

**TAKUNI GROUP PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**



## Independent Auditor's Report

To the Shareholders and the Board of Directors of Takuni Group Public Company Limited

### My opinion

In my opinion, the consolidated financial statements of Takuni Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then end; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### 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 Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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.



Key audit matter	How my audit addressed the key audit matter
<p><b>1) Impairment of goodwill</b></p> <p>Refer to critical accounting estimates and judgements in Note 5 and goodwill in Note 15.</p> <p>As at 31 December 2017, the Group has goodwill of Baht 19.38 million which represented 1.26% of the total assets in consolidated financial statements. Goodwill is classified under construction business segment arising from acquisition of CAZ (Thailand) Company Limited (CAZ).</p> <p>As required by Thai Accounting Standard 36 'Impairment of assets', the management is responsible for reviewing the impairment of goodwill at least once a year. The impairment test is performed at level of cash generating unit (CGU). The management used forecasted future net cash flows of CAZ to determine its fair value. During the year 2017, the management reviewed the impairment of goodwill by assessing its recoverable amount. Based on the result of the assessment, an allowance for impairment charge is not required by the Group.</p> <p>I focused on this area due to the size of the carrying value of the goodwill and the fact that management's assessment of fair value of CAZ involves significant judgement about future results of the business and discount rates applied in future cash flows forecasts.</p>	<p>I assessed the appropriateness of management's identification of CGU for testing impairment and the impairment test model used by the management.</p> <p>I challenged the management about future growth plans and key assumptions and the method used to estimate its future cash flows such as growth rate, gross profit rate, and discount rate and evaluate key assumptions and model used by management.</p> <p>I benchmarked management's key assumptions used in determining the forecasted future net cash flows such as the growth rate, gross profit rate and discount rate of the construction business with the relevant economic and industry indicators. I also assessed that the management's method used in determining fair value is appropriate and generally used for the industry.</p> <p>Based on my procedures performed, I found that the key assumptions applied when estimating its future cash flows were within an acceptable range and the method applied by management was reasonable and appropriate based on the environment and circumstances.</p>



Key audit matter	How my audit addressed the key audit matter
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**2) Impairment of gas depots and related assets**

Refer to critical accounting estimates and judgements in Note 5 and property plan and equipment in Note 14.

As at 31 December 2017, the Company has gas depots and related assets had a net book value of Baht 86.29 million which represented 10.88% and 5.62% of the total assets in separated financial statements and consolidated financial statements, respectively.

As gas trading is in a declining market, there is a risk that the carrying value of gas depots and related assets may exceed recoverable amount. The recoverable amount of gas depots and related assets are determined based on value-in-use calculation. This calculation is based on a management judgements in estimation of discounted cash flow. Key assumptions used in the recoverable amount assessment include:

- Growth rate
- Gross margin rate
- Discount rate

As required by Thai Accounting Standard 36 'Impairment of assets', when there is an indicator of impairment, the management is responsible for reviewing the impairment of assets. The impairment test is performed at level of cash generating unit (CGU), which is petroleum gas trading business unit. The impairment loss shall be recognise when carrying value exceed the recoverable amount. The management determine value in use and use it as recoverable amount. Based on the result of the assessment, allowance for impairment charge is not required by the Group.

I focused on this area due to its significant value and the fact that the assesment of the recoverable amount based on the value in use of the gas depots and related assets involved management's significant judgement about future results of the business and discount rates applied in forecasted future net cash flows.

I assessed the appropriateness of impairment review process and key assumptions and method used by management to determine value-in-use. Management determined the whole petroleum gas trading business unit as a Cash Generating Unit (CGU).

I challenged the management to assess the appropriateness of key assumptions and method used to estimation the value in use made by management.

I tested value in use as follows:

- assessing the method used to determine the value in use compared with the method generally used for the industry;
- challenging the key assumptions and method used in the forecasted future net cash flows such as growth rate, gross margin and comparing discount rate with the relevant economic and industry indicators.
- performing a sensitivity analysis around key assumptions such as gross margin rate and discount rate that would be required for the value of impairment of assets.

Based on the result of the above procedures, I found that the key assumptions applied in the valuation of value in use were within acceptable range and the method applied by management was reasonable and appropriate based on the environment and circumstances.



Key audit matter	How my audit addressed the key audit matter
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**3) Revenue recognition under construction contracts**

Refer to revenue recognition in Note 2.23, critical accounting estimates and judgements in Note 5 and trade and other receivables in Note 10.

The Group recognises revenue from construction contracts arising from property and procurement and construction of oil and gas systems by using the percentage of completion method. The stage of completion is measured based on the proportion of contract costs incurred for the work performed to date compared to the estimated total cost of the project.

The total cost of construction contracts is determined by estimating the costs from the reports of raw materials, direct labour, and overhead costs that are directly related to the construction project. This also needs management's judgement to estimate the total expected cost of construction until its completion for each project.

I focused on the total estimated cost of construction contracts and the appropriateness of management's assessment of the portion of work already completed due to the magnitude of the amount. The revenue from the construction contracts was significant, representing 56.05% of total revenue in the consolidated financial statements. Moreover, this matter related to the fact that management had used significant judgement when preparing budget costs and reviewing the estimation of the percentage of completion for each project and the consideration on any potential provision for project loss.

I understood and evaluated the budgeting process for estimating the construction cost of each project and the method management made the estimation, which was significant to estimating the percentage of completion.

I assessed the appropriateness of the percentage of completion as well as the appropriateness and accuracy of information used to calculate the cost of the construction project and the actual costs incurred during the year, and also tested the calculation of revenue recognised during the year.

I tested the actual costs incurred by:

- inspecting the actual costs incurred with invoices or receipts
- reconciling the actual costs incurred with the inventory details for the construction project, and
- testing the completeness of actual costs incurred by focussing on the cut-off expenses related to the construction costs.

Regarding the estimated cost, I made enquiries with the project engineers and examined the estimated construction cost with supporting documents including contracts related to construction costs, purchase orders and supporting details for estimated costs.

I also made enquiries with management and investigated any losses associated with contracts, and considered whether a provision was necessary. I found no exceptions on this issue.

Based on my procedures performed, I found that the key assumptions that the management used were reasonable and appropriate based on the environment and circumstances.



### **Other information**

The directors are 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 the audit committee.

### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group 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 scepticism 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' 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 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 the audit committee 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 the audit committee 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, related safeguards.

From the matters communicated with the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.

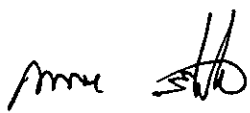
A handwritten signature in black ink, appearing to read 'Nattaporn', written over a horizontal line.

**Nattaporn Phan-Udom**  
Certified Public Accountant (Thailand) No. 3430  
Bangkok  
27 February 2018


Takuni Group Public Company Limited  
Statement of Financial Position  
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	347,119,350	286,508,790	246,066,025	130,222,750
Short-term investments	9	40,647,819	69,965,203	40,299,547	69,675,328
Trade and other receivables	10	349,816,921	319,330,133	104,868,989	63,298,439
Short-term loans to related parties	28	-	-	193,820,000	107,320,000
Inventories	11	31,938,225	31,623,953	22,354,089	24,780,207
Other current assets		22,082,181	3,294,900	60,969	52,470
<b>Total current assets</b>		<b>791,604,496</b>	<b>710,722,979</b>	<b>607,469,619</b>	<b>395,349,194</b>
<b>Non-current assets</b>					
Pledged and restricted bank deposits	8	9,686,740	67,355,200	5,686,740	63,355,200
Investments in subsidiaries	12	-	-	91,359,470	233,206,114
Investment properties	13	116,665,414	4,516,644	-	-
Property, plant and equipment	14	524,064,756	519,552,453	86,289,197	91,434,372
Goodwill	15	19,383,641	19,383,641	-	-
Intangible assets		9,443,962	7,160,430	97,395	69,433
Deferred income tax assets	17	4,152,847	4,144,757	307,161	1,366,913
Other non-current assets		61,121,931	26,122,597	2,066,095	465,251
<b>Total non-current assets</b>		<b>744,519,291</b>	<b>648,235,722</b>	<b>185,806,058</b>	<b>389,897,283</b>
<b>Total assets</b>		<b>1,536,123,787</b>	<b>1,358,958,701</b>	<b>793,275,677</b>	<b>785,246,477</b>

Director

  
นางสาวกัญญา รีมพันธ์กิจ  
กรรมการ

Director

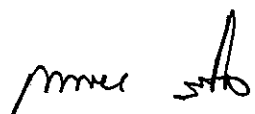
  
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กรรมการ


The accompanying notes are an integral part of these consolidated and separate financial statements.



