

**Takuni Group Public Company Limited  
and its Subsidiaries**

Condensed interim financial statements  
for the three-month period ended  
31 March 2020  
and  
Independent auditor's review report



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## Independent Auditor's Report on Review of Interim Financial Information

### To the Board of Directors of Takuni Group Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Takuni Group Public Company Limited and its subsidiaries, and of Takuni Group Public Company Limited, respectively, as at 31 March 2020; the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

#### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".



*Other Matter*

The consolidated and separate statements of financial position of Takuni Group Public Company Limited and its subsidiaries, and of Takuni Group Public Company Limited, respectively, as at 31 December 2019, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated 27 February 2020. Furthermore, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019 of Takuni Group Public Company Limited and its subsidiaries, and of Takuni Group Public Company Limited, respectively, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 15 May 2019.

A handwritten signature in blue ink, appearing to read 'Vipavan Pattavanvivek'.

(Vipavan Pattavanvivek)  
Certified Public Accountant  
Registration No. 4795

KPMG Phoomchai Audit Ltd.  
Bangkok  
11 May 2020

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2020 (Unaudited)	2019	2020 (Unaudited)	2019
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		45,507	138,272	17,746	101,316
Trade and other current receivables	5, 13	370,176	320,571	126,409	132,419
Contract assets	6, 13	680,705	692,304	124,026	145,065
Short-term loans to related parties	4	4,320	320	306,704	256,304
Inventories	7	235,910	222,170	39,990	37,714
Other current assets		17,089	15,573	1,106	1,508
<b>Total current assets</b>		<b>1,353,707</b>	<b>1,389,210</b>	<b>615,981</b>	<b>674,326</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions		41,429	48,847	11,899	11,899
Investments in subsidiaries	9	-	-	91,459	91,459
Investments in associates	8	6,320	5,206	4,000	4,000
Long-term loans to related parties	4	-	-	50,920	30,490
Investment properties		10,884	11,045	-	-
Property, plant and equipment	3, 10	727,825	692,024	62,484	59,201
Goodwill		19,384	19,384	-	-
Intangible assets		14,871	14,488	1,914	1,927
Withholding tax receivable		135,276	118,557	3,343	2,125
Deferred tax assets		5,485	5,608	1,675	2,168
Other non-current assets		21,288	15,273	1,807	1,790
<b>Total non-current assets</b>		<b>982,762</b>	<b>930,432</b>	<b>229,501</b>	<b>205,059</b>
<b>Total assets</b>		<b>2,336,469</b>	<b>2,319,642</b>	<b>845,482</b>	<b>879,385</b>

The accompanying notes form an integral part of the interim financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts		43,221	16,706	26	-
Short-term borrowings from financial institutions		178,367	222,247	-	-
Trade and other current payables		388,910	399,225	61,707	90,425
Contract liabilities	6	244,692	241,895	19,112	24,647
Short-term borrowings from related party	4	2,000	2,500	-	-
Current portion of long-term borrowings					
from financial institutions	13	38,640	38,640	-	-
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)	3	19,491	9,576	1,470	1,231
Income tax payable		729	578	-	-
Other current liabilities		38,845	26,920	3,803	2,854
<b>Total current liabilities</b>		<b>954,895</b>	<b>958,287</b>	<b>86,118</b>	<b>119,157</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	13	94,680	105,060	-	-
Lease liabilities (2019: Finance lease liabilities)	3	40,058	22,576	5,756	1,888
Non-current provisions for employee benefits		12,627	16,410	4,813	8,834
Other non-current liabilities		20,999	20,410	12,195	12,074
<b>Total non-current liabilities</b>		<b>168,364</b>	<b>164,456</b>	<b>22,764</b>	<b>22,796</b>
<b>Total liabilities</b>		<b>1,123,259</b>	<b>1,122,743</b>	<b>108,882</b>	<b>141,953</b>

The accompanying notes form an integral part of the interim financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of financial position

