

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

Condensed interim financial statements
for the three-month period ended
31 March 2023
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 2023; the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2023; 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”.



Emphasis of Matter

I draw attention to note 2 to the interim financial information. 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 conclusion is not modified in respect of this matter.

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

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
15 May 2023

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2023 (Unaudited)	31 December 2022	31 March 2023 (Unaudited)	31 December 2022
<i>(in thousand Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents		177,715	180,324	1,541	15,265
Trade and other current receivables	4, 10	556,293	585,886	51,672	124,574
Contract assets	5, 10	762,874	633,808	-	-
Short-term loans to related parties	3	147,734	81,934	166,834	93,384
Short-term loans to other party		-	42,284	-	-
Inventories	6	46,964	80,812	15,586	23,971
Refundable withholding tax deducted at source		-	36,443	-	-
Indemnification asset		14,078	14,078	-	-
Other current assets		12,133	8,412	35	102
Non-current assets classified as held for sale	7	32,873	-	32,873	-
Total current assets		1,750,664	1,663,981	268,541	257,296
Non-current assets					
Cash pledged as collateral		26,246	20,030	5,993	2,801
Investments in subsidiaries		-	-	316,249	316,249
Investments in associates		49,871	54,574	62,242	62,242
Long-term loans to related parties	3	207,795	222,694	236,047	261,067
Property, plant and equipment	8	642,699	666,962	14,451	48,118
Goodwill		19,384	19,384	-	-
An excess of purchase consideration transferred over the fair values of identifiable net assets received	2	172,684	172,684	-	-
Intangible assets		13,832	14,278	788	879
Retention receivables	5	131,540	220,510	-	-
Withholding tax deducted at source		87,238	73,868	9,206	9,058
Deferred tax assets		7,592	7,776	148	214
Other non-current assets		39,848	42,623	6,696	5,694
Total non-current assets		1,398,729	1,515,383	651,820	706,322
Total assets		3,149,393	3,179,364	920,361	963,618

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		Separate financial	
		statements		statements	
		31 March	31 December	31 March	31 December
Liabilities and equity		2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Bank overdrafts		19,840	4,964	7,761	-
Short-term borrowings from financial institutions		197,000	175,300	-	-
Trade and other current payables		477,764	433,818	22,423	24,441
Payable for acquisition of subsidiaries	2	89,000	89,000	89,510	89,510
Contract liabilities	5	424,792	529,410	-	-
Short-term borrowings from related parties	3	-	-	6,000	55,000
Short-term borrowings from other parties		14,520	73,139	-	-
Current portion of long-term borrowings					
from financial institutions	10	78,204	79,843	-	-
Current portion of lease liabilities		27,812	28,216	289	497
Income tax payable		15,935	15,703	-	-
Other current liabilities		66,938	63,125	4,277	732
Total current liabilities		1,411,805	1,492,518	130,260	170,180
Non-current liabilities					
Long-term borrowings from financial institutions	10	15,426	23,098	-	-
Lease liabilities		32,777	22,240	3,023	3,404
Deferred income		12,540	12,540	-	-
Non-current provisions for employee benefits		8,790	8,191	242	234
Other non-current liabilities		29,675	28,700	325	594
Total non-current liabilities		99,208	94,769	3,590	4,232
Total liabilities		1,511,013	1,587,287	133,850	174,412

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		Separate financial	
	statements		statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Liabilities and equity				
<i>Equity</i>				
Share capital:				
Authorised share capital				
- 800,000,236 ordinary shares,				
<i>par value at Baht 0.5 per share</i>	400,000	400,000	400,000	400,000
Issued and paid-up share capital				
- 800,000,236 ordinary shares,				
<i>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	16,252	16,252	16,252	16,252
Unappropriated	223,667	213,190	64,731	67,426
Other components of equity	81,853	81,853	-	-
Equity attributable to owners of the parent	1,047,936	1,037,459	786,511	789,206
Non-controlling interests	590,444	554,618	-	-
Total equity	1,638,380	1,592,077	786,511	789,206
Total liabilities and equity	3,149,393	3,179,364	920,361	963,618