Takuni Group Public Company Limited  
Statement of Financial Position (Cont'd)  
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	18	385,984,876	162,744,923	45,400,536	41,123,615
Current portion of long-term bank borrowings	16	40,080,000	45,020,000	-	3,500,000
Current portion of finance lease liabilities	16	2,196,932	1,834,059	876,522	831,082
Current income tax payable		209,029	-	-	-
Other current liabilities		22,864,035	16,761,744	707,451	-
<b>Total current liabilities</b>		<b>451,334,872</b>	<b>226,360,726</b>	<b>46,984,509</b>	<b>45,454,697</b>
<b>Non-current liabilities</b>					
Long-term bank borrowings	16	188,140,000	245,460,000	-	-
Finance lease liabilities	16	2,756,282	3,792,156	1,405,487	2,282,010
Employee benefit obligations	19	3,921,676	2,723,538	1,231,317	1,044,602
Deferred income tax liabilities	17	352,977	-	-	-
Other non-current liabilities		12,613,969	22,995,547	324,811	324,811
<b>Total non-current liabilities</b>		<b>207,784,904</b>	<b>274,971,241</b>	<b>2,961,615</b>	<b>3,651,423</b>
<b>Total liabilities</b>		<b>659,119,776</b>	<b>501,331,967</b>	<b>49,946,124</b>	<b>49,106,120</b>

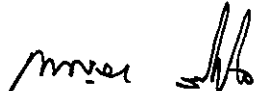
  
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กรรมการ


  
นางสาวนิตา ศรีวีรานูวัฒน์  
กรรมการ

The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited  
Statement of Financial Position (Cont'd)  
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share Capital	20				
Authorised share capital					
1,200,000,000 ordinary shares at par value of Baht 0.5 each (2016 : 1,200,000,000 ordinary shares at par value of Baht 0.5 each)		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up					
800,000,000 ordinary shares paid-up of Baht 0.5 each (2016 : 800,000,000 ordinary shares paid-up of Baht 0.5 each)	20	400,000,000	400,000,000	400,000,000	400,000,000
Premium on paid-up capital ordinary shares	20	305,527,766	305,527,766	305,527,766	305,527,766
Share surplus from business combination under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated - Legal reserve	22	7,092,000	5,450,000	7,092,000	5,450,000
Unappropriated		71,178,930	72,571,964	30,709,787	25,162,591
Equity attributable to owners of the parent		804,434,986	804,186,020	743,329,553	736,140,357
Non-controlling interests		72,569,025	53,440,714	-	-
<b>Total equity</b>		<b>877,004,011</b>	<b>857,626,734</b>	<b>743,329,553</b>	<b>736,140,357</b>
<b>Total liabilities and equity</b>		<b>1,536,123,787</b>	<b>1,358,958,701</b>	<b>793,275,677</b>	<b>785,246,477</b>

  
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กรรมการ

The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited  
Statement of Comprehensive Income  
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Revenue</b>					
Revenue from sales		776,846,307	867,927,806	773,350,683	860,008,859
Revenue from services		1,148,277,479	721,262,020	-	-
<b>Total revenues</b>		<b>1,925,123,786</b>	<b>1,589,189,826</b>	<b>773,350,683</b>	<b>860,008,859</b>
<b>Cost</b>					
Cost of sales		(726,812,430)	(810,356,254)	(724,827,454)	(807,223,864)
Cost of services		(1,007,844,737)	(663,548,697)	-	-
<b>Total costs</b>		<b>(1,734,657,167)</b>	<b>(1,473,904,951)</b>	<b>(724,827,454)</b>	<b>(807,223,864)</b>
<b>Gross profit</b>		<b>190,466,619</b>	<b>115,284,875</b>	<b>48,523,229</b>	<b>52,784,995</b>
Other income	24	16,950,153	63,548,355	55,053,249	46,168,918
<b>Profit before expenses</b>		<b>207,416,772</b>	<b>178,833,230</b>	<b>103,576,478</b>	<b>98,953,913</b>
Selling expenses		(18,700,612)	(19,859,208)	(21,507,816)	(23,982,688)
Administrative expenses		(131,077,807)	(100,220,366)	(47,742,466)	(49,557,483)
Finance costs		(14,287,990)	(9,859,553)	(181,462)	(2,497,305)
Share of loss from associates	12	-	(20,675,208)	-	-
<b>Profit before income tax</b>		<b>43,350,363</b>	<b>28,218,895</b>	<b>34,144,734</b>	<b>22,916,437</b>
Income tax	26	(8,178,145)	(7,850,886)	(1,957,426)	(318,089)
<b>Profit for the year</b>		<b>35,172,218</b>	<b>20,368,209</b>	<b>32,187,308</b>	<b>22,598,348</b>
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss					
Remeasurements of retirement benefit obligations		(168,316)	(429,206)	-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>35,003,902</b>	<b>19,939,003</b>	<b>32,187,308</b>	<b>22,598,348</b>
<b>Profit attributable to:</b>					
Owners of the parent		25,352,149	16,495,287	32,187,308	22,598,348
Non-controlling interests		9,820,069	3,872,922	-	-
<b>Profit for the year</b>		<b>35,172,218</b>	<b>20,368,209</b>	<b>32,187,308</b>	<b>22,598,348</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		25,247,078	16,275,104	32,187,308	22,598,348
Non-controlling interests		9,756,824	3,663,899	-	-
<b>Total comprehensive income for the year</b>		<b>35,003,902</b>	<b>19,939,003</b>	<b>32,187,308</b>	<b>22,598,348</b>
<b>Earnings per share</b>					
Basic earnings per share (Baht)		นางสาวกาญจนา ริมพณิชยกิจ	นางสาวนิตา ตริวิระบุษย์		
		กรรมการ 27	กรรมการ	0.04	0.03
				0.03	

The accompanying notes are an integral part of these consolidated and separate financial statements.

Takumi Group Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2017

นางสาวภาณุมา ริมพณิชยกิจ นางสาวนิตา ศรีวิธานวัฒน์  
กรรมการ กรรมการ

Consolidated financial statements

Attributable to owners of the parent

Notes	Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Share surplus from business combination under common control Baht	Retained earnings		Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
				Appropriated Legal reserve Baht	Unappropriated Baht			
Beginning balance as at 1 January 2016	200,000,000	106,643,230	20,636,290	4,320,000	83,582,860	415,182,380	-	415,182,380
Proceeds from share issued	200,000,000	198,884,536	-	-	-	398,884,536	-	398,884,536
Acquisition of subsidiaries	-	-	-	-	-	-	49,776,815	49,776,815
Legal reserve	-	-	-	1,130,000	(1,130,000)	(26,156,000)	-	(26,156,000)
Dividend	-	-	-	-	-	16,275,104	-	16,275,104
Total comprehensive income for the year	-	-	-	-	-	16,275,104	3,663,899	19,939,003
Closing balance as at 31 December 2016	400,000,000	305,527,766	20,636,290	5,450,000	72,571,964	804,186,020	53,440,714	857,626,734
Beginning balance as at 1 January 2017	400,000,000	305,527,766	20,636,290	5,450,000	72,571,964	804,186,020	53,440,714	857,626,734
Non-controlling interests from subsidiary's share issued	-	-	-	-	-	-	20,342,833	20,342,833
Legal reserve	-	-	-	1,642,000	(1,642,000)	(24,998,112)	-	(24,998,112)
Dividend	-	-	-	-	-	25,247,078	(10,971,346)	(35,969,458)
Total comprehensive income for the year	-	-	-	-	-	25,247,078	9,756,824	35,003,902
Closing balance as at 31 December 2017	400,000,000	305,527,766	20,636,290	7,092,000	71,178,930	804,434,986	72,569,025	877,004,011

นางสาวภาณุมา ริมพณิชยกิจ กรรมการ

นางสาวนิตา ศรีวิธานวัฒน์ กรรมการ

Takuni Group Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2017

นางสาวกาญจนา ริมพนิตชยกิจ  
กรรมการ

นางสาวนิตา ตริวีรานูวัฒน์  
กรรมการ

	Notes	Separate financial statements						Total equity Baht
		Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings		Unappropriated Baht	Total equity Baht	
				Appropriated	Legal reserve			
<b>Beginning balance as at 1 January 2016</b>		200,000,000	106,643,230	4,320,000	29,850,243		340,813,473	
Proceeds from share issued	20	200,000,000	198,884,536	-	-	-	398,884,536	
Legal reserve	22	-	-	1,130,000	(1,130,000)	-	-	
Dividend	23	-	-	-	(26,156,000)	(26,156,000)	(26,156,000)	
Total comprehensive income for the year		-	-	-	22,598,348	22,598,348	22,598,348	
<b>Closing balance as at 31 December 2016</b>		400,000,000	305,527,766	5,450,000	25,162,591		736,140,357	
<b>Beginning balance as at 1 January 2017</b>		400,000,000	305,527,766	5,450,000	25,162,591		736,140,357	
Legal reserve	22	-	-	1,642,000	(1,642,000)	-	-	
Dividend	23	-	-	-	(24,998,112)	(24,998,112)	(24,998,112)	
Total comprehensive income for the year		-	-	-	32,187,308	32,187,308	32,187,308	
<b>Closing balance as at 31 December 2017</b>		400,000,000	305,527,766	7,092,000	30,709,787		743,329,553	

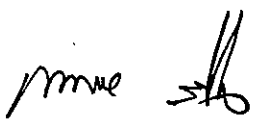
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
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The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		43,350,363	28,218,895	34,144,734	22,916,437
Adjustments for:					
Depreciation and amortisation charge		41,964,543	31,142,491	5,517,600	5,647,600
Impairment charge for investment properties	13	1,143,974	-	-	-
(Reversal) allowance for doubtful accounts	10	(775,055)	(121,477)	1,041,701	(7,841)
(Reversal) provision for impairment of investment in subsidiary	12	-	-	(174,756)	7,153,356
Allowance for net realisable value of inventories, allowance for obsolete and slow-moving inventories	11	(1,024,801)	(6,634,552)	-	-
(Gain) loss on disposals/written-offs of property, plant and equipment		(2,777,046)	(4,710,246)	-	947
Share of loss from associates	12	-	20,675,208	-	-
Gain on sale investment in associate		-	(25,421,961)	-	-
Gain on bargain purchase		-	(175,801)	-	-
Gain from remeasurement fair value of previously held interest from business combination		-	(19,264,043)	-	-
(Gain) loss from remeasurement of investment	9	(340,282)	40,735	(340,282)	40,735
Gain on sale investment		(257,190)	-	(257,190)	-
Interest income	24	(3,972,140)	(9,802,792)	(9,947,256)	(12,809,047)
Financial cost		14,287,990	9,859,553	181,462	2,497,305
		91,600,356	23,806,010	30,166,013	25,439,492
<b>Changes in operating working capital</b>					
- Trade and other receivables		(77,942,337)	66,098,081	(43,374,484)	(14,842,484)
- Inventories		710,529	20,375,453	2,426,118	4,227,613
- Other current assets		(1,731,776)	(4,816,958)	(8,499)	108,248
- Other non-current assets		8,561,634	4,973,328	(394,127)	(39,277)
- Trade and other payables		223,194,676	(60,835,134)	4,263,921	(24,460,447)
- Other current liabilities		6,102,291	10,469,725	707,451	-
- Employee benefit obligations		1,029,822	794,413	186,715	178,942
- Other non-current liabilities		(10,381,578)	3,163,649	-	-
Cash generated from (used in) operations		241,143,617	64,028,567	(6,026,892)	(9,387,913)
- Interest paid		(14,287,990)	(9,859,553)	(181,462)	(2,497,305)
- Income tax paid		(39,431,089)	(38,992,399)	(1,278,088)	(3,975,514)
- Income tax received		19,542,488	-	-	-
Net cash generated from (used in) operating activities		206,967,026	15,176,615	(7,486,442)	(15,860,732)