	Consolidated financial statements		Separate financial statements	
	31 March 2020 (Unaudited)	31 December 2019	31 March 2020 (Unaudited)	31 December 2019
<b>Liabilities and equity</b>				
	<i>(in thousand Baht)</i>			
<b>Equity</b>				
Share capital:				
Authorised share capital <i>(1,200,000,000 ordinary shares,   par value at Baht 0.5 per share)</i>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Issued and paid-up share capital <i>(800,000,000 ordinary shares,   par value at Baht 0.5 per share)</i>	400,000	400,000	400,000	400,000
Share premium on ordinary shares	305,528	305,528	305,528	305,528
Share surplus from business combination under common control	20,636	20,636	-	-
Retained earnings				
Appropriated				
Legal reserve	9,942	9,942	9,942	9,942
Unappropriated	68,077	64,578	21,130	21,962
Other components of equity	<u>81,853</u>	<u>81,853</u>	<u>-</u>	<u>-</u>
<b>Equity attributable to owners of the parent</b>	<b><u>886,036</u></b>	<b><u>882,537</u></b>	<b><u>736,600</u></b>	<b><u>737,432</u></b>
Non-controlling interests	<u>327,174</u>	<u>314,362</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<b><u>1,213,210</u></b>	<b><u>1,196,899</u></b>	<b><u>736,600</u></b>	<b><u>737,432</u></b>
<b>Total liabilities and equity</b>	<b><u>2,336,469</u></b>	<b><u>2,319,642</u></b>	<b><u>845,482</u></b>	<b><u>879,385</u></b>

The accompanying notes form an integral part of the interim financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of comprehensive income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<b>Revenue</b>					
Revenue from sales of goods	11	162,975	195,945	162,497	195,574
Revenue from rendering of services	11	665,272	488,708	34,308	69,753
		<b>828,247</b>	<b>684,653</b>	<b>196,805</b>	<b>265,327</b>
Costs of sales of goods	7	(158,045)	(186,538)	(158,853)	(188,298)
Costs of rendering of services		(599,408)	(433,893)	(30,084)	(60,998)
<b>Gross profit</b>		<b>70,794</b>	<b>64,222</b>	<b>7,868</b>	<b>16,031</b>
Other income		2,428	5,855	4,896	5,238
Distribution costs		(1,191)	(1,523)	(488)	(638)
Administrative expenses		(43,852)	(64,698)	(12,539)	(34,317)
<b>Profit (loss) from operating activities</b>		<b>28,179</b>	<b>3,856</b>	<b>(263)</b>	<b>(13,686)</b>
Finance costs		(5,805)	(2,783)	(76)	(18)
Share of loss of associates					
accounted for using equity method		(446)	-	-	-
<b>Profit (loss) before income tax expense</b>		<b>21,928</b>	<b>1,073</b>	<b>(339)</b>	<b>(13,704)</b>
Income tax expense		(5,617)	(7,018)	(493)	(1,714)
<b>Profit (loss) for the period</b>		<b>16,311</b>	<b>(5,945)</b>	<b>(832)</b>	<b>(15,418)</b>

The accompanying notes form an integral part of the interim financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of comprehensive income (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurements of defined benefit plans, net of tax	-	172	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>172</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>16,311</b>	<b>(5,773)</b>	<b>(832)</b>	<b>(15,418)</b>
<b>Profit (loss) attributable to:</b>				
Owners of parent	3,499	(17,469)	(832)	(15,418)
Non-controlling interests	12,812	11,524	-	-
	<b>16,311</b>	<b>(5,945)</b>	<b>(832)</b>	<b>(15,418)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of parent	3,499	(17,423)	(832)	(15,418)
Non-controlling interests	12,812	11,650	-	-
	<b>16,311</b>	<b>(5,773)</b>	<b>(832)</b>	<b>(15,418)</b>
<b>Basic earnings (loss) per share (in Baht)</b>	<b>0.01</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>(0.02)</b>

The accompanying notes form an integral part of the interim financial statements.





**Takuni Group Public Company Limited and its Subsidiaries**  
**Statement of changes in equity (Unaudited)**

	<b>Consolidated financial statements</b>								
	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	Total equity
				Legal reserve	Unappropriated	Changes in parent's ownership interest in subsidiary			
<b>Three-month period ended 31 March 2020</b>									
<b>Balance at 1 January 2020</b>	<b>400,000</b>	<b>305,528</b>	<b>20,636</b>	<b>9,942</b>	<b>64,578</b>	<b>81,853</b>	<b>882,537</b>	<b>314,362</b>	<b>1,196,899</b>
<b>Comprehensive income for the period</b>									
Profit	-	-	-	-	3,499	-	3,499	12,812	16,311
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,499</b>	<b>-</b>	<b>3,499</b>	<b>12,812</b>	<b>16,311</b>
<b>Balance at 31 March 2020</b>	<b>400,000</b>	<b>305,528</b>	<b>20,636</b>	<b>9,942</b>	<b>68,077</b>	<b>81,853</b>	<b>886,036</b>	<b>327,174</b>	<b>1,213,210</b>