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	
Note	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Revenues				
Revenue from sales of goods	156,743	104,651	156,198	104,282
Revenue from construction contracts and rendering of services	970,568	819,883	-	-
	9	1,127,311	924,534	156,198
Costs of sales of goods	6	(150,179)	(100,232)	(150,964)
Costs of construction contracts and rendering of services		(862,678)	(700,144)	-
Gross profit		114,454	124,158	5,234
Other income		8,880	6,133	4,700
Distribution costs		(1,070)	(1,278)	(428)
Administrative expenses		(50,824)	(39,005)	(11,949)
Profit (loss) from operating activities		71,440	90,008	(2,443)
Finance costs		(4,170)	(4,670)	(185)
Share of loss of associates accounted for using equity method		(4,703)	(32)	-
Profit (loss) before income tax expense	9	62,567	85,306	(2,628)
Income tax expense		(16,264)	(17,141)	(67)
Profit (loss) for the period		46,303	68,165	(2,695)

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 statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	46,303	68,165	(2,695)	(877)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	46,303	68,165	(2,695)	(877)
Profit (loss) attributable to:				
Owners of the parent	10,477	27,894	(2,695)	(877)
Non-controlling interests	35,826	40,271	-	-
	46,303	68,165	(2,695)	(877)
Total comprehensive income attributable to:				
Owners of the parent	10,477	27,894	(2,695)	(877)
Non-controlling interests	35,826	40,271	-	-
	46,303	68,165	(2,695)	(877)
Basic earnings (loss) per share (in Baht)	0.013	0.035	(0.003)	(0.001)

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)

	Consolidated financial statements								
	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			
<i>(in thousand Baht)</i>									
Three-month period ended 31 March 2022									
Balance at 1 January 2022	400,000	305,528	20,636	12,597	105,919	81,853	926,533	421,651	1,348,184
Comprehensive income for the period									
Profit	-	-	-	-	27,894	-	27,894	40,271	68,165
Total comprehensive income for the period	-	-	-	-	27,894	-	27,894	40,271	68,165
Balance at 31 March 2022	400,000	305,528	20,636	12,597	133,813	81,853	954,427	461,922	1,416,349
Three-month period ended 31 March 2023									
Balance at 1 January 2023	400,000	305,528	20,636	16,252	213,190	81,853	1,037,459	554,618	1,592,077
Comprehensive income for the period									
Profit	-	-	-	-	10,477	-	10,477	35,826	46,303
Total comprehensive income for the period	-	-	-	-	10,477	-	10,477	35,826	46,303
Balance at 31 March 2023	400,000	305,528	20,636	16,252	223,667	81,853	1,047,936	590,444	1,638,380

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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	46,303	68,165	(2,695)	(877)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Income tax expense	16,264	17,141	67	338
Finance costs	4,170	4,670	185	70
Depreciation and amortisation	25,344	24,333	1,541	1,507
Non-current provisions for employee benefits	710	417	8	42
(Reversal of) expected credit loss on receivables and bad debts	(771)	(808)	458	(1,532)
Losses on inventories devaluation	62	56	-	-
(Gain) loss on disposal and written off property, plant and equipment	(358)	(67)	3	4
Unrealised loss on foreign exchange	462	97	-	-
Share of loss of associates accounted for using equity method	4,703	32	-	-
Interest income	(2,244)	(1,029)	(2,809)	(1,283)
	94,645	113,007	(3,242)	(1,731)
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	31,246	(192,803)	(1,373)	(44,181)
Contract assets	(129,066)	44,420	-	-
Inventories	33,786	7,566	8,385	(6,041)
Other current assets	(3,721)	(2,970)	67	(5)
Retention receivables	88,970	(19,419)	-	-
Other non-current assets	4,644	(354)	(94)	-
Trade and other current payables	40,755	33,611	(2,042)	(8,488)
Contract liabilities	(104,618)	28,380	-	-
Other current liabilities	3,813	8,124	3,545	23
Payment of non-current provisions for employee benefits	(111)	-	-	-
Other non-current liabilities	975	6,716	(269)	16
Net cash generated from (used in) operations	61,318	26,278	4,977	(60,407)