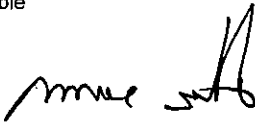
  
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The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from investing activities</b>					
Purchases of investments in subsidiaries and in associates	12	-	(1,225,684)	(999,700)	-
Proceeds from sales of investments in associates		-	134,735,000	-	-
Proceeds from dissolution of subsidiary	12	-	-	143,021,100	-
Purchases of property, plant and equipment and intangible assets		(161,878,091)	(312,384,161)	(387,387)	(1,735,095)
Proceeds from sales of property, plant and equipment		3,788,246	8,918,965	-	997
Proceeds of sales of short-term investment		160,257,190	59,798,706	160,257,190	-
Purchase of short-term investments	9	(129,026,581)	(129,572,536)	(128,968,184)	(69,716,063)
Loan payments received from related parties	28	-	18,568,000	197,700,000	366,436,325
Interest received		2,656,386	10,714,415	8,567,432	11,929,943
Loan payments received from other parties	28	-	202,698,425	-	-
Short-term loans made to related parties	28	-	(181,818,000)	(284,200,000)	(350,338,000)
Pledged and restricted bank deposits		57,668,460	(26,900,181)	57,668,460	(26,900,181)
Net cash generated from (used in) investing activities		(66,534,390)	(216,467,051)	152,658,911	(70,322,074)
<b>Cash flows from financing activities:</b>					
Proceeds from short-term borrowings from banks		-	94,588,462	-	-
Repayments of short-term borrowings from banks		-	(308,755,768)	-	(214,167,306)
Proceeds from short-term borrowings from other parties		-	4,000,000	-	-
Proceeds from long-term borrowings from banks	16	-	280,000,000	-	-
Repayments of long-term borrowings from banks	16	(62,260,000)	(43,620,000)	(3,500,000)	(6,000,000)
Proceeds from increase capital	20	-	200,000,000	-	200,000,000
Proceeds from increase capital of non-controlling interests		20,342,833	-	-	-
Proceeds from share premium	20	-	198,884,536	-	198,884,536
Dividend payments	23	(35,969,458)	(26,156,000)	(24,998,112)	(26,156,000)
Payment on finance lease liabilities		(1,935,451)	(1,180,902)	(831,082)	(788,015)
Net cash generated from (used in) financing activities		(79,822,076)	397,760,328	(29,329,194)	151,773,215
<b>Net increase in cash and cash equivalents</b>		60,610,560	196,469,892	115,843,275	65,590,409
Cash and cash equivalents - opening balance		286,508,790	90,038,898	130,222,750	64,632,341
<b>Cash and cash equivalents - closing balance</b>	8	347,119,350	286,508,790	246,066,025	130,222,750
<b>Non-cash transactions</b>					
Purchases of property, plant and equipment (included in other accounts payables)		7,160,544	6,843,053	13,000	12,033
Purchases of intangible assets (included in other accounts payables)		-	272,214	-	-
Disposals of property, plant and equipment (included in other accounts receivables)		121,496	-	-	-
Purchases of assets under finance lease		1,262,450	251,160	-	-
Dividend payable		-	6,633,085	-	-
Dividend receivable		-	-	23,999,995	-

  
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The accompanying notes are an integral part of these consolidated and separate financial statements.

**1 General information**

Takuni Group Public Company Limited (the Company) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

140/1 Soi Nawee Charoensap, Kanchanaphisek Road, Bang Khae, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as the Group. The detail of subsidiaries are set out in Note 12.

The principal business operations of the Group are summarised as follows:

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 service	: Industrial and car gas systems safety-checking services
Others	: Property development

These Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 27 February 2018.

**2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

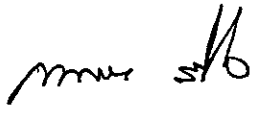
**2.1 Basis of preparation**

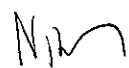
The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in Thai language. In the event of a conflict or a difference in interpretation between the two languages, Thai language statutory financial statements shall prevail.

  
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**2 Accounting policies (Cont'd)**

**2.2 Revised financial reporting standards, and related interpretations**

The Group has applied the revised financial reporting standards which are effective on 1 January 2017 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the Group.

The Group has not yet early adopted the revised financial reporting standards which are effective on 1 January 2018.

**2.3 Group Accounting - Investments in subsidiaries and associates**

**(1) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

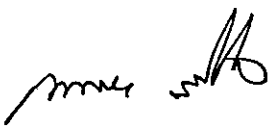
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.


Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

  
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**2 Accounting policies (Cont'd)**

**2.3 Group Accounting - Investments in subsidiaries and associates (Cont'd)**

**(2) Transactions and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**(3) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**(4) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

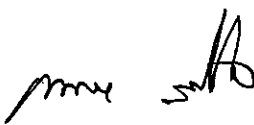
Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.


The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

  
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**2 Accounting policies (Cont'd)**

**2.4 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the group's presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions at year-end exchange rates and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

**2.5 Cash and cash equivalents**

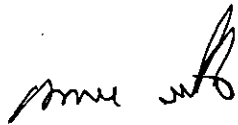
In the consolidated and separate statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and separate statement of financial position, bank overdrafts are shown within borrowings in current liabilities.


**2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of petroleum gas and other finished goods is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates (if any). The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

  
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2 Accounting policies (Cont'd)

2.8 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.9 Investments

Investments other than investments in subsidiaries and associates are classified into the following two categories: (1) trading investments; and (2) held-to-maturity investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.

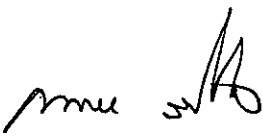
All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.


Trading investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment method.

  
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2 Accounting policies (Cont'd)

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any) and disclosure fair value in note to financial statement.

Depreciation on investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Condominium	40 years

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance (if any). Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

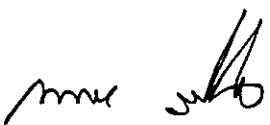
Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:


Buildings and building improvements	10 and 20 years
Gas cylinders and equipment	5 - 20 years
Equipment and office supplies	3 - 10 years
General vehicles	5 years
Transportation vehicles	5 and 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.14).

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are included in statement of income.

  
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**2 Accounting policies (Cont'd)**

**2.12 Goodwill**

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

**2.13 Intangible assets**

**2.13.1 Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is allocated the cost of computer software over their estimated useful lives of 3 - 10 years.

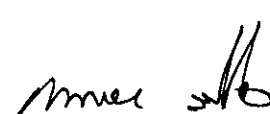
Costs associated with maintaining computer software programmes are recognised as an expense as incurred.


**2.13.2 Contractual customer relationships**

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.

**2.14 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

  
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2 Accounting policies (Cont'd)

2.15 Long-term leases

**Long-term leases - where the Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

**Long-term leases - where the Group is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

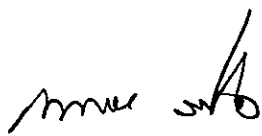
Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.


(a) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

  
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2 Accounting policies (Cont'd)

2.17 Current and deferred income taxes

The tax expense for the year comprises current and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

*Retirement benefits*

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability of retirement benefits is recognised in the consolidated and separate statement of financial position using the present value of the obligations at the statement of financial position date and past service costs. The retirement benefit is calculated by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

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**2 Accounting policies (Cont'd)**

**2.19 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.20 Cylinder deposits**

Cylinder deposits are recorded as liabilities from customers and will be settled with each customer when customer return the cylinders together with related original receipt as evidence of the deposits to the Group. The selling rate is between Baht 1,000 and Baht 2,000 per cylinder depend on the cylinder size. The cylinder deposits are classified as current liabilities in the statement of financial position.

**2.21 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.22 Share surplus from business combination under common control**

The Group uses the similar to pooling of interest method of accounting to account for the business combination under common control. The consideration transferred under this method of a subsidiary is the net book value of the asset transferred at the combination date under the common control. The Group has recognised surplus from business combination under common control from the acquisitions of subsidiaries. Share surplus from business combination under common control was the difference between the purchase price and the net book value of assets of subsidiaries. The purchase price (in case of shares issued by the Company) was assessed for a fair value by independent financial advisor on the purchase date.

**2.23 Revenue recognition**

Revenues comprise the fair value of the consideration received from the sale of goods and service in the ordinary course of the Group's activities. Revenues are shown net of value-added tax, returns, rebates and discounts, and after eliminating sales transactions within the Group. Main revenues of the Group are as follows:

- Sales revenues are recognised when significant risks and rewards of the buyer ownership are transferred.
- Revenues from transportation are recognised when the transportation services are completed.
- Services revenues are recognised when the services are completed
- Revenues from installation service contract of gas pipeline for industries are recognised based on the percentage of completion.
- Revenues from construction services recognised based on on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.
- Rental income is recognised using straight-line method over the rental period.
- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the right to receive payment is established.

**2 Accounting policies (Cont'd)**

**2.24 Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the annual dividends are approved by the Company's shareholders and interim dividends are approved by the Company's Board of Directors.

**2.25 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

**3 Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (Group Treasury). The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management on financial risk that might occur.

**3.1.1 Interest rate risk**

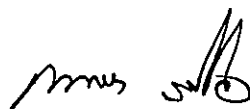
The Group enters into the long-term borrowing agreements from domestic financial institutions which some of them bear floating interest rates. Therefore the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's and Company's operations in the current 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.