The accompanying notes form an integral part of the interim financial statements

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of changes in equity (Unaudited)

	Separate financial statements				Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		
Legal reserve			Unappropriated		
	<i>(in thousand Baht)</i>				
<b>Three-month period ended 31 March 2019</b>					
Balance at 31 December 2018 - as reported	400,000	305,528	8,692	31,776	745,996
Impact of changes in accounting policies	-	-	-	(148)	(148)
<b>Balance at 1 January 2019 - restated</b>	<b>400,000</b>	<b>305,528</b>	<b>8,692</b>	<b>31,628</b>	<b>745,848</b>
<b>Comprehensive income for the period</b>					
(Loss)	-	-	-	(15,418)	(15,418)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,418)</b>	<b>(15,418)</b>
<b>Balance at 31 March 2019</b>	<b>400,000</b>	<b>305,528</b>	<b>8,692</b>	<b>16,210</b>	<b>730,430</b>

The accompanying notes form an integral part of the interim financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of changes in equity (Unaudited)

	Separate financial statements				Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		
Legal reserve			Unappropriated		
	<i>(in thousand Baht)</i>				
<b>Three-month period ended 31 March 2020</b>					
Balance at 1 January 2020	400,000	305,528	9,942	21,962	737,432
Comprehensive income for the period					
(Loss)	-	-	-	(832)	(832)
Total comprehensive income for the period	-	-	-	(832)	(832)
Balance at 31 March 2020	400,000	305,528	9,942	21,130	736,600

The accompanying notes form an integral part of the interim financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the period	16,311	(5,945)	(832)	(15,418)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Income tax expense	5,617	7,018	493	1,714
Finance costs	5,805	2,783	76	18
Depreciation and amortisation	20,588	14,766	1,798	1,423
Impairment loss recognised in profit or loss	-	22,478	-	22,478
Non-current provisions for employee benefits	656	567	163	206
(Reversal of) impairment loss of receivables	3,468	(327)	1,133	(384)
Reversal of inventories devaluation	(536)	(215)	-	-
(Gain) loss on disposal of property, plant and equipment	1	(310)	-	-
Gain on revaluation of securities	-	(520)	-	(520)
Share of loss of associates accounted for using equity method	446	-	-	-
Write-off withholding tax deducted at source	-	13	-	13
Interest income	(128)	(620)	(1,665)	(1,457)
	52,228	39,688	1,166	8,073
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other current receivables	(53,073)	22,774	(9,853)	(18,863)
Contract assets	11,599	(181,731)	21,039	(46,947)
Inventories	(13,204)	17,875	(2,276)	6,157
Other current assets	(1,516)	(7,611)	402	(1,857)
Other non-current assets	(5,980)	7,660	(17)	(116)
Trade and other current payables	(9,898)	(43,390)	(28,727)	(44,817)
Contract liabilities	2,797	(54,945)	(5,535)	(2,281)
Other current liabilities	11,925	(11,230)	949	739
Payment of non-current provisions for employee benefits	(4,439)	-	(4,184)	-
Other non-current liabilities	589	5,248	121	6,180
Net cash used in operating activities	(8,972)	(205,662)	(26,915)	(93,732)

The accompanying notes form an integral part of the interim financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of cash flows (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Interest paid	(5,642)	(2,372)	(33)	-
Tax received (paid), net	(22,095)	(10,390)	(1,217)	493
<b>Net cash used in operating activities</b>	<b>(36,709)</b>	<b>(218,424)</b>	<b>(28,165)</b>	<b>(93,239)</b>
<b><i>Cash flows from investing activities</i></b>				
Restricted deposits at financial institutions	7,418	6,614	-	660
Acquisition of current investments	-	(124,000)	-	(30,000)
Proceeds from loans to related parties	-	-	30,000	2,000
Loans to related parties	(4,000)	-	(100,830)	(36,600)
Acquisition of associate net of cash acquired	(1,561)	-	-	-
Acquisition of property, plant and equipment	(22,519)	(28,469)	(29)	(300)
Acquisition of intangible assets	(770)	(919)	-	(90)
Proceeds from disposal of property, plant and equipment	-	342	-	-
Dividends received	-	-	16,250	27,000
Interest received	128	620	145	633
<b>Net cash used in investing activities</b>	<b>(21,304)</b>	<b>(145,812)</b>	<b>(54,464)</b>	<b>(36,697)</b>
<b><i>Cash flows from financing activities</i></b>				
Increase in bank overdrafts	26,515	-	26	-
Proceeds from short-term borrowings				
from financial institution	146,617	17,000	-	-
Repayment of short-term borrowings from financial institution	(190,497)	(76,180)	-	-
Repayment of long-term borrowings from financial institution	(10,380)	(10,380)	-	-
Proceeds from short-term loan from related party	500	-	-	-
Repayment of short-term loan from related party	(1,000)	-	-	-
Repayment of lease liabilities	(6,507)	(810)	(967)	(244)
Proceeds from issue of shares	-	285,985	-	-
<b>Net cash from (used in) financing activities</b>	<b>(34,752)</b>	<b>215,615</b>	<b>(941)</b>	<b>(244)</b>