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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Interest paid	(6,282)	(4,305)	(127)	-
Tax received (paid) - net	7,224	(25,452)	(148)	(78)
Net cash from (used in) operating activities	62,260	(3,479)	4,702	(60,485)
<i>Cash flows from investing activities</i>				
Increase in cash pledged as collateral	(6,216)	-	(3,192)	-
Proceeds from loans to related parties	2,000	-	17,150	52,700
Payment for loans to related parties	(53,363)	(46,834)	(65,580)	(170,650)
Proceeds from short-term loans to other party	42,284	-	-	-
Acquisition of associate	-	(3,000)	-	(3,000)
Acquisition of property, plant and equipment	(9,789)	(10,515)	(634)	(205)
Acquisition of intangible assets	(200)	-	-	-
Proceeds from disposal of property, plant and equipment	659	178	-	-
Dividend received	-	-	75,000	29,950
Interest received	1,362	1,025	717	620
Net cash from (used in) investing activities	(23,263)	(59,146)	23,461	(90,585)
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowings from financial institutions	130,000	150,641	-	-
Repayment of short-term borrowings from financial institutions	(108,300)	(336,425)	-	-
Repayment of long-term borrowings from financial institutions	(9,311)	(10,380)	-	-
Repayment of short-term borrowings from other parties	(58,619)	-	-	-
Proceeds from short-term borrowings from related party	-	-	6,000	-
Repayment of short-term borrowings from related party	-	-	(55,000)	-
Repayment of lease liabilities	(10,252)	(10,090)	(648)	(648)
Net cash used in financing activities	(56,482)	(206,254)	(49,648)	(648)

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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Net decrease in cash and cash equivalents	(17,485)	(268,879)	(21,485)	(151,718)
Cash and cash equivalents at 1 January	175,360	525,827	15,265	257,813
Cash and cash equivalents at 31 March	157,875	256,948	(6,220)	106,095
Cash and cash equivalents at 31 March				
Cash and cash equivalents	177,715	256,948	1,541	106,095
Bank overdrafts	(19,840)	-	(7,761)	-
	157,875	256,948	(6,220)	106,095
<i>Non-cash transactions</i>				
Payable from purchase of property, plant and equipment	5,694	7,489	29	290
Payable from purchase of intangible assets	-	43	-	43
Acquisitions of right-of-use assets under leases	20,171	780	-	-

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 2023 (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 2023 (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 statutory financial statements and were approved and authorised for issue by the Board of Directors on 15 May 2023.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with 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 focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. 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 2022.

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 2022.

2 Acquisition of subsidiary

Acquisition of Guardian Global Security Guard Co., Ltd. (formerly KPN and Service Guard Co., Ltd.)

On 13 December 2022, the Group obtained control of Guardian Global Security Guard Co., Ltd. (formerly 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. However, on 8 May 2023, the former shareholder sent a letter requesting payment for the remaining amount of shares whereas the agreement in the memorandum of the share purchase agreement has not been reached. The Company has made a partial payment of Baht 20 million to the former shareholder on 12 May 2023.

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

	Estimated fair value <i>(in thousand Baht)</i>
Total identifiable net assets	61,403
<i>Less</i> Non-controlling interests (49%)	<i>(30,087)</i>
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

Takuni Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

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.

3 Related parties

<i>Significant transactions with related parties</i> <i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sales of goods	-	-	4	-
Other income	-	-	1,773	1,981
Rental expense	-	-	-	303
Transportation expense	-	-	5,849	5,047
Interest income	-	-	661	1,115
Other expenses	-	-	12	61
Interest expense	-	-	76	-
Associates				
Revenue from sales of goods	-	161	-	-
Other income	-	152	-	-
Interest income	2,146	884	2,146	23
Key management personnel				
Key management personnel compensation				
Short-term employee benefits <i>(including director's remuneration)</i>	7,835	8,931	3,022	2,665
Post-employment benefits	121	39	9	15
Total key management personnel compensation	7,956	8,970	3,031	2,680
Other related parties				
Rental expense	-	15	-	-

Takuni Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

<i>Balances with related parties as at</i>	Consolidated financial statements		Separate financial statement	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>			
<i>Other receivables</i>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	637	1,060
Associate	-	1,769	-	1,769
Total	-	1,769	637	2,829
<i>Interest receivables</i>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	377	446
Associate	1,252	-	1,252	-
Total	1,252	-	1,629	446
<i>Dividend receivables</i>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	-	75,000
<i>Interest receivables</i>				
<i>(included in other non-current assets)</i>				
Subsidiaries	-	-	1,613	1,545
Associate	4,129	3,289	4,129	3,289
Total	4,129	3,289	5,742	4,834
<i>Trade and other current payables</i>				
Subsidiaries	-	-	1,932	2,863
Associate	-	11,986	-	-
Total	-	11,986	1,932	2,863

