	70,216,193	
Other comprehensive income	-	-	-	535,309	535,309	
Total comprehensive income for the year	-	-	-	70,751,502	70,751,502	
Transfer to legal reserve	-	-	3,655,000	(3,655,000)	-	
Balance at 31 December 2022	400,000,118	305,528,071	16,252,000	67,425,824	789,206,013	

The accompanying notes form an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit for the year		259,184,916	151,181,987	70,216,193	20,885,129
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Income tax expense		67,940,130	42,397,517	283,277	1,357,211
Finance costs		15,053,548	25,077,004	408,927	299,426
Depreciation and amortisation		101,500,104	97,099,155	6,087,830	6,146,729
Non-current provisions for employee benefits		957,339	3,426,142	169,696	412,350
(Reversal of) expected credit loss on receivables and bad debts	7	1,637,837	596,197	(1,472,892)	1,191,204
Losses on inventories devaluation	9	6,516,769	147,825	-	-
(Gain) loss on disposal and written off of assets		(83,114,699)	(5,772,384)	4,919	(1,697,122)
Unrealised (gain) loss on foreign exchange		78,595	(203,284)	-	-
Share of (profit) loss of associates accounted for using equity method		5,233,490	(1,808,794)	-	-
Written off of withholding tax deducted at source		122,602	1,482,432	-	172,199
Dividend income		-	-	(74,999,985)	(29,949,555)
Interest income		(8,763,817)	(4,362,180)	(7,354,915)	(7,945,995)
		366,346,814	309,261,617	(6,656,950)	(9,128,424)
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		(150,382,361)	(135,701,643)	4,571,231	(14,954,890)
Contract assets		18,302,777	(110,686,107)	-	-
Inventories		(17,156,872)	(9,239,707)	(10,316,921)	(2,518,632)
Other current assets		2,683,799	(3,134,396)	6,392	5,173
Retention receivables		(123,355,897)	(42,962,360)	-	-
Receivable from sale of land		76,240,690	-	-	-
Other non-current assets		2,219,087	(1,517,558)	-	(18,897)
Trade and other current payables		13,540,752	123,998,003	(1,030,997)	684,133
Contract liabilities		239,268,182	148,703,248	-	-
Other current liabilities		(1,101,832)	12,957,533	493,686	(5,170,165)
Payment of non-current provisions for employee benefits		(240,333)	(5,145,016)	-	(4,454,671)
Other non-current liabilities		16,256,934	2,810,503	106,800	(183,901)
Net cash generated from (used in) operating activities		442,621,740	289,344,117	(12,826,759)	(35,740,274)
Interest paid		(12,143,217)	(23,714,128)	(144,273)	(7,942)
Tax received (paid) - net		(115,295,932)	54,525,474	(381,802)	128,050
Net cash from (used in) operating activities		315,182,591	320,155,463	(13,352,834)	(35,620,166)

The accompanying notes form an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
Cash flows from investing activities					
Decrease in restricted deposits at financial institutions		7,257,484	2,531,965	12,799,000	200,000
Proceeds from loans to related parties	5	17,300,000	12,000,000	266,000,000	614,680,000
Payment for loans to related parties	5	(261,302,493)	(54,180,387)	(402,763,435)	(658,367,600)
Proceeds from loans to other party		122,494,885	-	-	-
Proceeds from disposal of an associate	10	1,000,000	-	-	-
Acquisition of associates	10	(58,241,800)	(1,000,000)	(58,241,800)	-
Acquisition of subsidiaries, net of cash acquired	4	(108,893,385)	-	(115,280,000)	-
Acquisition of property, plant and equipment		(63,287,953)	(34,604,397)	(1,804,524)	(186,660)
Acquisition of intangible assets		(2,395,040)	(1,395,509)	(42,978)	-
Proceeds from disposal of investment properties		3,369,579	-	-	-
Proceeds from disposal of property, plant and equipment		117,649,701	7,642,602	-	1,700,935
Dividend received		-	-	29,949,556	37,897,018
Interest received		4,376,329	4,362,180	6,476,937	8,370,808
Net cash from (used in) investing activities		(220,672,693)	(64,643,546)	(262,907,244)	4,294,501
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions		520,641,000	941,500,000	-	-
Repayment of short-term borrowings from financial institutions		(718,843,000)	(1,077,101,580)	-	-
Proceeds from long-term borrowings from financial institutions		-	42,000,000	-	-
Repayment of long-term borrowings from financial institutions		(40,011,475)	(38,640,000)	-	-
Repayment of short-term borrowings from other parties		(108,350,000)	-	-	-
Proceeds from short-term borrowings from related parties	5	15,000,000	-	70,000,000	-
Repayment of short-term borrowings from related parties	5	(24,500,000)	-	(15,000,000)	-
Repayment of lease liabilities		(39,126,014)	(36,005,331)	(1,288,309)	(1,288,309)
Proceeds from exercise of share options		-	423	-	423
Dividends paid to owners of the Company		(20,000,015)	(30,000,447)	(20,000,000)	(30,000,002)
Dividends paid to non-controlling interests		(29,787,684)	(4,041,114)	-	-
Net cash from (used in) financing activities		(444,977,188)	(202,288,049)	33,711,691	(31,287,888)

The accompanying notes from an integral part of the financial statement

Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents		(350,467,290)	53,223,868	(242,548,387)	(62,613,553)
Cash and cash equivalents at 1 January		525,827,411	472,603,543	257,813,034	320,426,587
Cash and cash equivalents at 31 December		175,360,121	525,827,411	15,264,647	257,813,034
Cash and cash equivalents at 31 December	6				
Cash and cash equivalents		180,324,120	525,827,411	15,264,647	257,813,034
Bank overdrafts		(4,963,999)	-	-	-
		175,360,121	525,827,411	15,264,647	257,813,034
Non-cash transactions					
Accrued dividend		-	-	74,999,985	-
Payable from purchase of property, plant and equipment		713,162	1,673,421	5,200	9,000
Acquisitions of right-of-use assets under leases		9,209,307	51,278,464	-	-
Payable for acquisition of subsidiaries		89,000,000	-	89,509,900	-

The accompanying notes from an integral part of the financial statement

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Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2023.

1 General information

Takuni Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 19 August 2014. The Company’s registered office at 140/1 Soi Nawee Charoensap, Kanchanaphisek Road, Bang Khae, Bangkok.