**3.1.2 Credit risk**

The Group has no significant concentrations of credit risk because the Group sells to general retail customers, not to specified group of customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

**3.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

  
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**3 Financial risk management (Cont'd)**

**3.2 Fair value estimation**

The following table presents the Group's financial assets that are measured at fair value at 31 December 2017 and 31 December 2016. See note 13 for disclosures of the Investment properties that are measured at fair value and note 16 for disclosures of borrowings that are measured at fair value.

	Financial instruments in level 2			
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Financial assets at fair value through profit or loss</b>				
Investment in debt securities (Note 9)	-	49,716,063	-	49,716,063
Investment in mutual fund classified as trading investment (Note 9)	40,299,547	19,959,265	40,299,547	19,959,265
Fixed deposit (Note 9)	348,272	289,875	-	-
<b>Total assets</b>	<b>40,647,819</b>	<b>69,965,203</b>	<b>40,299,547</b>	<b>69,675,328</b>

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

There were no transfers between levels 1 and 2 during the year.

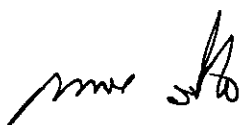
**4 Reclassification of accounts**


The Group made change in presentation of trade and other receivables and other current assets to comply with the announcement of Department of Business Development Regulation dated 7 November 2011 in relation to the format of Financial Statements B.E. 2554, the Group reclassified trade and other receivables and other current assets for the consolidated financial position as at 31 December 2016 as follows:

**Statement of financial position as at 31 December 2016**

	Consolidated financial statements		
	As previously reported Baht	Reclassification Baht	After reclassification Baht
<b>Assets</b>			
Trade and other receivables	310,189,929	9,140,204	319,330,133
Other current assets	12,435,104	(9,140,204)	3,294,900

The above-mentioned change in presentation has no effect to the consolidated financial position as at 1 January 2016.

  
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## 5 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### 5.1.1 Allowance for obsolete, slow-moving and defective inventories

The Group has estimated the net realisable value of finished goods by estimating from weighted average of the current selling price and future market trends. The allowance for slow-moving inventories are determined by the age of outstanding inventories in the warehouses and for allowance for obsolescence is determined from the actual condition of the inventories and the estimated selling price.

#### 5.1.2 Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. The percentage of completion is measure based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The percentage of completion method requires the Group to estimate total anticipated construction costs to be incurred to completion. Where the estimated percentage of completion differ by 1%, the amount of revenue recognised in the year would be changed by Baht 19.15 million.

In addition, The Group has to estimate revenue and future operating performance, especially for construction in order to assess the ability of profitability. When it is probable that total contract costs will exceed total contract revenue, the Group has to recognise the expected loss as an expense immediately.

#### 5.1.3 Estimated impairment of property, plant and equipment

The Group has reviewed the assets' residual values and useful lives and adjusted if appropriate, at the end of each reporting period, in accordance with the accounting policy stated in Note 2.11. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell as appropriate. These calculations require the use of management estimates (Note 14).

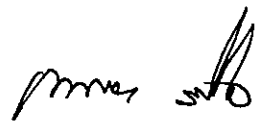
#### 5.1.4 Estimated impairment of goodwill


The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management estimates (Note 15).

## 6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

  
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**7 Segment information**

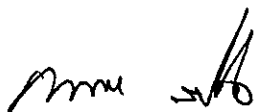
The Group presents segment information in accordance with business segment in the financial report by considering from the groups of related products and services.

During the year ended 31 December 2017, the Group changed segment information presentation from gross profit to operating profit of each segment. The comparative consolidated financial statements presents operating profit of each segment in order to comparative purpose.

Significant business segments are as follows:

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 service	: Industrial and car gas systems safety-checking services
Others	: Property development

The Group has 3 customers in construction service which generated revenues more than 10% of total revenues in the consolidated financial statements for the year ended 31 December 2017 totaling Baht 866.63 million (2016: 1 customer totaling Baht 181.65 million).



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7 Segment information (Cont'd)

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การรวมกำไร consolidated financial statements

For the period ended 31 December

	Sales																										
	Liqud Petroleum Gas trading				Car gas system installation and equipment trading				Transportation services				Construction services				NDT and inspection service				Other						
	2017		2016		2017		2016		2017		2016		2017		2016		2017		2016		2017		2016				
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht				
Revenues from operation	773,350,683	860,008,859	4,766,784	10,104,233	39,956,460	40,295,645	1,081,431,106	647,739,260	65,388,914	63,166,215	-	-	-	-	-	-	-	-	-	-	-	-	-	1,621,314,212			
Revenues from inter - segment	-	-	(1,271,160)	(2,182,391)	(27,949,084)	(25,611,421)	(2,385,749)	(2,593,560)	(8,164,168)	(1,737,014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,124,386)		
Total revenue	773,350,683	860,008,859	3,495,624	7,921,842	12,007,376	14,684,224	1,079,045,357	645,145,700	57,244,746	61,429,201	-	-	-	-	-	-	-	-	-	-	-	-	-	1,925,123,786	1,589,189,826		
Operating profit (loss)	6,808,988	11,533,073	(1,264,328)	2,346,847	1,864,785	1,436,113	50,811,393	11,075,455	638,388	8,506,044	-	-	-	-	-	-	-	-	-	-	-	-	-	57,638,353	58,753,656		
Financial cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,287,990)	(9,859,563)	
Share of loss from associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,675,208)	
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,350,363	28,218,895	
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,178,145)	(7,850,686)
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,172,218	20,368,209
As at 31 December																											
Property, plant and equipment	89,349,772	94,740,430	5,468,858	5,832,792	40,402,085	33,698,109	370,174,334	374,498,434	18,669,707	10,782,688	-	-	-	-	-	-	-	-	-	-	-	-	-	-	524,064,756	519,552,453	
Goodwill	-	-	-	-	-	-	19,383,641	19,383,641	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,383,641	19,383,641
Total consolidated assets	481,474,674	442,334,704	10,766,923	11,773,617	47,854,718	41,141,971	840,775,690	675,833,960	44,314,874	44,980,712	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,536,123,787	1,358,658,701	
Total consolidated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	659,119,776	501,331,967

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**Takuni Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**8 Cash and cash equivalents**

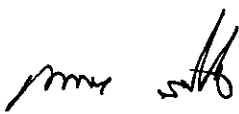
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	499,251	671,784	7,035	674
Cash at bank- Current accounts	92,675,700	17,998,263	905,969	10,747,028
- Savings accounts	209,429,985	194,290,208	200,639,636	75,427,148
- Short-term fixed accounts	44,514,414	73,548,535	44,513,385	44,047,900
<b>Total</b>	<b>347,119,350</b>	<b>286,508,790</b>	<b>246,066,025</b>	<b>130,222,750</b>
Pledged and restricted bank deposits	9,686,740	67,355,200	5,686,740	63,355,200


Deposits held at call with banks bear interest at the rates 0.13% to 1.30% per annum (2016: 0.37% to 1.35% per annum) and these deposits have a maturity within 3 months.

Pledged and restricted bank deposits are bank current accounts and saving accounts 3 to 12 months.

**9 Short-term investments**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Investment in mutual fund classified as trading investments	40,000,000	20,000,000	40,000,000	20,000,000
Investment in debt security classified as held-to-maturity due within 1 year	-	49,716,063	-	49,716,063
Fixed deposit	348,272	289,875	-	-
Gains (losses) on fair value measurement	299,547	(40,735)	299,547	(40,735)
<b>Total short-term investments</b>	<b>40,647,819</b>	<b>69,965,203</b>	<b>40,299,547</b>	<b>69,675,328</b>

  
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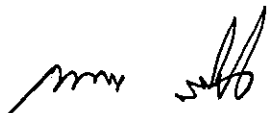
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**9 Short-term investments (Cont'd)**

The movements in short-term investments during the years are as follows:

	<b>Consolidated financial statements</b>			
	<b>Trading Baht</b>	<b>Held-to- maturity due within 1 year Baht</b>	<b>Fixed deposit Baht</b>	<b>Total Baht</b>
At 1 January 2016	-	-	232,108	232,108
Additions	20,000,000	109,514,769	57,767	129,572,536
Disposals	-	(59,798,706)	-	(59,798,706)
Losses on fair value measurement during the year	(40,735)	-	-	(40,735)
At 31 December 2016	19,959,265	49,716,063	289,875	69,965,203
Additions	40,000,000	88,968,184	58,397	129,026,581
Disposals	(20,000,000)	(138,684,247)	-	(158,684,247)
Gains on fair value measurement during the year	340,282	-	-	340,282
At 31 December 2017	40,299,547	-	348,272	40,647,819
	<b>Separate financial statements</b>			
	<b>Trading Baht</b>	<b>Held-to- maturity due within 1 year Baht</b>	<b>Fixed deposit Baht</b>	<b>Total Baht</b>
At 1 January 2016	-	-	-	-
Additions	20,000,000	49,716,063	-	69,716,063
Disposals	-	-	-	-
Losses on fair value measurement during the year	(40,735)	-	-	(40,735)
At 31 December 2016	19,959,265	49,716,063	-	69,675,328
Additions	40,000,000	88,968,184	-	128,968,184
Disposals	(20,000,000)	(138,684,247)	-	(158,684,247)
Gains on fair value measurement during the year	340,282	-	-	340,282
At 31 December 2017	40,299,547	-	-	40,299,547

The fair value of short-term investments approximate to their carrying amount, as the impact of discounting is not significant.