Takuni Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

	Interest rate		31 December 2022	Consolidated financial statements		Loss on exchange rate	31 March 2023
	31 December 2022	31 March 2023		Increase	Decrease		
<i>Loans to</i>	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Associates	0 - 8	0 - 8	<u>304,628</u>	<u>53,363</u>	<u>(2,000)</u>	<u>(462)</u>	<u>355,529</u>

	Interest rate		31 December 2022	Separate financial statements		Loss on exchange rate	31 March 2023
	31 December 2022	31 March 2023		Increase	Decrease		
<i>Loans to</i>	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Subsidiaries	3	3 - 8.5	75,018	20,000	(15,150)	-	79,868
Associates	-	0 - 8	<u>279,433</u>	<u>45,580</u>	<u>(2,000)</u>	-	<u>323,013</u>
Total			<u>354,451</u>	<u>65,580</u>	<u>(17,150)</u>	<u>-</u>	<u>402,881</u>

	Interest rate		31 December 2022	Separate financial statements		Loss on exchange rate	31 March 2023
	31 December 2022	31 March 2023		Increase	Decrease		
<i>Loans from</i>	<i>(% per annum)</i>			<i>(in thousand Baht)</i>			
Subsidiaries	3	8.5	<u>55,000</u>	<u>6,000</u>	<u>(55,000)</u>	-	<u>6,000</u>

4 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<i>(in thousand Baht)</i>					
Trade receivables					
Other parties		527,395	561,397	48,758	45,827
Less allowance for expected credit loss	10	<u>(2,447)</u>	<u>(3,248)</u>	<u>(767)</u>	<u>(309)</u>
Net		<u>524,948</u>	<u>558,149</u>	<u>47,991</u>	<u>45,518</u>
Other current receivables					
Related parties	3	-	1,769	637	2,829
Other parties		2,319	1,260	77	4
Prepaid expense		16,487	13,699	1,338	777
Advance payments to subcontractors		11,171	10,878	-	-
Other accrued income		116	131	-	-
Interest receivables	3	1,252	-	1,629	446
Dividend receivables	3	-	-	-	75,000
Total		<u>31,345</u>	<u>27,737</u>	<u>3,681</u>	<u>79,056</u>
Total trade and other current receivables		<u>556,293</u>	<u>585,886</u>	<u>51,672</u>	<u>124,574</u>

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<i>For the three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2023	2022 <i>(in thousand Baht)</i>	2023	2022
Expected credit loss				
- Additions	458	724	458	-
- Reversal	(1,259)	(1,532)	-	(1,532)
Bad debts	30	-	-	-

5 Contract assets and contract liabilities

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

	Consolidated financial statements	
	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>	
<i>Contract assets</i>		
Total project value	6,308,168	5,110,300
Accumulated amount recognised as revenue on percentage of completion basis	3,864,948	3,186,493
Less value of total billed	<u>(3,102,074)</u>	<u>(2,552,685)</u>
Total contract assets	<u>762,874</u>	<u>633,808</u>
Retention receivables	<u>131,540</u>	<u>220,510</u>
<i>Contract liabilities</i>		
Total project value	3,787,655	4,014,769
Value of total billed	3,742,723	3,631,011
Less accumulated amount recognised as revenue on percentage of completion basis	<u>(3,344,207)</u>	<u>(3,146,355)</u>
	398,516	484,656
Advance received from construction contracts	<u>26,276</u>	<u>44,754</u>
Total contract liabilities	<u>424,792</u>	<u>529,410</u>

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7 Non-current assets classified as held for sale

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. Subsequently on 10 February 2023, the Company entered into an agreement to sell the gas depot and related assets to a company. On 13 February 2023, the Company has received the deposit amounting to Baht 3.50 million. As at 31 March 2023, the gas depot and related assets amounting to Baht 32.87 million were 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.

8 Property, plant and equipment

The movement of property, plant and equipment for the three-month period ended 31 March 2023 was as follows:

	<i>Note</i>	Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
<i>Net book value</i>			
At 1 January		666,962	48,118
Additions		33,609	659
Disposals / written off		(301)	(3)
Depreciation charge for the period		(24,698)	(1,450)
Transfer to non-current assets classified as held for sale	7	(32,873)	(32,873)
At 31 March		<u>642,699</u>	<u>14,451</u>

During the three-month period ended 31 March 2023, the Group has leased machinery, tools and equipment, vehicles and vehicle for construction projects for 4 - 5 years and made fixed payments during the lease term. The Group recognised right-of-use assets amounting to Baht 20.17 million.