The principal activities of the Company are Liquid Petroleum Gas (LPG) procurement and trading. The principal activities of the Group are:

Liquid Petroleum Gas trading	Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	Equipment trading, industrial and car gas systems installation
Transportation services	Hazardous substances and construction materials transportation services by land
Construction services	Construction services
Non-destructive testing (NDT) and inspection services	Non-destructive testing and inspection service
Others	Property development, food delivery, providing of security, housekeeping and other services

Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are disclosed in note 11.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investments in associates using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Takuni Group Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2022**

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(b) Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including balance of non-monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Balance of monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments***(d.1) Classification and measurement***

Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade receivables, other receivables and contract assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost through profit or loss.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs

The Group assumes that the credit risk on a financial asset has increased significantly if it is over the payment period as specified in the contract, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred. The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics or considering ECLs for individual receivables with past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle, Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes capitalised borrowing costs.

Depreciation is on a straight-line basis over the estimated useful lives of each property and is recognized to profit or loss. No depreciation is provided on land and asset under construction.

The estimated useful lives are as follows:

Buildings	20 years
Condominium	40 years

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit and loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and building improvements	10 years and 20 years
Gas cylinders and equipment	5 - 20 years
Machinery, tool, equipment, furniture, fixtures and office equipment	3 - 10 years
Vehicles	5 years and 10 years

(j) Goodwill

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

(k) Intangible assets

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit and loss.

The estimated useful lives are as follows:

Computer software	3 - 10 years
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(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate or the interest rate implicit in the lease to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

At lease inception, the Group considers to classify a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(n) Employee benefits*Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranties

A provision for warranties is recognised when the underlying services are provided. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value, adjusted for the difference between the fair value on initial recognition and the transaction price, and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value is transferred or the transaction is closed out.

(q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. Revenue from construction contracts and revenue from rendering of services are satisfied over time by reference the percentage of completion to date or when services are provided. The percentage of completion is measured by reference to the surveys of performance complete to date or using cost incurred relative to total cost estimation to each contract by using the best method to account for the transfer of work to the customer and considered the nature of work provided and the term of contract. The related costs are recognised in profit or loss when they are incurred.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(s) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and investments in associates to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

Basic earnings per share (EPS) calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(u) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

(v) Segment reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisitions of subsidiary

Acquisition of KPN and Service Guard Co., Ltd.

On 13 December 2022, the Group obtained control of KPN and Service Guard Co., Ltd., a service provider of security, housekeeping and other services by acquiring 51% shareholdings and voting interests. The consideration consisted of a cash payment of Baht 204 million which was paid of Baht 115 million in 2022.

Subsequently on 22 February 2023, the Group entered into the memorandum of the share purchase agreement with the former shareholder that the former shareholder responsible for all taxes, fines, penalties or surcharges to relevant government agencies for liabilities arising from acts or omissions of any acts that are against the law, which occurred or existed as at the acquisition date. The Group will pay the remaining amount of shares when the former shareholder reached the agreement in the memorandum of the share purchase agreement. The Group expected to pay the remaining amount of Baht 89 million within June 2023.

The Group incurred acquisition-related costs of Baht 0.25 million which have been included in administrative expenses.

Taking control of KPN and Service Guard Co., Ltd. will enable the Group to advantage the personnel's database to expand the related businesses in the future.

During the period from acquisition date to 31 December 2022, KPN and Service Guard Co., Ltd. contributed revenue of Baht 14.25 million and profit of Baht 0.56 million to the Group's results. If management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022, the management estimates that consolidated revenue would have increased by Baht 248.01 million and consolidated profit for the year would have increased by Baht 8.49 million.

The following summarizes the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed as follows:

Identifiable assets acquired and liabilities assumed

**Estimated
fair value**

(in thousand Baht)

Cash and cash equivalents	865
Trade and other current receivables	35,756
Contract assets	17,334
Short-term loans to other party	164,779
Indemnification asset	14,078
Restricted deposits at financial institutions	5,242
Property, plant and equipment	21,480
Deferred tax assets	473
Other assets	32,645
Bank overdrafts	(5,038)
Trade and other current payables	(18,262)
Short-term borrowings from related party	(9,500)
Short-term borrowings from other parties	(161,489)
Other current liabilities	(16,468)
Lease liabilities	(3,270)
Long-term borrowings from financial institutions	(16,652)
Non-current provisions for employee benefits	(570)
Total identifiable net assets	61,403
Less Non-controlling interests (49%)	(30,087)
Total identifiable net assets received	31,316
An excess of purchase consideration transferred over the fair values of identifiable net assets received	172,684
Purchase consideration transferred	204,000
Net cash acquired with the subsidiary	6,107
Cash paid	(115,000)
Net cash outflows	(108,893)

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For the year ended 31 December 2022

The fair value of net assets acquired and the allocation of the purchase price have been provisionally determined by the management of the Group and is subject to potential amendment. The group engaged independent appraiser to determine the fair values of identifiable assets acquired and liabilities assumed from the business acquisitions. However, the valuation has not been completed.

In accordance with TFRS 3, management is required to make a preliminary assessment of the fair values of net assets acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values of business acquisition is dependent on completion of the purchase price allocation exercise.

Property, plant and equipment from the acquisition of subsidiary of Baht 16.32 million was pledged as collateral for credit facilities for bank overdrafts and long-term borrowings from financial institutions.

5 Related parties

Relationships with subsidiaries and associates are disclosed in notes 10 and 11.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sales of goods and rendering of service	Market price
Purchases of goods and receiving of services	Market price
Transportation expense	Market price
Rental expense	Contractual price
Dividend income	Declared dividend payment
Interest income and interest expense	Interest rates determined in intercompany loan agreements
Other income and other expense	Agreed price

Significant transactions with related parties	Consolidated		Separate	
	financial statements		financial statements	
Year ended 31 December	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sales of goods	-	-	-	26
Purchases of goods and receiving of services	-	-	313	609
Other income	-	-	7,300	8,133
Dividend income	-	-	75,000	29,950
Rental expense	-	-	1,212	1,212
Transportation expense	-	-	23,381	19,591
Interest income	-	-	3,845	7,241
Purchases of assets	-	-	10	9
Other expenses	-	-	1,462	284
Associates				
Revenue from sales of goods and rendering of services	280	9	-	-
Purchases of goods	11,201	-	-	-
Other income	2,415	208	1,769	-
Interest income	6,370	3,595	3,289	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits <i>(including director's remuneration)</i>	42,214	37,654	11,712	11,426
Post-employment benefits (reversal)	(480)	1,633	(342)	1,039
Total key management personnel compensation	41,734	39,287	11,370	12,465
Other related parties				
Rental expense	60	60	-	-
Interest expense	83	-	83	-