  
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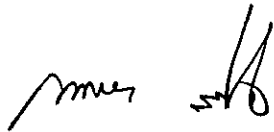
**10 Trade and other receivables**


	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivables	232,797,884	199,512,187	74,437,215	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,856,394)</u>	<u>(3,631,449)</u>	<u>(2,071,890)</u>	<u>(1,030,189)</u>
Trade accounts receivables - net	229,941,490	195,880,738	72,365,325	56,208,291
Receivable from related parties (Note 28)	-	-	1,329,175	882,329
Others receivables	5,669,113	583,657	1,128,751	161,978
Prepayments	19,875,419	14,434,640	2,084,795	1,322,660
Accrued interest income (Note 28)	-	-	3,960,948	3,896,878
Dividend receivable (Note 28)	-	-	23,999,995	-
Accrued income - NDT and inspection service	7,811,894	6,930,024	-	-
Unbilled receivables under construction contracts	86,519,005	53,000,280	-	-
Account receivable - VAT and withholding tax	-	48,500,794	-	826,303
Trade and other receivables - net	<u>349,816,921</u>	<u>319,330,133</u>	<u>104,868,989</u>	<u>63,298,439</u>

Aging analysis of trade accounts receivable as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Trade accounts receivable</b>				
Within credit term	184,434,718	155,564,545	30,569,762	25,799,910
Overdue				
- Up to 3 months	39,774,960	34,354,077	37,241,523	29,523,422
- 3 - 6 months	2,432,240	6,051,775	1,861,812	285,000
- 6 - 12 months	4,591,808	1,474,810	3,582,970	1,014,466
- Over 12 months	1,564,158	2,066,980	1,181,148	615,682
Total	232,797,884	199,512,187	74,437,215	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,856,394)</u>	<u>(3,631,449)</u>	<u>(2,071,890)</u>	<u>(1,030,189)</u>
Trade accounts receivable - net	<u>229,941,490</u>	<u>195,880,738</u>	<u>72,365,325</u>	<u>56,208,291</u>

Management believe the allowance provided for is sufficient based on its consideration of past debt collection experiences of the Group.

  
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**11 Inventories**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Finished goods - petroleum gas	22,309,260	24,706,725	22,354,089	24,780,207
- gas tank for installation and equipment	11,995,748	12,685,812	-	-
Work in progress - gas installations	1,359,772	61,859	-	-
Work in progress under construction contracts	-	1,550,687	-	-
Raw materials	5,516,105	3,917,822	-	-
General supplies	2,616,115	1,584,624	-	-
<b>Total</b>	<b>43,797,000</b>	<b>44,507,529</b>	<b>22,354,089</b>	<b>24,780,207</b>
<u>Less</u> Allowance for net realisable value of inventories	<u>(11,858,775)</u>	<u>(12,883,576)</u>	-	-
<b>Inventories - net</b>	<b>31,938,225</b>	<b>31,623,953</b>	<b>22,354,089</b>	<b>24,780,207</b>

Work in progress under construction contracts for property and construction of oil and gas systems.

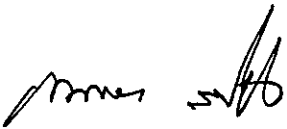
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	1,550,687	7,576,542	-	-
Contract costs incurred during the year	954,345,968	596,942,822	-	-
Contract expenses recognised during the year	<u>(955,896,655)</u>	<u>(602,968,677)</u>	-	-
At 31 December	-	1,550,687	-	-
Contract costs incurred and recognised profits (less losses) to date	2,380,043,700	2,115,016,060	-	-
Advances received on construction contracts	37,489,656	4,553,826	-	-


As at 31 December 2017, the Group had accrued retentions amount to Baht 15.10 million (2016: Baht 24.68 million), and the Group's bank guarantees on construction contracts amount to Baht 451.78 million (2016: Baht 238.55 million).

Costs of inventories recognised as expense and included in 'cost of sales' in the consolidated and separate financial statements are Baht 709.54 million and Baht 1,143.39 million, respectively (2016: Baht 1,066.87 million and Baht 785.16 million, respectively).

Inventories include allowance for finished goods of Baht 11.86 million (2016: Baht 12.88 million), mostly there are finished goods for gas systems installation in the consolidated financial statement. During 2017, the Group had reversed allowance for net realisable value of inventories amount to Baht 1.02 million (2016: increase in allowance amount Baht 6.64 million).

According to related regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum gas at 1% of the total trading volume in each period. As at 31 December 2017, the inventories included minimum mandatory reserve on petroleum gas of Baht 7.29 million in the consolidated and separate financial statements (2016: Baht 8.00 million).

  
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12 Investments in subsidiaries and associates

12.1 Subsidiaries

The group had the following subsidiaries at 31 December

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Name	Country of incorporation and place of business	Nature of business	Nature of Relationship	Proportion of ordinary shares directly held by parent (%)		Proportion of ordinary shares held by the group (%)		Proportion of ordinary shares held by non-controlling interests (%)		Separate Financial Statements	
				2017	2016	2017	2016	2017	2016	2017	2016
Takuni (Thailand) Co., Ltd. (TT)	Thailand	Industrial and car gas systems installation and equipment trading, and construction services	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	53,376,790	53,376,790
Fatchapruet Engineering Co., Ltd. (RE)	Thailand	NDT and inspection service	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	21,339,800	21,339,800
G Gas Logistics Co.,Ltd. (GG)	Thailand	Hazardous substances and construction materials transportation services by land	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	15,643,180	15,643,180
Newman Green Co.,Ltd. (NMG)	Thailand	Investing company	Direct shareholders	-	99.99	-	99.99	-	0.01	-	142,846,344
Takuni Land Co., Ltd. (TL)	Thailand	Property development	Direct shareholders	99.97	-	99.97	-	0.03	-	999,700	-
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	Construction services	Indirect shareholding via TT	-	-	51.30	51.30	48.70	48.70	-	-
JKEC Co., Ltd. (JKEC)	Thailand	Construction services	Indirect shareholding via CAZ	-	-	51.22	51.22	48.78	48.78	-	-
										91,359,470	233,206,114

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company does not differ from the proportion of ordinary shares held.

**12 Investments in subsidiaries and associates (Cont'd)**

**12.1 Subsidiaries (Cont'd)**

The movement of investments in subsidiaries for the year ended 31 December are as follows:

	Separate financial statement	
	2017 Baht	2016 Baht
Beginning net book amount	233,206,114	240,359,470
Acquisitions	999,700	-
Reversal of impairment (impairment charge)	174,756	(7,153,356)
Disposals	(143,021,100)	-
Ending net book amount	<u>91,359,470</u>	<u>233,206,114</u>

**Establishment of TL**

At the board of directors' Meeting, on 13 December 2016, the boards approved to establish Takuni Land Co., Ltd. The Company registered for establishment with Ministry of Commerce on 13 January 2017 with 10,000 shares at par value of Baht 100 per share totaling Baht 1.00 million.

**Dissolution of NMG**

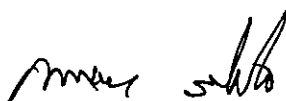
At the Extraordinary Shareholders' Meeting on 4 February 2017, the shareholders approved for dissolution of NMG. The Company registered for dissolution with Ministry of Commerce on 7 February 2017. The Company received a repayment from NMG in the amount of Baht 143.02 million.


**Summarised financial information on subsidiaries with material non-controlling interests**

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

**Summarised statement of financial position**

	CAZ	
	2017 Baht	2016 Baht
<b>As at 31 December</b>		
Current assets	371,668,378	188,564,372
Current liabilities	(394,117,667)	(236,963,032)
Total current net assets	<u>(22,449,289)</u>	<u>(48,398,660)</u>
Non-current assets	358,307,504	375,115,608
Non-current liabilities	(190,892,360)	(229,190,196)
Total non-current net assets	<u>167,415,144</u>	<u>145,925,412</u>
Net assets	<u>144,965,855</u>	<u>97,526,752</u>
Accumulated NCI	<u>3,839,078</u>	<u>3,771,657</u>

  
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**12 Investments in subsidiaries and associates (Cont'd)**

**12.1 Subsidiaries (Cont'd)**

**Summarised statement of comprehensive income**

	CAZ	
	2017 Baht	2016 Baht
<b>As at 31 December</b>		
Revenue	1,023,200,408	647,521,050
Net profit	27,055,954	12,252,102
Other comprehensive income	(129,866)	2,036,297
<b>Total comprehensive income</b>	<b>26,926,088</b>	<b>14,288,399</b>
Profit allocated to non-controlling interests	67,421	1,604,227
Dividends paid to non-controlling interests	-	-

**Summarised statement of cash flows**

	CAZ	
	2017 Baht	2016 Baht
<b>For the year ended 31 December</b>		
Net cash generated from operating activities	211,146,316	1,839,716
Net cash used in investing activities	(27,935,515)	(294,573,433)
Net cash generated from (used in) financing activities	(98,708,352)	295,942,927
Net increase in cash and cash equivalents	84,502,449	3,209,210
Cash, cash equivalents and bank overdrafts at beginning of year	7,476,453	4,267,243
<b>Cash and cash equivalents at end of year</b>	<b>91,978,902</b>	<b>7,476,453</b>

**12.2 Investments in associates**

The movement of investments in associates for the year ended 31 December are as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Beginning net book amount	-	167,244,543
Share of loss from associate	-	(20,675,208)
Share of other comprehensive income	-	2,379,661
Disposals	-	(148,948,996)
<b>Ending net book amount</b>	<b>-</b>	<b>-</b>

**Investments accounted for using equity method**

The amounts recognised in the income statement are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Associates	-	20,675,208	-	-
<b>At 31 December</b>	<b>-</b>	<b>20,675,208</b>	<b>-</b>	<b>-</b>

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**13 Investment properties**

	Consolidated financial statements		
	Land Baht	Buildings Baht	Total Baht
<b>At 1 January 2016</b>			
Cost	-	6,912,319	6,912,319
<u>Less</u> Accumulated depreciation	-	(2,050,060)	(2,050,060)
Net book amount	-	4,862,259	4,862,259
<b>For the year ended 31 December 2016</b>			
Opening net book amount	-	4,862,259	4,862,259
Depreciation charge	-	(345,615)	(345,615)
Closing net book amount	-	4,516,644	4,516,644
<b>At 31 December 2016</b>			
Cost	-	6,912,319	6,912,319
<u>Less</u> Accumulated depreciation	-	(2,395,675)	(2,395,675)
Net book amount	-	4,516,644	4,516,644
Fair value at 31 December 2016	-	43,000,000	43,000,000
<b>At 1 January 2017</b>			
Cost	-	6,912,319	6,912,319
<u>Less</u> Accumulated depreciation	-	(2,395,675)	(2,395,675)
Net book amount	-	4,516,644	4,516,644
<b>For the year ended 31 December 2017</b>			
Opening net book amount	-	4,516,644	4,516,644
Additions	93,450,000	18,778,434	112,228,434
Transferred in	-	1,577,847	1,577,847
Depreciation charge	-	(513,537)	(513,537)
Impairment charge	-	(1,143,974)	(1,143,974)
Closing net book amount	93,450,000	23,215,414	116,665,414
<b>At 31 December 2017</b>			
Cost	93,450,000	28,214,479	121,664,479
<u>Less</u> Accumulated depreciation	-	(3,855,091)	(3,855,091)
<u>Less</u> Provision for impairment	-	(1,143,974)	(1,143,974)
Net book amount	93,450,000	23,215,414	116,665,414
Fair value at 31 December 2017*	116,904,000	71,100,000	188,004,000

\*The Group's investment properties were valued at 2017 by independent professionally qualified valuers (independent valuer). The fair value are based on income approach for building leased to the external parties and market approach for land and condominium.