The accompanying notes form an integral part of the interim financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Net decrease in cash and cash equivalents</b>	<b>(92,765)</b>	<b>(148,621)</b>	<b>(83,570)</b>	<b>(130,180)</b>
Cash and cash equivalents at 1 January	138,272	212,682	101,316	171,879
<b>Cash and cash equivalents at 31 March</b>	<b>45,507</b>	<b>64,061</b>	<b>17,746</b>	<b>41,699</b>

#### *Non-cash transactions*

Payable from purchase of property, plant and equipment (included in trade and other current payables)	6,811	3,977	20	161
Payable from purchase of intangible assets (included in trade and other current payables)	166	-	78	-
Receivable from disposal of property, plant and equipment (included in trade and other current receivables)	-	1,383	-	-
Acquisitions of right-of-use assets under leases (included in lease liabilities)	33,749	-	5,031	-

The accompanying notes form an integral part of the interim financial statements.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

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**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 11 May 2020.

**1 General information**

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	Industrial and car gas systems installation and equipment trading
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

**2 Basis of preparation of the interim financial statements**

*(a) Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

The Group has initially applied TFRS - Financial instruments standards which has no material effect on the financial statements and initially applies TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

*(b) Use of judgements and estimates*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in note 3.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

**3 Change in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies are as follows:

**A. TFRS - Financial instruments standards**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

*Impairment - Financial assets and contract assets*

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

The Group has made an assessment on the impairment under TFRS 9 as at 1 January 2020 which has no material effect on the consolidated and separate financial statements.

**B. TFRS 16 Leases**

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for low-value underlying assets
- apply a single discount rate to a portfolio of leases with similar characteristics;

The Group made an assessment of TFRS 16 adoption. On 1 January 2020, the Group recognised the increase in right-of-use assets which were presented as part of property, plant and equipment amounting to Baht 14.33 million and Baht 5.03 million and affect to increase in lease liabilities amounting to Baht 14.33 million and Baht 5.03 million in the consolidated and separate financial statements, respectively. The operating lease commitment as at 31 December 2019 was discounted using the incremental borrowing rate of 6% per year and used of exemption for short-term lease and low-value underlying asset and combined with finance lease liabilities; therefore, the Group has recognised lease liabilities as at 1 January 2020 amounting to Baht 46.48 million and Baht 8.15 million in the consolidated and separate financial statements, respectively.

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Right-of-use assets and lease liabilities shown above were presented as part of Liquid Petroleum Gas trading and NDT and inspection services segments.

**4 Related parties**

Relationships with subsidiaries and associates are described in notes 8 and 9.

Significant transactions for the three-month period ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Purchases of goods and receiving of services	-	-	10,269	2,074
Other income	-	-	3,146	3,155
Rental expense	-	-	267	267
Transportation expense	-	-	5,655	7,229
Interest income	-	-	1,605	839
Other expenses	-	-	65	68
<b>Associate</b>				
Other income	3	-	-	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	8,269	9,613	3,129	3,349
Post-employment benefits	240	275	75	126
<b>Total key management personnel compensation</b>	<b>8,509</b>	<b>9,888</b>	<b>3,204</b>	<b>3,475</b>
<b>Other related parties</b>				
Sales of goods and rendering of services	6,714	8,243	6,689	8,202

Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statement</b>	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
<b>Other receivables (included in other current receivables)</b>				
Subsidiaries	-	-	2,255	2,259
Associate	3	-	-	-
<b>Total</b>	<b>3</b>	<b>-</b>	<b>2,255</b>	<b>2,259</b>
<b>Interest receivable (included in other current receivables)</b>				
Subsidiaries	-	-	10,484	8,964