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Significant transactions with related parties	Consolidated		Separate	
	financial statements		financial statements	
Year ended 31 December	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statement	
At 31 December	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other receivables				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	1,060	705
Associates	1,769	44	1,769	-
Total	1,769	44	2,829	705
Interest receivables				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	446	2,257
Associates	-	880	-	-
Total	-	880	446	2,257
Dividend receivables				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	75,000	29,950
Interest receivables				
<i>(included in other non-current assets)</i>				
Subsidiaries	-	-	1,545	2,145
Associates	3,289	-	3,289	-
Total	3,289	-	4,834	2,145
Receivable from sale of land				
Associate	-	76,241	-	-
Trade and other current payables				
Subsidiaries	-	-	2,863	2,408

<i>Significant transactions with related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<i>Year ended 31 December</i>	<i>(in thousand Baht)</i>			
Associates	11,986	-	-	-
Total	11,986	-	2,863	2,408

<i>Loans to</i>	Interest rate			Consolidated financial statements			
	31	31	31	Increase	Decrease	Loss on exchange rate	31
	December 2021	December 2022	December 2021				
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Associates	5	0 - 8	60,704	261,303	(17,300)	(79)	304,628

<i>Loans to</i>	Interest rate			Separate financial statements			
	31	31	31	Increase	Decrease	Loss on exchange rate	31
	December 2021	December 2022	December 2021				
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Subsidiaries	3	3	170,368	155,650	(251,000)	-	75,018
Associates	-	-	47,320	247,113	(15,000)	-	279,433
Total			217,688	402,763	(266,000)	-	354,451

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Consolidated financial statements

	Interest rate		31 December	Acquisitions through business combinations (see note 4)	Increase	Decrease	Loss on exchange rate	31 December 2022
	31 December 2021 <i>(% per annum)</i>	31 December 2022						
Loans from Other related parties	-	4.5, 8	-	9,500	15,000	(24,500)	-	-

Separate financial statements

	Interest rate		31 December	Increase	Decrease	Loss on exchange rate	31 December 2022
	31 December 2021 <i>(% per annum)</i>	31 December 2022					
Subsidiary	-	3	-	55,000	-	-	55,000
Other related party	-	4.5	-	15,000	(15,000)	-	-
Total			-	70,000	(15,000)	-	55,000

Significant agreements with related parties

The Company entered into a general management agreement with related parties to provide business services in solving the problem, providing assistance and giving advice in business operations. The agreement covers a period of 1 year and will be renewed for a period of 1 year until it is terminated by either party after given 1 month written notice to other party. The Company will receive management fees as indicated in the agreement.

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	593	589	5	3
Cash at banks - current accounts	116,193	262,211	52	352
Cash at banks - savings accounts	63,395	222,395	15,148	216,893
Highly liquid short-term investments	143	40,632	60	40,565
Cash and cash equivalents in				
the statement of financial position	180,324	525,827	15,265	257,813
Bank overdrafts used for				
cash management purposes	(4,964)	-	-	-
Cash and cash equivalents in				
the statement of cash flows	175,360	525,827	15,265	257,813

The effective interest rate on short-term bank deposits was 0.10% to 1.05% per annum (2021: 0.10% to 0.75% per annum).

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7 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Trade receivables					
Other parties		561,397	371,379	45,827	52,842
Less allowance for expected credit loss	26	(3,248)	(3,075)	(309)	(2,338)
Net		558,149	368,304	45,518	50,504
Other current receivables					
Related parties	5	1,769	44	2,829	705
Other parties		1,260	731	4	36
Prepaid expense		13,699	17,421	777	980
Advance payments to subcontractors		10,878	12,750	-	-
Other accrued income		131	156	-	-
Interest receivables	5	-	880	446	2,257
Dividend receivables	5	-	-	75,000	29,950
Total		27,737	31,982	79,056	33,928
Total trade and other current receivables		585,886	400,286	124,574	84,432

	Year ended 31 December	Consolidated financial statements		Separate financial statements	
		2565	2564	2565	2564
<i>(in thousand Baht)</i>					
Expected credit loss					
- Additions		2,763	4,275	38	1,661
- Reversal		(2,590)	(11,878)	(2,067)	(4,794)
Bad debts		1,465	8,199	556	4,324

Information of credit risk is disclosed in note 26 (b.1)

8 Contract assets and contract liabilities

The Group has outstanding contract assets and contract liabilities with customers as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Contract assets				
Total project value	5,110,300	6,972,637	-	-
Accumulated amount recognised as revenue on percentage of completion basis	3,186,493	4,009,837	-	-
Less value of total billed	(2,552,685)	(3,375,060)	-	-
Total contract assets	633,808	634,777	-	-
Retention receivables	220,510	97,154	-	-
Contract liabilities				
Total project value	4,014,769	2,166,416	-	-
Value of total billed	3,631,011	1,277,983	-	-
Less accumulated amount recognised as revenue on percentage of completion basis	(3,146,355)	(1,136,503)	-	-
	484,656	141,480	-	-
Advance received from construction contracts	44,754	148,662	-	-
Total contracts liabilities	529,410	290,142	-	-

Revenue recognition from contract balance

During the year 2022, the Group recognised contract liabilities balance at the beginning of the year in revenue from construction contracts and rendering of services amounted of Baht 260.51 million (2021: Baht 92.78 million).

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Revenue expected to be recognised in the future related to performance obligations that are unsatisfied

As at 31 December 2022, the Group has revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 2,692.97 million (2021: Baht 3,989.89 million) which is expected to be recognised during 2023 - 2024 (2021: 2022 - 2023).

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods - petroleum gas	23,787	13,616	23,971	13,654
Finished goods - gas tank for installation and equipment	7,992	8,081	-	-
Finished goods - minibus	9,459	9,459	-	-
Work in progress - gas installation	573	5	-	-
Work in progress - testing	960	1,409	-	-
Raw materials	50,071	44,244	-	-
Supplies	4,007	2,877	-	-
Total	96,849	79,691	23,971	13,654
Less allowance for losses on decline in value	(16,037)	(9,520)	-	-
Net	80,812	70,171	23,971	13,654
Inventories recognised in 'cost of sales of goods':				
- Cost of sales of goods	518,665	393,291	521,644	394,399
- Write-down to net realisable value	6,836	361	-	-
- Reversal of write-down	(319)	(213)	-	-
Net	525,182	393,439	521,644	394,399

According to related regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum gas at 2% of the total trading volume in each period (2021: 1%). As at 31 December 2022, the Group and the Company have reserved petroleum gas amounting to Baht 12.16 million which is represented as finished goods - petroleum gas in the consolidated and separate financial statements (2021: Baht 3.92 million).