Investment property at net book value of Baht 5.69 million (2016: Baht 4.52 million) has been pledged as a security for borrowings (Note 16).

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
นางสาวกาญจนา रिम्พิชชกิจ กรรมการ Rental income	5,709,534	5,408,540
นางสาวนิตา ตริวิธานวัฒน์ กรรมการ Direct operating expense arise from investment property that generated rental income	1,976,097	1,759,050

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14 Property, plant and equipment

		Consolidated financial statements						
		Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht
นางสาวกาญจนา ริมพิณฑชกิจ								
กรรมการ								
นางสาวนิตา ตริวีรานูวัฒน์								
กรรมการ								
At 1 January 2016								
Cost		77,780,794	46,643,776	57,408,338	27,090,151	133,424,750	1,737,267	344,085,076
Less Accumulated depreciation		-	(10,538,249)	(8,846,924)	(18,949,182)	(102,606,482)	-	(140,940,837)
Net book amount		77,780,794	36,105,527	48,561,414	8,140,969	30,818,268	1,737,267	203,144,239
For the year ended 31 December 2016								
Opening net book amount		77,780,794	36,105,527	48,561,414	8,140,969	30,818,268	1,737,267	203,144,239
Acquisitions through subsidiaries		-	-	-	21,161,909	3,595,750	-	24,757,659
Additions		183,875,120	75,068,649	32,708	52,639,677	7,586,307	29,000	319,231,461
Disposals and written offs - net		-	-	-	(374,828)	(2,119,221)	(1,714,286)	(4,208,135)
Depreciation charge		-	(3,579,268)	(2,944,583)	(10,414,313)	(6,434,607)	-	(23,372,771)
Closing net book amount		261,655,914	107,594,908	45,649,539	71,153,614	33,446,497	51,981	519,552,453
At 31 December 2016								
Cost		261,655,914	121,712,425	57,441,046	107,356,402	127,409,365	51,981	675,627,133
Less Accumulated depreciation		-	(14,117,517)	(11,791,507)	(36,202,788)	(93,962,868)	-	(156,074,680)
Net book amount		261,655,914	107,594,908	45,649,539	71,153,614	33,446,497	51,981	519,552,453

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14 Property, plant and equipment (Cont'd)

	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Buildings and building improvements Baht	Gas cylinders and equipment Baht	Equipment and office supplies Baht	Vehicles Baht	Construction in progress Baht		
นางสาวกาญจนา ริมพลชัยกิจ กรรมการ								
นางสาวนิตา ศรีวีรานูวัฒน์ กรรมการ								
<b>For the year ended 31 December 2017</b>								
Opening net book amount	261,655,914	107,594,908	45,649,539	71,153,614	33,446,497	51,981	519,552,453	
Additions	50,000	665,419	55,938	27,657,585	13,225,206	2,473,248	44,127,396	
Transferred in/(out)	-	-	-	2,477,559	-	(2,477,559)	-	
Transferred to investment property	-	(1,577,847)	-	-	-	-	(1,577,847)	
Disposals and written offs - net	-	-	-	(1,132,696)	-	-	(1,132,696)	
Depreciation charge	-	(6,143,610)	(2,943,526)	(20,354,010)	(7,463,404)	-	(36,904,550)	
Closing net book amount	261,705,914	100,538,870	42,761,951	79,802,052	39,208,299	47,670	524,064,756	
<b>At 31 December 2017</b>								
Cost	261,705,914	119,854,118	57,496,984	134,604,357	134,548,699	47,670	708,257,742	
Less Accumulated depreciation	-	(19,315,248)	(14,735,033)	(54,802,305)	(95,340,400)	-	(184,192,986)	
Net book amount	261,705,914	100,538,870	42,761,951	79,802,052	39,208,299	47,670	524,064,756	

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14 Property, plant and equipment (Cont'd)

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		Land and land improvements Baht	Buildings and building improvements Baht	Gas cylinders and equipment Baht	Equipment and office supplies Baht	Vehicles Baht	Construction in progress Baht	
At 1 January 2016								
Cost		26,330,794	19,992,890	51,461,262	4,008,087	14,472,000	-	116,265,033
Less Accumulated depreciation		-	(2,701,904)	(7,167,885)	(1,995,538)	(9,176,480)	-	(21,041,807)
Net book amount		26,330,794	17,290,986	44,293,377	2,012,549	5,295,520	-	95,223,226
For the year ended 31 December 2016								
Opening net book amount		26,330,794	17,290,986	44,293,377	2,012,549	5,295,520	-	95,223,226
Additions		75,120	1,295,000	32,708	339,100	-	-	1,741,928
Disposals and written offs - net		-	-	-	(1,361)	-	-	(1,361)
Depreciation charge		-	(1,043,466)	(2,647,229)	(554,647)	(1,284,079)	-	(5,529,421)
Closing net book amount		26,405,914	17,542,520	41,678,856	1,795,641	4,011,441	-	91,434,372
At 31 December 2016								
Cost		26,405,914	21,287,890	51,493,970	4,342,753	14,472,000	-	118,002,527
Less Accumulated depreciation		-	(3,745,370)	(9,815,114)	(2,547,112)	(10,460,559)	-	(26,568,155)
Net book amount		26,405,914	17,542,520	41,678,856	1,795,641	4,011,441	-	91,434,372

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14 Property, plant and equipment (Cont'd)

	Separate financial statements						Total Baht
	Land and land improvements Baht	Buildings and building improvements Baht	Gas cylinders and equipment Baht	Equipment and office supplies Baht	Vehicles Baht	Construction in progress Baht	
นางสาวกาญจนา ริมพลชัยกิจ กรรมการ							
นางสาวนิตา ศรีวีรานูวัฒน์ กรรมการ							
For the year ended 31 December 2017							
Opening net book amount	26,405,914	17,542,520	41,678,856	1,795,641	4,011,441	-	91,434,372
Additions	50,000	80,704	55,938	104,768	-	-	291,410
Disposals and written offs - net	-	-	-	-	-	-	-
Depreciation charge	-	(1,086,610)	(2,646,172)	(529,574)	(1,174,229)	-	(5,436,585)
Closing net book amount	26,455,914	16,536,614	39,088,622	1,370,835	2,837,212	-	86,289,197
At 31 December 2017							
Cost	26,455,914	21,368,594	51,549,908	4,440,279	14,472,000	-	118,286,695
Less Accumulated depreciation	-	(4,831,980)	(12,461,286)	(3,069,444)	(11,634,788)	-	(31,997,498)
Net book amount	26,455,914	16,536,614	39,088,622	1,370,835	2,837,212	-	86,289,197

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**14 Property, plant and equipment (Cont'd)**

As at 31 December 2017, the Group had pledged certain plots of land and buildings with net book value of Baht 339.38 million (2016: Baht 308.81 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 financial institution. (Note 16).

Cost of fixed assets which are fully depreciated and still in use in the consolidated financial statements as at 31 December 2017 were approximately Baht 71.16 million (2016: Baht 76.92 million). There are fixed assets which are fully depreciated and still in use in the separate financial statements were approximately Baht 10.91 million (2016: Baht 9.80 million).

As at 31 December 2017, purchase transactions during the year include the acquisition of assets under financial lease which company is lease, total amount Baht 1.64 million (2016: Baht 0.25 million).

During the year 2017, the Company considers the impairment of the gas depots and related assets as a result of a declining in gas trading market which impact to the Company's performance. The recoverable amount of CGU, which is petroleum gas trading business unit, is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections covering a ten-year period as it reflects the market properly. This pre-tax cash flow projection is based on an approved financial budgets and business plan by management. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.

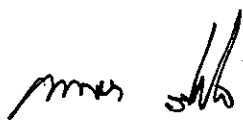
As at 31 December 2017, the gas depots and related assets had a net book value of Baht 86.29 million.


Key assumptions used in the recoverable amount assessment include:

	<b>Petroleum gas trading business</b>
Gross margin	6.27%
Growth rate	Constant growth
Discount rate	9.87%
Recoverable amount of the CGU	Baht 109.71 million

The recoverable amount will be equal to the carrying amount if the key assumptions used for value-in-use changes to be as follows:

	<b>Petroleum gas trading business</b>
Gross margin	5.96%
Discount rate	16.89%

  
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**15 Goodwill**

	<b>Consolidated financial statements</b>	
	<b>2017</b>	<b>2016</b>
<b>As at 1 January</b>		
Cost	19,383,641	-
<u>Less</u> Allowance for impairment	-	-
Net book value	<u>19,383,641</u>	<u>-</u>
<b>For the years ended 31 December</b>		
Opening net book value	19,383,641	-
Acquisitions through subsidiaries	-	19,383,641
Impairment charge	-	-
Closing net book value	<u>19,383,641</u>	<u>19,383,641</u>
<b>As at 31 December</b>		
Cost	19,383,641	19,383,641
<u>Less</u> Allowance for impairment	-	-
Net book value	<u>19,383,641</u>	<u>19,383,641</u>

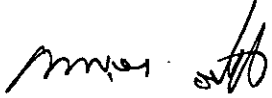
The recoverable amount of a CGU, which is construction service business unit, is determined based on value-in-use calculations. These calculations use after-tax cash flow projections covering a ten-year period as it reflects the operation properly. This after-tax cash flow projection is based on an approved financial budgets and business plan by management. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.