As at 31 March 2023, the Group had pledged property, plant and equipment with net book value of Baht 447.52 million (*31 December 2021: 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*) 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.

9 Segment information and disaggregation of revenue

Geographical segments

The Group is managed and operated 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</i> <i>31 March</i>	Liquid Petroleum Gas trading		Equipment trading and gas system installation		Transportation services		Consolidated financial statements				Security, housekeeping and other services		Total	
	2023	2022	2023	2022	2023	2022	Construction services		NDT and inspection services		2023	2022	2023	2022
							2023	2022	2023	2022				
	<i>(in thousand Baht)</i>													
Information about reportable segments														
Total revenues	156,198	104,282	703	598	12,280	9,776	878,600	783,137	30,261	37,920	63,088	-	1,141,130	935,713
Inter-segment revenues	(4)	-	(153)	(229)	(7,028)	(6,219)	-	-	(6,634)	(4,731)	-	-	(13,819)	(11,179)
External revenues	<u>156,194</u>	<u>104,282</u>	<u>550</u>	<u>369</u>	<u>5,252</u>	<u>3,557</u>	<u>878,600</u>	<u>783,137</u>	<u>23,627</u>	<u>33,189</u>	<u>63,088</u>	<u>-</u>	<u>1,127,311</u>	<u>924,534</u>
Timing of revenue recognition														
At a point in time	156,194	104,282	550	369	-	-	-	-	-	-	-	-	156,744	104,651
Over time	-	-	-	-	5,252	3,557	878,600	783,137	23,627	33,189	63,088	-	970,567	819,883
Total revenues	<u>156,194</u>	<u>104,282</u>	<u>550</u>	<u>369</u>	<u>5,252</u>	<u>3,557</u>	<u>878,600</u>	<u>783,137</u>	<u>23,627</u>	<u>33,189</u>	<u>63,088</u>	<u>-</u>	<u>1,127,311</u>	<u>924,534</u>
Segment profit (loss) before income tax	(2,048)	341	(211)	(111)	676	(413)	74,785	78,243	998	7,151	(6,605)	-	67,595	85,211
Other segments	-	-	-	-	-	-	-	-	-	-	-	-	(429)	255
Share of loss of associates accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-	(4,599)	(160)
Total profit (loss) before income tax expense	<u>(2,048)</u>	<u>341</u>	<u>(211)</u>	<u>(111)</u>	<u>676</u>	<u>(413)</u>	<u>74,785</u>	<u>78,243</u>	<u>998</u>	<u>7,151</u>	<u>(6,605)</u>	<u>-</u>	<u>62,567</u>	<u>85,306</u>

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10 Financial instruments

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				Total
	Carrying amount financial instruments measured at amortised cost	Fair value			
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
<i>At 31 March 2023</i>					
Long-term borrowings from financial institutions	93,630	-	-	93,037	93,037
<i>At 31 December 2022</i>					
Long-term borrowings from financial institutions	102,941	-	-	102,177	102,177

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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11 Commitments with non-related parties

<i>At 31 March 2023</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Purchase orders for construction materials	23,780	-
Bank guarantees	1,050,492	49,000
Debt guarantees to other party	7,539	-
Total	1,081,811	49,000

12 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.

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. The Supreme Court has its order to suspend the execution according to the Appeal Court’s judgement during appeal on 24 August 2022 and the Supreme Court has an order to consider the plaintiff’s request for appeal to the Supreme Court on 28 March 2023. Currently, it is the process of consideration by the Supreme Court. Therefore, the subsidiary remained the provision followed by the Court of the First Instance’s judgement.

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13 Events after the reporting period

- (a) The Annual General Meeting of the shareholders of the Company held on 25 April 2023, the shareholders approved the followings;
- (a.1) The issuance and offering debenture in the amount of not exceeding Baht 1,000 million. The proceeds from the debenture will be used for working capital, business operations, business expansion, including debt repayment or for other purposes as the Board of Director deems appropriate.
 - (a.2) The dividend payment for the year 2022 at the rate of Baht 0.03 per share, totaling Baht 24 million. The record date to determine the name of shareholders who are entitled to receive dividend is 20 March 2023 and the payment date is 24 May 2023.
- (b) On 20 April 2023, the Company jointly invested in SMEGOM Co., Ltd. to engage in service providing of computer software in POS system for SMEs. Its authorised share capital amounted to Baht 0.1 million which consisted of 1,000 ordinary shares at a par value of Baht 100 per share. The Company will hold 49% of shares.