10 Investments in associates

Type of business	Ownership interest (%)		Paid-up capital				Consolidated financial statements (in thousand Baht)				Separate financial statements		Dividend income for the year		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
			Cost		At equity method		Cost								
Associates															
Sermasch Co., Ltd.	47.5	47.5	2,000	2,000	1,419	1,419	1,040	1,225	-	-	-	-	-	-	-
Sorb Engineering Co., Ltd.	47.5	47.5	2,000	2,000	1,104	1,104	3,418	2,036	-	-	-	-	-	-	-
Exact Real Estate Co., Ltd.	40.0	40.0	10,000	10,000	4,000	4,000	-	-	4,000	4,000	-	-	4,000	-	-
Yi Hao Motor Co., Ltd.	40.0	40.0	3,914	3,914	1,561	1,561	-	-	-	-	-	-	-	-	-
Watchaphuch Thai Co., Ltd.	-	50.0	-	2,000	-	1,000	-	994	-	-	-	-	-	-	-
Enrich Property Co., Ltd.	30.0	-	10,000	-	3,000	-	2,391	-	3,000	-	-	-	-	-	-
Enrich Venture Co., Ltd.	20.0	-	180,000	-	40,064	-	33,019	-	40,064	-	-	-	-	-	-
Food Ortery Co., Ltd.	5.9	-	10,625	-	15,178	-	14,706	-	15,178	-	-	-	-	-	-
Total			66,326	9,084	54,574	4,255	62,242	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

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All associates were incorporated and mainly operate in Thailand, except Yi Hao Motor Co., Ltd. which was incorporated and operates in Taiwan.

None of the Group's associates are publicly listed and consequently do not have published price quotations.

On 21 April 2021, a subsidiary jointly invested in Watchaphuch Thai Co., Ltd. to engage in trading of pharmaceutical botany products. Its authorised share capital amounted to Baht 1 million which consisted of 10,000 ordinary shares at a par value of Baht 100 per share. The subsidiary held 50% of shares. Subsequently on 20 December 2021, the subsidiary additionally invested in newly issued ordinary shares of Watchaphuch Thai Co., Ltd., amounting to Baht 0.50 million, at the existing proportion. On 3 October 2022, a subsidiary disposed of all investment in Watchaphuch Thai Co., Ltd. of 10,000 shares, amounting to Baht 1.00 million.

On 17 March 2022, the Company jointly invested in Enrich Property Co., Ltd. to engage in property development for sales. Its authorized share capital amounted to Baht 10 million which consisted of 100,000 ordinary shares at a par value of Baht 100 per share. The Company held 30% of shares.

On 20 May 2022, the Company jointly invested in Enrich Venture Co., Ltd. to engage in property development for sales. Its authorized share capital amounted to Baht 180 million which consisted of 1,800,000 ordinary shares at a par value of Baht 100 per share. The Company held 20% of shares.

On 3 November 2022, the Company jointly invested in Food Orderly Co., Ltd. to engage in food delivery. Its authorized share capital amounted to Baht 10.63 million which consisted of 106,250 ordinary shares at a par value of Baht 100 per share. The Company held 5.9% of shares.

11 Investments in subsidiaries

	Type of business	Separate financial statements														
		Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year				
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021			
Direct subsidiaries																
Takuni (Thailand) Co., Ltd.	Equipment trading, industrial and car gas systems installation and construction services	99.99	99.99	50,000	50,000	53,377	53,377	-	-	53,377	53,377	75,000	8,000			
Rajchaleuk Engineering Co., Ltd.	NDT and inspection services	99.99	99.99	40,000	40,000	41,340	41,340	-	-	41,340	41,340	-	15,000			
G Gas Logistics Co., Ltd.	Hazardous substances and construction materials transportation services by land	99.99	99.99	15,000	15,000	15,643	15,643	-	-	15,643	15,643	-	6,000			
Takuni Land Co., Ltd.	Property development	99.97	99.97	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	950			
Takuni Trading Co., Ltd.	Sales of automotive equipment, motorcycles and electric cars	99.70	99.70	100	100	99	99	-	-	99	99	-	-			

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Separate financial statements												
Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
	<i>(In thousand Baht)</i>											
Direct subsidiaries												
KPN and Service Guard Co., Ltd.												
Service providing of security, housekeeping and other services	51.00	-	50,000	-	204,250	-	-	-	-	204,250	-	-
Sersol Takuni (Thailand) Co., Ltd.	50.99	-	1,000	-	540	-	-	-	-	540	-	-
Indirect subsidiaries												
CAZ (Thailand) Public Company Limited	36.64	36.64	140,000	140,000	-	-	-	-	-	-	-	-
JKEC Co., Ltd.	26.80	26.80	10,100	10,000	-	-	-	-	-	-	-	-
Total			316,249	111,459	316,249	111,459	-	-	316,249	111,459	75,000	29,950

All subsidiaries were incorporated and operate in Thailand.

On 13 December 2022, the Company jointly invested in KPN and Service Guard Co., Ltd. to engage in providing security, housekeeping and other services. Its authorized share capital amounted to Baht 50 million which consisted of 500,000 ordinary shares at a par value of Baht 100 per share. The Company held 51% of shares (see note 4).

On 21 December 2022, the Company jointly invested in Sersol Takuni (Thailand) Co., Ltd. to engage in sales of electric motorcycles. Its authorized share capital amounted to Baht 1 million which consisted of 10,000 ordinary shares at a par value of Baht 100 per share. The Company held 50.99% of shares. The Company expected to pay the payable for acquisition of subsidiary amounted to Baht 0.51 million within March 2023.