The key assumptions used in the recoverable amount assessment include:

	<b>Construction services</b>
Gross margin	8.30%
Growth rate	1.00%
Discount rate	6.88%
Recoverable amount of a CGU	Baht 539.95 million

The recoverable amount will be equal to the carrying amount if the key assumptions used for value-in-use changes to be as follows:

	<b>Construction services</b>
Gross margin	6.98%
Growth rate	Decrease 54.29%
Discount rate	13.62%

  
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16 Borrowings

	Consolidated financial statements		Sperate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Current</b>				
Current portion of long-term borrowings	40,080,000	45,020,000	-	3,500,000
Current portion of finance lease liabilities	2,196,932	1,834,059	876,522	831,082
Total current borrowings	42,276,932	46,854,059	876,522	4,331,082
<b>Non-Current</b>				
Bank borrowings	188,140,000	245,460,000	-	-
Finance lease liabilities	2,756,282	3,792,156	1,405,487	2,282,010
Total non-current borrowings	190,896,282	249,252,156	1,405,487	2,282,010
<b>Total borrowings</b>	<b>233,173,214</b>	<b>296,106,215</b>	<b>2,282,009</b>	<b>6,613,092</b>

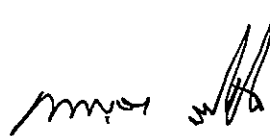
The effective interest rates at the statement of financial position date were as follows:


	Consolidated financial statements		Sperate financial statements	
	2017	2016	2017	2016
Bank borrowings	4.00% - 5.39%	3.00% - 6.08%	-	3.00%
Financial lease liabilities	3.98% - 5.43%	4.76% - 5.43%	5.37%	5.37%

16.1 Long-term borrowings

The movements of long-term borrowings from financial institutions during the year are as follows:

For the years ended 31 December	Consolidated financial statements		Sperate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning balance	290,480,000	34,100,000	3,500,000	9,500,000
Acquisition through subsidiary	-	20,000,000	-	-
Additions	-	280,000,000	-	-
Repayments	(62,260,000)	(43,620,000)	(3,500,000)	(6,000,000)
Ending balance	228,220,000	290,480,000	-	3,500,000

  
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16 Borrowings (Cont'd)

16.1 Long-term borrowings (Cont'd)

The Company

On 18 July 2012, the Company entered into a long-term borrowing agreement with a domestic financial institution amounting to Baht 30 million, which required the principal repayment of Baht 500,000 per installment, totaling 60 installments. This borrowing bears the interest rate of 3% per annum and is pledged by subsidiaries' land and buildings (Note 13 and Note 14). However, the long-term borrowing was repaid during the year ended 31 December 2017.

Subsidiaries

**Takuni (Thailand) Co., Ltd.**

On 19 January 2016, TT entered into the long-term borrowing agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment over 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. (Note 13 and Note 14). However, the long-term borrowing was repaid during the year ended 31 December 2017.

**G Gas Logistics Co., Ltd.**

On 24 May 2012, GG entered into a long-term borrowing agreement with a domestic financial institution amounting to Baht 24.60 million, which required the repayment over 60 months. This borrowing bears the interest rate of 3% per annum and is pledged by vehicles for gas transportation (Note 14). However, the long-term borrowing was repaid during the year ended 31 December 2016.

On 13 January 2016, G Gas Logistics Co., Ltd. entered into the long-term borrowing agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land of GG (Note 14).

**Rajchapluek Engineering Co., Ltd.**

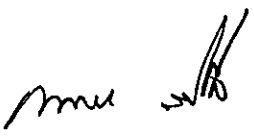
On 19 January 2016, RE entered into the long-term borrowing agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT (Note 13 and Note 14). However, the long-term borrowing was repaid during the year ended 31 December 2017.


**CAZ (Thailand) Co., Ltd.**

On 15 January 2016, CAZ entered into the borrowing agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at MLR% per annum and is pledged by CAZ director.

On 15 January 2016, CAZ entered into the borrowing agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at 4% per annum and is pledged by CAZ director.

On 10 August 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 250.00 million, which required the repayment of Baht 2.98 million per month, totaling 84 periods and the outstanding amount for the last month. This borrowing bears the interest rate at MLR - 0.75% per annum for the first anniversary of the date of drawdown and MLR - 0.50 % per annum for the period thereafter. The borrowing is pledged by the Company, land and buildings of CAZ and CAZ director (Note 14).

  
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16 Borrowings (Cont'd)

16.1 Long-term borrowings (Cont'd)

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Borrowings:				
- at fixed rates	22,920,000	30,860,000	-	3,500,000
- at floating rates	205,300,000	259,620,000	-	-
Total long-term borrowings	<u>228,220,000</u>	<u>290,480,000</u>	<u>-</u>	<u>3,500,000</u>

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Book value		Fair value	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings from banks	<u>228,220,000</u>	<u>290,480,000</u>	<u>227,845,484</u>	<u>282,844,718</u>

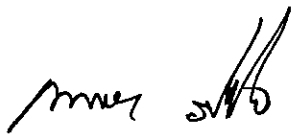
	Separate financial statements			
	Book value		Fair value	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings from banks	<u>-</u>	<u>3,500,000</u>	<u>-</u>	<u>3,461,822</u>


The fair value of current borrowings approximate to their carrying amount, as the impact of discounting is not significant.

The fair value are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.00% to 6.25% (2016: 6.32% to 6.34%) which are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	40,080,000	45,020,000	-	3,500,000
Later than 1 years but not later than 5 years	188,140,000	245,460,000	-	-
Total long-term borrowings	<u>228,220,000</u>	<u>290,480,000</u>	<u>-</u>	<u>3,500,000</u>

  
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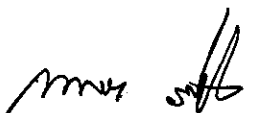
17 Deferred income tax


The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	3,210,265	4,587,788	414,378	1,636,709
Deferred tax assets to be recovered after more than 12 months	1,397,616	468,946	246,263	208,920
	<u>4,607,881</u>	<u>5,056,734</u>	<u>660,641</u>	<u>1,845,629</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	103,420	14,002	117,045	308,371
Deferred tax liabilities to be settled after more than 12 months	704,591	897,975	236,435	170,345
	<u>808,011</u>	<u>911,977</u>	<u>353,480</u>	<u>478,716</u>
<b>Deferred tax assets, net</b>	<u>3,799,870</u>	<u>4,144,757</u>	<u>307,161</u>	<u>1,366,913</u>

Deferred income taxes has been calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20% since 2013 onwards. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised below:

As at 31 December	Consolidated financial statements			
	2016 Baht	Charged (credited) to profit or loss Baht	Charged (credited) to other comprehensive income Baht	2017 Baht
<b>Deferred income tax assets</b>				
Allowances for doubtful accounts and inventories	3,035,515	(92,481)	-	2,943,034
Provision for impairment of investment	1,430,671	(1,430,671)	-	-
Provision for warranty	35,761	844,751	-	880,512
Employee benefits obligations	554,787	187,471	42,077	784,335
	<u>5,056,734</u>	<u>(490,930)</u>	<u>42,077</u>	<u>4,607,881</u>
<b>Deferred income tax liabilities</b>				
Depreciation	565,884	(15,799)	-	550,085
Assets under finance lease	346,093	(88,167)	-	257,926
	<u>911,977</u>	<u>(103,966)</u>	<u>-</u>	<u>808,011</u>
<b>Deferred income tax assets, net</b>	<u>4,144,757</u>	<u>(386,964)</u>	<u>42,077</u>	<u>3,799,870</u>

  
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**17 Deferred income tax (Cont'd)**

As at 31 December	Separate financial statements			2017 Baht
	2016 Baht	Charged (credited) to profit or loss Baht	Charged (credited) to other comprehensive income Baht	
<b>Deferred income tax assets</b>				
Allowances for doubtful accounts and inventories	206,038	208,340	-	414,378
Provision for impairment of investment	1,430,671	(1,430,671)	-	-
Employee benefits obligations	208,920	37,343	-	246,263
	<u>1,845,629</u>	<u>(1,184,988)</u>	<u>-</u>	<u>660,641</u>
<b>Deferred income tax liabilities</b>				
Assets under financial lease	478,716	(125,236)	-	353,480
Deferred income tax asset, net	<u>1,366,913</u>	<u>(1,059,752)</u>	<u>-</u>	<u>307,161</u>

Presentation in the statements of financial position is as follows:

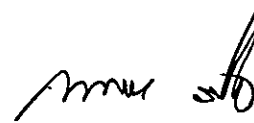
As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred income tax assets	4,152,847	4,144,757	307,161	1,366,913
Deferred income tax liabilities	(352,977)	-	-	-
Deferred income tax, net	<u>3,799,870</u>	<u>4,144,757</u>	<u>307,161</u>	<u>1,366,913</u>


Deferred income tax assets and liabilities are offset when the income taxes related to the same tax authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

The movements on deferred income taxes during the years are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening net book value	4,144,757	4,996,457	1,366,913	(250,843)
Acquisitions through subsidiaries	-	51,612	-	-
Charged (credited) to profit or loss (Note 26)	(386,964)	(796,010)	(1,059,752)	1,617,756
Charged (credited) to other comprehensive income	42,077	(107,302)	-	-
Closing net book value	<u>3,799,870</u>	<u>4,144,757</u>	<u>307,161</u>	<u>1,366,913</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 4.98 million. (2016: Baht 5.33 million) in respect of losses amounting to Baht 24.91 million (2016: Baht 26.63 million) that can be carried forward against future taxable income. Losses amounting to Baht 19.82 million and 5.09 million expire in 2021 and 2022 respectively.