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	Consolidated financial statements		Separate financial statement	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
<b>Dividend receivable</b> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	-	16,250
<b>Trade and other current payables</b>				
Subsidiaries	-	-	19,836	31,170
<b>Current portion of lease liabilities</b>				
Subsidiary	-	-	278	-
<b>Lease liabilities</b>				
Subsidiary	-	-	219	-

	Interest rate		Consolidated financial statements			
	31 December 2019	31 March 2020	31 December 2019	Increase	Decrease	31 March 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Loans to</b>						
Associate	-	-	320	4,000	-	4,320

	Interest rate		Separate financial statements			
	31 December 2019	31 March 2020	31 December 2019	Increase	Decrease	31 March 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Loans to</b>						
Subsidiaries	3	3	286,474	96,830	(30,000)	353,304
Associate	-	-	320	4,000	-	4,320
<b>Total</b>			<b>286,794</b>	<b>100,830</b>	<b>(30,000)</b>	<b>357,624</b>

	Interest rate		Consolidated financial statements			
	31 December 2019	31 March 2020	31 December 2019	Increase	Decrease	31 March 2020
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Loans from</b>						
Other related party	5.25	5.25	2,500	500	(1,000)	2,000

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*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 one 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.

**5 Trade and other current receivables**

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
<i>(in thousand Baht)</i>					
<b>Trade receivables</b>					
Other parties		338,288	283,882	113,857	102,375
Less allowance for impairment (2019: allowance for doubtful accounts)	13	(10,761)	(7,293)	(6,277)	(5,144)
<b>Net</b>		<b>327,527</b>	<b>276,589</b>	<b>107,580</b>	<b>97,231</b>
<b>Other current receivables</b>					
Related parties	4	3	-	2,255	2,259
Other parties		757	323	10	1
Prepaid expense		28,088	28,594	6,080	7,714
Accrued income - NDT and inspection service		13,702	15,065	-	-
Accrued income - others		99	-	-	-
Interest receivable	4	-	-	10,484	8,964
Dividend receivable	4	-	-	-	16,250
<b>Total</b>		<b>42,649</b>	<b>43,982</b>	<b>18,829</b>	<b>35,188</b>
<b>Total trade and other current receivables</b>		<b>370,176</b>	<b>320,571</b>	<b>126,409</b>	<b>132,419</b>

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Impairment loss (reversal of) (2019: Bad and doubtful debts) For the three-month period ended 31 March	3,468	(327)	1,133	(384)

As at 31 March 2020, a subsidiary had pledged of Baht 13.96 million of trade receivables as collateral for short-term borrowings from financial institutions - factoring loan (31 December 2019: Baht 41.47 million).

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**6 Contract assets and contract liabilities**

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	<i>(in thousand Baht)</i>			
<b>Contract assets</b>				
Total project value	5,392,273	4,946,193	494,935	494,935
Accumulated amount recognised as revenue on percentage of completion basis	3,362,826	2,829,403	425,840	391,531
Less value of total billed	<u>(2,682,121)</u>	<u>(2,137,099)</u>	<u>(301,814)</u>	<u>(246,466)</u>
<b>Total contract assets</b>	<b><u>680,705</u></b>	<b><u>692,304</u></b>	<b><u>124,026</u></b>	<b><u>145,065</u></b>
Retention receivables (included in other non-current assets)	<u>17,435</u>	<u>11,365</u>	<u>799</u>	<u>799</u>
<b>Contracts liabilities</b>				
Total project value	96,485	1,313,547	-	-
Value of total billed	34,056	1,237,641	-	-
Less accumulated amount recognised as revenue on percentage of completion basis	<u>(25,983)</u>	<u>(1,235,708)</u>	<u>-</u>	<u>-</u>
	<u>8,073</u>	<u>1,933</u>	<u>-</u>	<u>-</u>
Advance received from construction contracts	<u>236,619</u>	<u>239,962</u>	<u>19,112</u>	<u>24,647</u>
<b>Total contracts liabilities</b>	<b><u>244,692</u></b>	<b><u>241,895</u></b>	<b><u>19,112</u></b>	<b><u>24,647</u></b>



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**8 Investments in associates**