12 Non-controlling interests

The following table summarises the information relating to the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	CAZ (Thailand) Public Company Limited	
	2022	2021
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	63.36%	63.36%
Current assets	1,248,790	1,255,247
Non-current assets	842,570	717,277
Current liabilities	(1,215,958)	(1,175,307)
Non-current liabilities	(54,083)	(135,928)
Net assets	821,319	661,289
Carrying amount of non-controlling interest	520,388	418,993
Intra-group eliminations	3,370	2,658
Total	523,758	421,651
Revenue	3,135,464	2,194,697
Profit	204,891	138,054
Other comprehensive income	2,163	1,400
Total comprehensive income	207,054	139,454
Profit allocated to non-controlling interest	129,819	87,471
Intra-group eliminations	1,282	560
Total	131,101	88,031
Total comprehensive income allocated to non-controlling interest	131,189	88,358
Intra-group eliminations	706	561
Total	131,895	88,919
Dividends to non-controlling interest	29,788	4,041
Cash flows from operating activities	239,615	315,005
Cash flows used in investing activities	(48,291)	(26,374)
Cash flows used in financing activities	(337,363)	(168,590)
Net increase (decrease) in cash and cash equivalents	(146,039)	120,041

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13 Property, plant and equipment

	Consolidated financial statements						Total
	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	
Cost							
At 1 January 2021	327,647	183,924	58,863	360,050	169,174	3,948	1,103,606
Additions	9	392	-	66,003	12,167	6,805	85,376
Transfers	-	3,939	-	5,333	1,193	(10,465)	-
Disposals/written off	-	-	(14)	(17,185)	(21,043)	-	(38,242)
At 31 December 2021 and 1 January 2022	327,656	188,255	58,849	414,201	161,491	288	1,150,740
Additions	3,111	-	-	49,791	6,206	7,091	66,199
Acquisitions through business combinations (see note 4)	16,320	864	-	201	4,095	-	21,480
Disposals/written off	(27,912)	(18,611)	-	(8,328)	(3,485)	-	(58,336)
At 31 December 2022	319,175	170,508	58,849	455,865	168,307	7,379	1,180,083

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Separate financial statements

	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
Cost							
At 1 January 2021	30,954	21,377	53,509	5,492	17,347	-	128,679
Additions	9	-	-	182	-	-	191
Disposals/written off	-	-	(14)	(306)	(6,563)	-	(6,883)
At 31 December 2021 and 1 January 2022	30,963	21,377	53,495	5,368	10,784	-	121,987
Additions	-	-	1,190	611	-	-	1,801
Disposals/written off	-	-	-	(361)	-	-	(361)
At 31 December 2022	30,963	21,377	54,685	5,618	10,784	-	123,427
Depreciation and impairment losses							
At 1 January 2021	273	14,496	37,258	4,575	14,505	-	71,107
Depreciation charge for the year	298	1,087	3,066	453	836	-	5,740
Disposals/written off	-	-	(12)	(305)	(6,563)	-	(6,880)
At 31 December 2021 and 1 January 2022	571	15,583	40,312	4,723	8,778	-	69,967
Depreciation charge for the year	298	1,087	3,013	464	836	-	5,698
Disposals/written off	-	-	-	(356)	-	-	(356)
At 31 December 2022	869	16,670	43,325	4,831	9,614	-	75,309
Net book value							

		Separate financial statements						
		Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
At 31 December 2021								
	Owned assets	26,495	5,794	13,183	645	25	-	46,142
	Right-of-use assets	3,897	-	-	-	1,981	-	5,878
		30,392	5,794	13,183	645	2,006	-	52,020
At 31 December 2022								
	Owned assets	26,495	4,707	11,360	787	18	-	43,367
	Right-of-use assets	3,599	-	-	-	1,152	-	4,751
		30,094	4,707	11,360	787	1,170	-	48,118

As at 31 December 2022, the Group and the Company had pledged property, plant and equipment with net book value of Baht 475.73 million and Baht 32.06 million, respectively (2021: Baht 522.77 million and Baht 32.77 million, respectively) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts and long-term borrowings from financial institutions.

The extraordinary general meeting of the shareholders of the Company held on 9 December 2022, the shareholders approved the subsidiary to dispose of its land and building where is located its head office to a related party, amounting to Baht 120.00 million. The Group recognised gain on disposal of land and building amounting to Baht 83.02 million as other income in the statement of comprehensive income for the year ended 31 December 2022.

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For the year ended 31 December 2022

Impairment of gas depots and related assets

As at 31 December 2022, gas depot and related assets in LPG trading business have been impaired amounting to Baht 22.48 million (2021: Baht 22.48 million) which affected both consolidated and separate financial statements because the recoverable amount is less than the carrying amount. The recoverable amount of Cash Generate Unit (CGU) of LPG trading segment was determined based on value in use and fair value less costs to sell, which is greater.

The Board of Director's meeting of the Company held on 10 January 2023, the Board approved to sell the gas depots and related assets with the carrying amount net of impairment losses as at 31 December 2022 amounting to Baht 42.50 million in the consolidated and separate financial statements. Subsequently on 10 February 2023, the Company entered into an agreement to sell partial of the gas depots and related assets to a company. As a result in 2023, the gas depots and related assets will be classified as non-current assets classified as held for sale because it is highly probable that the assets will be recovered primarily through sale rather than through continuing use.

Right-of-use assets

During the year 2022, the Group has entered into the lease agreements for land, machinery, tools and equipment, and vehicle. The agreements periods are for 3 - 5 years with fixed payment for the entire leasing term. The Group recognised right-of-use assets amounting to Baht 9.21 million (2021: The Group recognised right-of-use assets amounting to Baht 51.28 million).

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
For the year ended 31 December				
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets				
- Land	2,465	2,254	298	298
- Machine, tools and equipment	8,325	11,336	-	-
- Vehicle	8,810	9,789	829	829
Interest on lease liabilities	2,910	3,398	262	291
Expense relating to short-term leases	238,788	212,194	38	26
Expense relating to lease of low value assets	2,845	1,079	348	353

In 2022, total cash outflow for leases of the Group and the Company were Baht 280.76 million and Baht 1.67 million, respectively (2021: Baht 249.28 million and Baht 1.67 million, respectively).

14 Goodwill

Impairment testing for CGUs containing goodwill

Construction services

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Consolidated	
	financial statements	
	2022	2021
	(%)	
Discount rate	11.00	9.49
Growth rate	2.64	1.40
Gross profit margin (average of next ten years)	11.26	11.39

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 3.94% at a market interest rate of 4.93%.

The cash flow projections included specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual gross profit margin rate, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Baht 263.95 million (2021: Baht 305.35 million). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Consolidated	
	financial statements	
	2022	2021
	(%)	
Discount rate	18.54	16.35
Growth rate	(4.61)	(3.53)
Gross profit margin	8.24	8.47

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Notes to the financial statements

For the year ended 31 December 2022

15 Receivable from sale of land

In December 2020, the subsidiary entered into sale agreements with an associate for land and buildings which are a part of inventories amounting to Baht 165 million. The subsidiary collected partial payment in cash amounting to Baht 89 million. The remaining balance will be paid by installments within 3 years with interest rate at 4.58% per annum. The land ownership was transferred to the buyer in December 2020. In this regards, the cheque of associate and land of a related party of the associate has been pledged as collateral for the installments, and the Group recognised deferred income from unrealised profit on transaction with interest in associate amounting to Baht 12.54 million (2021: Baht 14.24 million) in the consolidated statement of financial position.