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the three-month periods ended	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
		(%)						(in thousand Baht)			
<i>Associates</i>											
Sermasch Co., Ltd.	Repair and maintenance of tools and machinery	47.5	47.5	2,000	2,000	1,419	1,419	732	558	-	-
Sorb Engineering Co., Ltd.	Sales and installation of tools and machinery	47.5	47.5	2,000	2,000	1,104	1,104	631	727	-	-
Exact Real Estate Co., Ltd.	Property development for sale	40.0	40.0	10,000	10,000	4,000	4,000	3,540	3,921	-	-
Yihao Motor Co., Ltd.	Manufacturer and assembly electric motorbike	40.0	-	3,902	-	1,561	-	1,417	-	-	-
<b>Total</b>						<b>8,084</b>	<b>6,523</b>	<b>6,320</b>	<b>5,206</b>	<b>-</b>	<b>-</b>



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	Ownership interest		Paid-up capital		Separate financial statements Cost		Dividend income for the three-month periods ended	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 March 2019
	(%)				<i>(in thousand Baht)</i>			
<i>Associate</i>								
Exact Real Estate Co., Ltd.	40.0	40.0	10,000	10,000	<b>4,000</b>	<b>4,000</b>	-	-

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

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**9 Investments in subsidiaries**

	Type of business	Ownership interest		Paid-up capital		Separate financial statements Cost		Dividend income for the three-month periods ended	
		31	31	31	31	31	31	31	31
		March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	March 2019
		(%)				(in thousand Baht)			
<b>Direct subsidiaries</b>									
Takuni (Thailand) Co., Ltd.	Industrial and car gas systems installation and equipment trading and construction services	99.99	99.99	50,000	50,000	53,377	53,377	-	-
Ratchapruerk Engineering Co., Ltd.	NDT and inspection services	99.99	99.99	20,000	20,000	21,340	21,340	-	-
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	-	-
Takuni Land Co., Ltd.	Property development	99.97	99.97	1,000	1,000	1,000	1,000	-	-
Takuni Trading Co., Ltd.	Sales of automotive equipment, motorcycles and electric cars	99.70	99.70	100	100	99	99	-	-
<b>Indirect subsidiaries</b>									
CAZ (Thailand) Public Company Limited	Construction services	36.64	36.64	140,000	140,000	-	-	-	-
JKEC Co., Ltd.	Construction services	26.80	26.80	10,100	10,100	-	-	-	-
<b>Total</b>						<b>91,459</b>	<b>91,459</b>	<b>-</b>	<b>-</b>

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**10 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2020 and 2019 were as follows:

	<b>Consolidated financial statements</b>			
	2020	2019	2020	2019
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land and land improvements	17	-	-	-
Buildings and building improvements	-	-	2,394	-
Furniture, fixtures and office equipment	11,885	(1)	22,943	(270)
Vehicles	150	-	-	(1,145)
Assets under construction and installation	10,052	(10)	2,428	(3,330)
Right-of-use assets				
- Impact from TFRS 16	14,333	-	-	-
- Addition contracts during the period	19,416	-	-	-
<b>Total</b>	<b>55,853</b>	<b>(11)</b>	<b>27,765</b>	<b>(4,745)</b>

  

	<b>Separate financial statements</b>			
	2020	2019	2020	2019
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land and land improvements	8	-	-	-
Buildings and building improvements	-	-	-	-
Furniture, fixtures and office equipment	29	-	127	-
Vehicles	-	-	-	-
Assets under construction and installation	-	-	-	-
Right-of-use assets				
- Impact from TFRS 16	5,031	-	-	-
<b>Total</b>	<b>5,068</b>	<b>-</b>	<b>127</b>	<b>-</b>

As at 31 March 2020, the Group had pledged certain plots of land and buildings with net book value of Baht 325.70 million (31 December 2019: Baht 327.22 million) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts, long-term borrowings from a bank.

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In quarter 1 of 2019, gas depot and related assets in LPG trading business have been impaired amounting to Baht 22.48 million since recoverable amount is less than its carrying value. The recoverable amount of Cash Generate Unit (CGU) of LPG trading business unit was determined based on value in use, which calculated by using pre-tax cash flow projections covering the longest useful life of the assets in CGU. This is management's best estimation of the recoverable amount.

However, the recoverable amount may change due to the alternation of environment and related situations, which may affect to allowance for impairment in the future.

As at 31 March 2020, gas depot and related assets in LPG trading business have net book value of Baht 53.01 million (*31 December 2019: Baht 54.07 million*).

**11 Segment information and disaggregation of revenue**

***Geographical segments***

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

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<i>Three-month period ended 31 March</i>	Liquid Petroleum Gas trading		Car gas system installation and equipment trading		Transportation services		Construction services		NDT and inspection services		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>													
<i>Information about reportable segments</i>														
Total revenues	162,497	195,574	593	632	10,346	12,360	647,476	486,357	30,167	18,827	-	-	851,079	713,750
Inter-segment revenue	-	-	(115)	(262)	(6,602)	(8,181)	(10,182)	(16,895)	(5,933)	(3,759)	-	-	(22,832)	(29,097)
<b>External revenues</b>	<b>162,497</b>	<b>195,574</b>	<b>478</b>	<b>370</b>	<b>3,744</b>	<b>4,179</b>	<b>637,294</b>	<b>469,462</b>	<b>24,234</b>	<b>15,068</b>	<b>-</b>	<b>-</b>	<b>828,247</b>	<b>684,653</b>
<b>Timing of revenue recognition</b>														
At a point in time	162,497	195,574	478	370	-	-	-	-	-	-	-	-	162,975	195,944
Over time	-	-	-	-	3,744	4,179	637,294	469,462	24,234	15,068	-	-	665,272	488,709
<b>Total revenues</b>	<b>162,497</b>	<b>195,574</b>	<b>478</b>	<b>370</b>	<b>3,744</b>	<b>4,179</b>	<b>637,294</b>	<b>469,462</b>	<b>24,234</b>	<b>15,068</b>	<b>-</b>	<b>-</b>	<b>828,247</b>	<b>684,653</b>
Segment profit (loss) before income tax	(4,902)	(21,181)	(214)	(395)	545	671	29,388	28,049	(2,300)	(5,880)	(589)	(191)	21,928	1,073

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<i>For the three-month period ended 31 March</i>	Liquid Petroleum Gas trading		Separate financial statements Construction services <i>(in thousand Baht)</i>		Total	
	2020	2019	2020	2019	2020	2019
	<i>Information about reportable segments</i>					
External revenues	<u>162,497</u>	<u>195,574</u>	<u>34,308</u>	<u>69,753</u>	<u>196,805</u>	<u>265,327</u>
<b>Total revenues</b>	<b><u>162,497</u></b>	<b><u>195,574</u></b>	<b><u>34,308</u></b>	<b><u>69,753</u></b>	<b><u>196,805</u></b>	<b><u>265,327</u></b>
<b>Timing of revenue recognition</b>						
At a point in time	162,497	195,574	-	-	162,497	195,574
Over time	-	-	34,308	69,753	34,308	69,753
<b>Total revenues</b>	<b><u>162,497</u></b>	<b><u>195,574</u></b>	<b><u>34,308</u></b>	<b><u>69,753</u></b>	<b><u>196,805</u></b>	<b><u>265,327</u></b>
Segment profit (loss) before income tax	(4,026)	(22,132)	3,687	8,428	(339)	(13,704)

## 12 Warrants

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 as follows:

Exercise ratio	:	1 warrant per 1.12 ordinary shares <i>(31 December 2019: 1 warrant per 1.07 ordinary shares)</i>
Exercise price	:	Baht 1.79 per share <i>(31 December 2019: Baht 1.88 per share)</i>

During the three-month period ended 31 March 2020, there was no movement of warrants.

## 13 Financial instruments

### *Interest rate risk*

The Group enters into the long-term borrowings from financial institutions which some of them bear floating interest rates. Therefore, the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's operations in the current reporting period and in future years. Management does not use any financial instruments to manage interest rate risk because the Group assesses that the changes in interest rate will not be moved significantly under the current situation.

### *Credit risk*

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Cash is limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

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*Liquidity risk*

The Group manages sufficient cash by funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

*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 for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<b>Consolidated financial statements</b>				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
<b>At 31 March 2020</b>					
Long-term borrowings from financial institutions	133,320	-	-	134,511	134,511
<b>At 31 December 2019</b>					
Long-term borrowings from financial institutions	143,700	-	-	143,520	143,520

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

**Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
<b>Long-term borrowings from financial institutions</b>	<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.