During 2022, the subsidiary collected all the payment amounting to Baht 76.24 million and released all assets pledged as collateral.

16 Interest-bearing liabilities

	Consolidated financial statements					
	2022			2021		
	Secured	Unsecured	Total (in thousand Baht)	Secured	Unsecured	Total
Bank overdrafts	4,964	-	4,964	-	-	-
Short-term borrowings						
from financial institutions	145,300	30,000	175,300	373,502	-	373,502
Short-term borrowings						
from other parties	-	73,139	73,139	20,000	-	20,000
Long-term borrowings						
from financial institutions	102,941	-	102,941	126,300	-	126,300
Lease liabilities	36,324	14,132	50,456	61,121	15,767	76,888
Total interest-bearing liabilities	289,529	117,271	406,800	580,923	15,767	596,690

	Separate financial statements					
	Secured	2022 Unsecured	Total <i>(in thousand Baht)</i>	Secured	2021 Unsecured	Total
Short-term borrowings						
from related party	-	55,000	55,000	-	-	-
Lease liabilities	282	3,619	3,901	1,103	3,822	4,925
Total interest-bearing liabilities	282	58,619	58,901	1,103	3,822	4,925

Assets pledged as security for liabilities as at 31 December	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Deposits at financial institutions		20,030	27,288	2,801	15,600
Investment properties		-	3,820	-	-
Property, plant and equipment	13	475,730	522,774	32,061	32,772
Total		495,760	553,882	34,862	48,372

As at 31 December 2022, the Group and the Company had unutilised credit facilities totaling Baht 879.39 million and Baht 56.00 million, respectively (2021: Baht 1,089.82 million and Baht 77.20 million, respectively). The unutilised credit facilities have pledged by assets and bank deposit of the Group and the Company and guaranteed by a director.

Borrowings from financial institution

The subsidiary has to comply with certain conditions under right and duty of borrowers such as the maintenance of Debt to Equity ratios and Debt Service Coverage ratio (DSCR).

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Notes to the financial statements

For the year ended 31 December 2022

17 Share capital

	Par value per share (in Baht)	Consolidated financial statements / Separate financial statements			
		2022		2021	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
Authorised share capital					
At 1 January					
- Ordinary shares	0.5	800,000	400,000	1,200,000	600,000
Decrease	0.5	-	-	(400,000)	(200,000)
At 31 December					
- Ordinary shares	0.5	800,000	400,000	800,000	400,000
Issued and paid-up share capital					
At 1 January					
- Ordinary shares	0.5	800,000	400,000	800,000	400,000
At 31 December					
- Ordinary shares	0.5	800,000	400,000	800,000	400,000

At the annual general meeting of the shareholders of the Company held on 27 April 2021, the shareholders approved the reduction of authorised share capital which had not been paid-up amounting to Baht 200 million, which consisted of 400 million ordinary shares at a par value of Baht 0.5 per share. The Company registered the reduction of authorised share capital on 5 May 2021.

18 Reserve

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

19 Segment information and disaggregation of revenue

(a) Segment information

Management determined that the Group has six reportable segments which are the Group's strategic divisions for different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments.

- *Segment Liquid Petroleum Gas trading* Petroleum gas trading for household cooking, industry and transportation
- *Segment equipment trading and gas system installation* Equipment trading and gas systems installation in automobile and industry
- *Segment transportation services* Hazardous substances and construction materials transportation services by land
- *Segment construction services* Construction services
- *Segment NDT and inspection services* Non-destructive testing and certify service under safety standards and regulations inspection service
- *Others* Property development, food delivery and providing security, housekeeping and other services

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(b) Geographical segments

The Group is managed and operated mainly in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

(c) Major customers

Revenues from 3 customers of the construction services segment of the Group's represents approximately Baht 2,864.72 million for the year 2022 (2021: Baht 2,147.98 million) of the Group's total revenue.

Takuni Group Public Company Limited and its Subsidiaries

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For the year ended 31 December	Liquid Petroleum Gas trading		Equipment trading and gas system installation		Transportation services		Construction services <i>(in thousand Baht)</i>		NDT and inspection services		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
Total revenues	541,344	409,922	3,001	2,240	46,612	37,130	3,139,509	2,198,044	135,098	122,949	14,247	-	3,879,811	2,770,285
Inter-segment revenue	-	(26)	(468)	(726)	(28,227)	(24,301)	-	(468)	(26,842)	(15,559)	-	-	(55,637)	(41,080)
External revenues	541,344	409,896	2,533	1,514	18,385	12,829	3,139,509	2,197,576	108,256	107,390	14,247	-	3,824,274	2,729,205
Timing of revenue recognition														
At a point in time	541,344	409,896	2,533	1,514	-	-	-	-	-	-	-	-	543,877	411,410
Over time	-	-	-	-	18,385	12,829	3,139,509	2,197,576	108,256	107,390	14,247	-	3,280,397	2,317,795
Total revenues	541,344	409,896	2,533	1,514	18,385	12,829	3,139,509	2,197,576	108,256	107,390	14,247	-	3,824,274	2,729,205
Segment profit (loss) before income tax	(160)	(7,444)	209	(218)	(45)	3,591	254,271	177,210	8,825	15,910	64,025	4,531	327,125	193,580

20 Warrants

On 29 January 2016, the Company issued warrants to existing shareholders of the Company. The detail of warrant as at 31 December 2020 is as follows:

Warrant type	:	To be issued under the names of respective holders and transferable
Warrant term	:	5 years from the issuance and offering date
Number of warrants	:	399,999,874 units
Offering ratio	:	2 existing ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1.12 ordinary shares
Exercise price	:	Baht 1.79 per share
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

On 11 March 2020, the Company adjusted exercise price and exercise ratio of warrants during the term of the warrants since dividend payout is higher than dividend payout policy.

On 28 January 2021, warrants of 211 units were exercised to 236 ordinary shares with the exercise price at Baht 1.79 per share, resulting in the Company's issued and paid-up share capital amounted to Baht 400,000,118 which consists of 800,000,236 ordinary shares with a par value of Baht 0.05 per share.

Warrants were terminated from being listed warrants on 29 January 2021.

21 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Salaries, bonus and wages	1,152,470	765,405	22,985	20,834
Defined benefit plan	2,421	3,426	170	412
Defined contribution plan	2,205	1,971	238	240
Termination benefits	25,211	18,278	-	733
Total	1,182,307	789,080	23,393	22,219

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Defined contribution plan

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

22 Expenses by nature

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Cost of sales - gas		493,883	369,576	493,883	369,576
Material cost		671,175	529,812	-	-
Subcontract cost		591,675	319,559	-	-
Depreciation and amortisation		101,500	97,099	6,088	6,147
Employee benefit expenses	21	1,182,307	789,080	23,393	22,219
Gas transportation expenses		22,022	21,609	26,926	23,844
Gas storage expenses		835	979	835	979
Lease-related expenses	13	241,633	213,273	386	379

23 Income tax

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<i>Income tax recognised in profit or loss</i>	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	70,469	40,816	-	-
Deferred tax				
Change in temporary different	(2,529)	1,582	283	1,357
Total income tax expense	67,940	42,398	283	1,357

Consolidated financial statements

	2022			2021		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Income tax						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gain	4,889	(978)	3,911	1,750	(350)	1,400
Total	4,889	(978)	3,911	1,750	(350)	1,400

(in thousand Baht)

Separate financial statements

	2022			2021		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Income tax						
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial gain	669	(134)	535	-	-	-
Total	669	(134)	535	-	-	-

(in thousand Baht)

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Notes to the financial statements

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Reconciliation of effective tax rate	Consolidated financial statements			
	2022		2021	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		327,125		193,580
Income tax using the Thai corporation tax rate	20.00	65,425	20.00	38,716
Income not subject to tax		(280)		(427)
Income subject to tax		846		642
Expenses not deductible for tax purposes		594		2,174
Expenses deductible at a greater amount		(484)		(295)
Current year losses for which				
no deferred tax asset was recognised		2,281		1,783
Unrealised gains from intercompany transactions		1,438		447
Utilisation of previously unrecognized tax losses		(1,880)		(377)
Over provided in prior years		-		(265)
Total	20.77	67,940	21.90	42,398

Reconciliation of effective tax rate	Separate financial statements			
	2022		2021	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		70,499		22,242
Income tax using the Thai corporation tax rate	20.00	14,100	20.00	4,448
Income not subject to tax		(15,027)		(6,100)
Income subject to tax		731		613
Expenses not deductible for tax purposes		124		934
Expenses deductible at a greater amount		(14)		-
Current year losses for which				
no deferred tax asset was recognised		2,067		1,698
Utilisation of previously unrecognized tax losses		(1,698)		(236)
Total	0.40	283	6.10	1,357

Consolidated financial statements

Deferred tax	At 1 January	(Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income	Acquired in business combination	
<i>(in thousand Baht)</i>					
2022					
Deferred tax assets					
Trade receivables	615	35	-	-	650
Inventories	1,904	1,303	-	-	3,207
Other provisions	1,596	276	-	359	2,231
Non-current provisions for employee benefits	1,865	636	(978)	114	1,637
Total	5,980	2,250	(978)	473	7,725
Deferred tax liabilities					
Property, plant and equipment	(228)	279	-	-	51
Total	(228)	279	-	-	51
Net	5,752	2,529	(978)	473	7,776

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

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Consolidated financial statements

Deferred tax	At 1 January	(Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income	Acquired in business combination	
<i>(in thousand Baht)</i>					
2021					
Deferred tax assets					
Trade receivables	2,136	(1,521)	-	-	615
Inventories	1,875	29	-	-	1,904
Other provisions	1,606	(10)	-	-	1,596
Non-current provisions for employee benefits	2,909	(694)	(350)	-	1,865
Total	8,526	(2,196)	(350)	-	5,980
Deferred tax liabilities					
Property, plant and equipment	(842)	614	-	-	(228)
Total	(842)	614	-	-	(228)
Net	7,684	(1,582)	(350)	-	5,752

Separate financial statements

Deferred tax	At 1 January	(Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	
<i>(in thousand Baht)</i>				
2022				
Deferred tax assets				
Trade receivables	467	(405)	-	62
Other provisions	33	69	-	102
Non-current provisions for employee benefits	147	34	(134)	47
Total	647	(302)	(134)	211
Deferred tax liabilities				
Property, plant and equipment	(15)	19	-	4
Total	(15)	19	-	4
Net	632	(283)	(134)	215

<i>Deferred tax</i>	At 1 January	Separate financial statements		At 31 December
		<u>(Charged) / Credited to</u>		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2021				
Deferred tax assets				
Trade receivables	1,094	(627)	-	467
Other provisions	436	(403)	-	33
Non-current provisions for employee benefits	955	(808)	-	147
Total	2,485	(1,838)	-	647
Deferred tax liabilities				
Property, plant and equipment	(496)	481	-	(15)
Total	(496)	481	-	(15)
Net	1,989	(1,357)	-	632

<i>Unrecognised deferred tax assets</i>	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Tax losses	2,281	1,828	2,158	1,622

The tax losses expire in 2027. The deductible temporary differences do not expire under current tax legislation. The Group and the Company have not recognised these items as deferred tax assets because it is not probable that the Group and the Company will have sufficient future taxable profit to utilise the benefits therefrom.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

24 Basic earnings per share

	Consolidated		Separate	
	financial statements		financial statements	
<i>For the year ended 31 December</i>	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	127,808	63,151	70,216	20,885
Number of ordinary shares outstanding	800,000	800,000	800,000	800,000
Earnings per share (basic) (in Baht)	0.160	0.079	0.088	0.026

25 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
<i>2022</i>				
2021 Annual dividend	26 April 2022	25 May 2022	0.0250	20.00
<i>2021</i>				
2020 Annual dividend	27 April 2021	25 May 2021	0.0375	30.00

26 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
At 31 December 2022					
Long-term borrowings from financial institutions	120,941	-	-	102,177	102,177
At 31 December 2021					
Long-term borrowings from financial institutions	126,300	-	-	125,846	125,846

Long-term borrowings from financial institutions shown above were presented as part of construction services and others segments.

Financial instruments measured at fair value

Type	Valuation technique
Long-term borrowings from financial institutions	<i>Discounted cash flows:</i> The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Takuni Group Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2022***(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 19.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 7 days to 60 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables and groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables and contract assets are disclosed in notes 7 and 8, respectively.

The following table presents the exposure to credit risk and ECLs for trade receivables and contract assets.