*Impairment loss*

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

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		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
<i>At 31 March 2020</i>								
					(%)			
Weighted average loss rate	-	0.51	0.48	22.90	-	-	100.00	
								<i>(in thousand Baht)</i>
Total carrying amounts	<u>680,705</u>	<u>179,157</u>	<u>149,436</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>8,970</u>	<u>338,288</u>
Allowance for impairment loss	<u>-</u>	<u>(913)</u>	<u>(712)</u>	<u>(166)</u>	<u>-</u>	<u>-</u>	<u>(8,970)</u>	<u>(10,761)</u>
<i>At 31 December 2019</i>								
								<i>(in thousand Baht)</i>
Total carrying amounts	<u>692,304</u>	<u>233,034</u>	<u>42,433</u>	<u>2,027</u>	<u>1,617</u>	<u>4,771</u>	<u>(7,293)</u>	<u>276,589</u>





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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Other commitments</b>				
Purchase orders for construction materials	25,226	20,167	-	-
Bank guarantees	1,048,960	975,023	108,295	103,295
<b>Total</b>	<b>1,074,186</b>	<b>995,190</b>	<b>108,295</b>	<b>103,295</b>

**15 Contingent liabilities**

A 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 a service contract. The Court set the date of hearing of the plaintiff on 28 May 2020 and hearing of the subsidiary on 29 May 2020. However, the subsidiary has already recorded a provision of certain contingent liabilities from the lawsuit and management believes that the damage that will occur will not exceed the estimated provision already recorded.

**16 Events after the reporting period**

*Parent*

At the Board of Directors’ meeting of the Company, held on 6 April 2020, the Board approve to postpone the 2020 Annual General Meeting of Shareholders from 28 April 2020. The Board authorised the Chief Executive Officer to consider fixing the date no later than 16 May 2020 as a result from the outbreak of the Coronavirus Disease 2019 (“COVID-19”). In addition, the Board approved the interim dividend payment replaced the annual dividend for the year 2019 of Baht 0.0274 per share, totaling Baht 21.92 million. The interim dividend was paid to the shareholders who are the right to receive by the list of shareholders as the Record Date on 16 March 2020. The dividend was paid to shareholders on 5 May 2020.

On 16 April 2020, the Executive Committee’s meeting resolved to fix the date of the Annual General Meeting of Shareholders for the year 2020 on 15 May 2020.

*Subsidiaries*

- (1) At the Board of Directors’ meeting of CAZ (Thailand) Public Company Limited, a subsidiary, held on 6 April 2020, the Board approve to postpone the 2020 Annual General Meeting of Shareholders from 23 April 2020. The Board authorised the Chief Executive Officer to consider fixing the date no later than 16 May 2020 as a result from the outbreak of the Coronavirus Disease 2019 (“COVID-19”). In addition, the Board approved the interim dividend payment replaced the annual dividend for the year 2019 of Baht 0.1071 per share, totaling 30 million. The interim dividend was paid to the shareholder who are the right to receive by the list of shareholders as the Record Date on 16 March 2020. The dividend was paid to shareholders on 5 May 2020.

On 20 April 2020, the Executive Committee’s meeting of the subsidiary resolved to fix the date of the Annual General Meeting of Shareholders for the year 2020 on 14 May 2020.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2020 (Unaudited)**

- (2) In April 2020, a subsidiary amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The principal loan of grace amount is partially recorded in current portion of long-term borrowings from financial institutions in consolidated statement of financial position as at 31 March 2020. The final repayment date of long-term borrowings from financial institutions will be due within February 2024 which is replaced the former one in September 2023.
- (3) Ratchapruek Engineering Co. Ltd., a subsidiary, has the resolution on the Extraordinary Shareholders' meeting no. 1/2020 held on 7 May 2020 to increase the authorised share capital from Baht 20 million to Baht 40 million by issuing new common shares of 200,000 shares with par value at Baht 100 per share.

**17 Reclassification of accounts**

Certain accounts in statement of financial position as at 31 December 2019 and the statement of comprehensive income for the three-month period ended 31 March 2019, which are included in the 2019 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 interim financial statements:

	<b>Consolidated financial statements</b>		
	Before reclass.	Reclass. <i>(in thousand Baht)</i>	After reclass.
<b><i>Statement of financial position</i></b>			
<b><i>Current assets</i></b>			
Inventories	201,506	20,664	222,170
Withholding tax receivable	27,437	(27,437)	-
Non-current assets held-for-sale	20,664	(20,664)	-
<b><i>Non-current assets</i></b>			
Withholding tax receivable	91,120	27,437	118,557
<b><i>Statement of comprehensive income</i></b>			
Revenue from rendering of services	490,206	(1,498)	488,708
Costs of rendering of services	(434,385)	492	(433,893)
Other income	4,357	1,498	5,855
Administrative expenses	(64,206)	(492)	(64,698)
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