Consolidated financial statements								
Trade receivables								
Overdue								
	Contract assets	Within credit terms	Less than 3 months	3-6 months	6-12 months	Over 12 months	Fully allowance for impairment loss on trade receivables	Total
At 31 December 2022								
(%)								
Weighted average loss rate	-	0.05	0.67	0.72	-	-	100.00	
(in thousand Baht)								
Total carrying amounts	633,808	487,026	65,654	4,717	1,488	-	2,512	561,397
Allowance for expected credit loss	-	(262)	(440)	(34)	-	-	(2,512)	(3,248)
At 31 December 2021								
(%)								
Weighted average loss rate	-	0.05	6.12	18.81	8.92	-	100.00	
(in thousand Baht)								
Total carrying amounts	634,777	330,114	39,078	1,547	471	-	169	371,379
Allowance for expected credit loss	-	(180)	(2,393)	(291)	(42)	-	(169)	(3,075)

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Separate financial statements

Trade receivables

	Contract assets	Within credit terms	Less than 3 months	3-6 months	Overdue			Fully allowance for impairment loss on trade receivables	Total
					6-12 months	Over 12 months			
At 31 December 2022									
(%)									
Weighted average loss rate	-	0.53	0.83	-	-	-	-	-	
(in thousand Baht)									
Total carrying amounts	-	23,713	22,114	-	-	-	-	45,827	
Allowance for expected credit loss	-	(125)	(184)	-	-	-	-	(309)	
At 31 December 2021									
(%)									
Weighted average loss rate	-	0.33	12.92	45.31	-	-	-	-	
(in thousand Baht)									
Total carrying amounts	-	35,969	16,745	128	-	-	-	52,842	
Allowance for expected credit loss	-	(117)	(2,163)	(58)	-	-	-	(2,338)	

(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2022, the Group guaranteed to certain banks in respect of credit facilities granted to the subsidiaries (see note 16).

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows through an adequate amount of committed credit facilities.

The following table is the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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Notes to the financial statements

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Consolidated financial statements

	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>						
2022						
Non-derivative						
financial liabilities						
Bank overdrafts	4,964	4,964	-	-	-	4,964
Trade and other current payables	433,818	433,818	-	-	-	433,818
Payable for acquisition of subsidiaries	89,000	89,000	-	-	-	89,000
Short-term borrowings from other parties	73,139	77,270	-	-	-	77,270
Borrowings from financial institutions	278,241	256,392	9,689	3,339	11,299	280,719
Lease liabilities	50,456	31,792	14,838	7,112	3,037	56,779
	929,618	893,236	24,527	10,451	14,336	942,550
2021						
Non-derivative						
financial liabilities						
Trade and other current payables	400,533	400,533	-	-	-	400,533
Short-term borrowings from other party	20,000	20,234	-	-	-	20,234
Borrowings from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	76,888	38,822	24,715	15,347	3,471	82,355
	997,223	877,402	114,035	15,347	3,471	1,010,255

At 31 December	Carrying amount	1 year or less	Separate financial statements			Total
			Contractual cash flows			
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>						
2022						
Non-derivative financial liabilities						
Trade and other current payables	24,441	24,441	-	-	-	24,441
Payable for acquisition of subsidiaries	89,510	89,510	-	-	-	89,510
Short-term borrowings from related party	55,000	55,090	-	-	-	55,090
Lease liabilities	3,901	719	434	1,302	3,037	5,492
	172,852	169,760	434	1,302	3,037	174,533
2021						
Non-derivative financial liabilities						
Trade and other current payables	25,476	25,476	-	-	-	25,476
Lease liabilities	4,925	1,288	719	1,302	3,471	6,780
	30,401	26,764	719	1,302	3,471	32,256

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates, currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. However, the purchases is not material during the year so the Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

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(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Because loan interest rates are mainly fixed, so the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

Exposure to interest rate risk at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Financial instruments with fixed interest rates				
Financial assets	346,912	136,944	354,451	217,688
Financial liabilities	400,859	514,470	58,901	4,925
Financial instruments with variable interest rates				
Financial liabilities	60,941	82,220	-	-

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Impact to profit or loss	Consolidated financial statements	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
2022		
Financial instruments with variable interest rate	(703)	703
2021		
Financial instruments with variable interest rate	(939)	939

27 Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and monitors the level of dividends to ordinary shareholders.

28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Capital commitments				
Property, plant and equipment	5,052	4,441	-	-
Other commitments				
Purchase orders for construction materials	10,692	1,362	-	-
Bank guarantees	1,138,335	1,212,086	49,000	54,000
Total	1,149,027	1,213,448	49,000	54,000

29 Contingent liabilities

The subsidiary has been sued for a damage case by a company ("plaintiff") for breach of service contract in amount of Baht 18.31 million. The subsidiary received a subpoena from the Civil Court on 30 November 2019. In this regard, the subsidiary submitted a petition requesting and counterclaims on 27 January 2020. The subsidiary sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance's judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The subsidiary has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the plaintiff has to return advance payment to the subsidiary. The remaining liability that the subsidiary has to paid to plaintiff amounting to Baht 3.12 million. As a result, the subsidiary has recorded the provision followed by the Court of the First Instance's judgement.

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Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance and considered the plaintiff and the subsidiary have the voluntarily terminated the contract which either parties cannot claim damages from each other. Resulting to, the plaintiff has to return an advance payment after off-setting the contract value which the subsidiary has to pay to the plaintiff amounting to Baht 2.57 million including, interest at the rate of 7.5% per annum from 24 January 2020 to 10 April 2021 and at the rate of 5% per annum from 11 April 2021 until the payment is complete to the subsidiary. However, the interest rate may be adjusted, decreased or increased in accordance with the Royal Decree enacted under the revised Civil and Commercial Code, Section 7, plus a rate of 2% per annum but must not exceed the rate of 7.5% per annum.

On 26 May 2022 and 4 August 2022, the plaintiff submitted a request for appeal to the Supreme Court and a request for stay of execution to the Supreme Court. On 24 August 2022, The Supreme Court has its order to suspend the execution according to the Appeal Court's judgement during appeal. Currently, it is in the process of consideration by the Supreme Court and the Supreme Court has an order to consider the plaintiff's request for appeal on 28 March 2023. As at 31 December 2022, the subsidiary remained the provision followed by the Court of the First Instance's judgement.

30 Events after the reporting period

The Board of Director's meeting of the Company held on 27 February 2023, the Board approved the followings;

- (a) The issuance and offering debenture in the amount of not exceeding Baht 1,000 million. The proceeds from the debenture will be used for accommodate the investment of the Company, use for working capital, business operations, business expansion, including debt repayment or for other purposes as the Board of Director deems appropriate.

The issuance and offering debenture will be presented to the annual general meeting of the shareholders of the Company held in April 2023.

- (b) The dividend payment from the operating results for the year ended 31 December 2022 for 800,000,236 shares at the rate of Baht 0.03 per share, amounting to Baht 24 million.

The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2023.

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