  
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**Takuni Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**18 Trade and other payables**

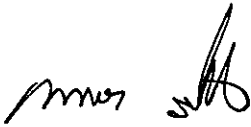
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable	171,639,963	97,731,760	36,482,304	32,633,450
Trade accounts payable - related parties (Note 28)	-	-	2,943,273	2,099,768
Amounts due to related parties (Note 28)	-	-	50,677	50,272
Other payables	19,645,915	4,326,920	1,442,535	1,664,987
Unearned revenue	161,219,330	35,443,930	-	-
Account payable - revenue department	-	2,026,706	-	1,157,995
Accrued expense	33,479,668	23,215,607	4,481,747	3,517,143
<b>Total trade and other payables</b>	<b>385,984,876</b>	<b>162,744,923</b>	<b>45,400,536</b>	<b>41,123,615</b>

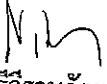
**19 Employee benefit obligations**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Retirement benefit obligations (Thailand law)</b>				
Employee benefit obligations in the statement of financial position	3,921,676	2,723,538	1,231,317	1,044,602
Charge to profit or loss	987,745	1,181,629	186,715	178,942
Remeasurement	210,393	429,206	-	-

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	2,723,538	1,671,066	1,044,602	865,660
Current service cost	907,683	867,223	159,031	155,456
Past service cost	-	-	-	-
Interest expense	80,062	56,347	27,684	23,486
Increase from acquisition	-	258,059	-	-
	<b>3,711,283</b>	<b>2,852,695</b>	<b>1,231,317</b>	<b>1,044,602</b>
Remeasurements:				
Loss from change in financial assumptions	210,393	429,206	-	-
Payment from plans:				
Benefit payment	-	(558,363)	-	-
<b>At 31 December</b>	<b>3,921,676</b>	<b>2,723,538</b>	<b>1,231,317</b>	<b>1,044,602</b>

  
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19 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	2017
Discount rate	1.83% - 3.06%
Salary growth rate	3.20% - 5.66%

Sensitivity analysis for each significant assumption

	Consolidated financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 1.93%	Increase by 2.02%
Salary growth rate	0.50%	Increase by 2.14 %	Decrease by 2.07%

	Separate financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 1.37%	Increase by 2.33%
Salary growth rate	0.50%	Increase by 2.81%	Decrease by 4.50%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis have not been changed when compared to the previous year.

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Retirement benefits	1,068,449	1,366,962	2,932,255	5,327,566	10,695,232

	Consolidated financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016 Retirement benefits	144,155	1,438,777	2,381,929	3,732,167	7,697,028

	Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Retirement benefits	-	1,188,031	420,456	239,051	1,847,538

	Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016 Retirement benefits	-	-	1,608,487	239,051	1,847,538

**Takuni Group Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2017**

**22 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	5,450,000	4,320,000	5,450,000	4,320,000
Appropriation during the year	1,642,000	1,130,000	1,642,000	1,130,000
At 31 December	7,092,000	5,450,000	7,092,000	5,450,000

Under the Public Limited Company Act., BE. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

**23 Dividend per share**

**The Company**

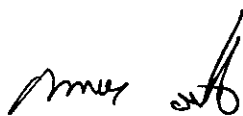
The Group's dividend paid and dividend per share consist of:

The operation for the period	Approved by	Approved date	Dividend paid (Million Baht)	Dividend per share (Baht)	Payment date
<b>2017</b>					
1 January 2016 to 31 December 2016	The Shareholders' Meeting	26 April 2017	25.00	0.031	25 May 2017
<b>2016</b>					
1 January 2015 to 31 December 2015	The Shareholders' Meeting	26 April 2016	26.16	0.033	25 May 2016

**Subsidiaries**

The Group's dividend paid and dividend per share consist of:

The operation for the period	Company	Approved by	Approved date	Dividend paid (Million Baht)	Dividend per share (Baht)	Payment date
<b>2017</b>						
1 January 2013 to 31 December 2014	TT	The Extraordinary Shareholders' Meeting	27 December 2017	24.00	2.40	12 February 2018
1 April 2015 to 31 December 2015	CAZ	The Extraordinary Shareholders' Meeting	22 November 2017	7.37	13.52	18 December 2017
1 January 2015 to 31 March 2015	CAZ	The Extraordinary Shareholders' Meeting	22 November 2017	6.12	21.46	18 December 2017
<b>2016</b>						
1 January 2015 to 31 December 2015	TT	The Shareholders' Meeting	31 March 2016	12.00	1.20	29 April 2016
1 January 2015 to 31 December 2015	GG	The Shareholders' Meeting	31 March 2016	3.00	2.00	29 April 2016
1 January 2015 to 31 December 2015	RE	The Shareholders' Meeting	31 March 2016	6.40	32.00	29 April 2016



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**28 Related-party transactions**

As at 31 December 2017, the major shareholders of the Company are 4 individuals from Treeweeranuwat family, which own 51.36% of the Company's share capital (2016: 3 individuals 56.62%). The remaining of the shares is widely held.

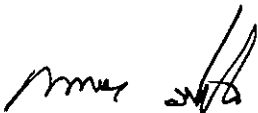
Significant pricing policies for particular types of transactions are explained further below:

- Selling gas prices are determined nearly to other customers.
- Transportation prices are determined nearly to other customers.
- Rental income and expenses rates are determined in the contracts under the terms and conditions in the normal course of business.
- Interest income and expenses rates are based on the interest rates determined in intercompany loan agreements.

The following transactions were significant to subsidiaries and related parties:

**a) Outstanding balances arising from sales/purchases of goods/services**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Other receivables</b>				
Subsidiaries	-	-	1,329,175	882,329
<b>Accrued interest income</b>				
Subsidiaries	-	-	3,960,948	3,896,878
<b>Dividend receivable</b>				
Subsidiaries	-	-	23,999,995	-
<b>Trade accounts payable</b>				
Subsidiaries	-	-	2,943,273	2,099,768
<b>Other account payables</b>				
Subsidiaries	-	-	50,677	50,272

  
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28 Related-party transactions (Cont'd)

The following transactions were significant to subsidiaries and related parties: (Cont'd)

b) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiaries	-	-	193,820,000	107,320,000
Associates	-	-	-	-
	-	-	193,820,000	107,320,000

Short-term loans to subsidiaries

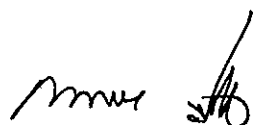
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	-	-	107,320,000	53,870,000
Additions	-	-	284,200,000	168,520,000
Loans increase from acquisition of subsidiary - CAZ	-	-	-	45,000,000
Repayments	-	-	(197,700,000)	(160,070,000)
Ending balance	-	-	193,820,000	107,320,000

The Company has short-term loan to a subsidiary. The loan is unsecured loan and carry interest at the rate of 3.00% to 5.00% per annum. The loan is due for repayment on demand.

Short-term loans to associates

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	-	84,448,425	-	69,548,325
Additions	-	181,818,000	-	181,818,000
Loans decrease from acquisition of subsidiary - CAZ	-	(45,000,000)	-	(45,000,000)
Loans decrease from disposal of associate - WKE	-	(202,698,425)	-	(187,798,325)
Repayments	-	(18,568,000)	-	(18,568,000)
Ending balance	-	-	-	-

The Company has short-term loans to associates. The loans are unsecured loan and carry interest at the rate of 5.50% to 8.50% per annum. The loans are due for repayment on demand.



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28 Related-party transactions (Cont'd)

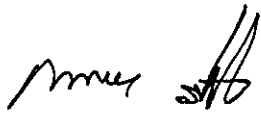
The following transactions were significant to subsidiaries and related parties: (Cont'd)


c) Revenues from sales of goods/services, interest income and other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the year ended 31 December</b>				
<b>Other income</b>				
Subsidiaries	-	-	13,740,116	10,388,791
Associates	-	780,000	-	780,000
	-	780,000	13,740,116	11,168,791
<b>Dividend income</b> (Include in other income)				
Subsidiaries	-	-	23,999,995	21,399,930
<b>Interest income</b> (Include in other income)				
Subsidiaries	-	-	6,302,817	4,835,329
Associates	-	4,467,910	-	4,060,862
	-	4,467,910	6,302,817	8,896,191

d) Purchases of goods and services, and interest expenses

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the years ended 31 December</b>				
<b>Purchase of goods and services</b>				
Subsidiaries	-	-	540,019	1,455,125
<b>Rental expenses - office</b>				
Subsidiaries	-	-	504,000	504,000
<b>Transportation expenses</b>				
Subsidiaries	-	-	25,473,090	25,005,025
<b>Other Expenses</b>				
Subsidiaries	-	-	226,402	113,640

  
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**28 Related-party transactions (Cont'd)**

The following transactions were significant to subsidiaries and related parties: (Cont'd)

**e) Key management compensation**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the year ended 31 December</b>				
Salaries and other short-term employee benefits	25,529,327	19,102,707	15,180,620	12,136,015
Retirement benefits	928,920	244,426	178,359	170,950
	<u>26,458,247</u>	<u>19,347,133</u>	<u>15,358,979</u>	<u>12,306,965</u>

**29 Commitments**

**a) Letters of guarantees**

Outstanding bank guarantees issued by the banks on behalf of the Group for the purchase of petroleum gas from gas sellers and governmental agencies for the electricity usage, and on behalf of subsidiaries for the purchase of goods and contractual performance are as follows:

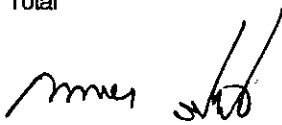
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Letters of guarantees Company and subsidiaries	<u>514,301,817</u>	<u>313,529,951</u>	<u>60,000,000</u>	<u>71,894,484</u>


The Group has credit facilities for letter of credits or trust receipt, letter of guarantee, forward contracts. These credit facilities are pledged by subsidiaries' assets, subsidiaries' bank accounts, and directors (Notes 8 and 16).

**b) The future aggregate minimum lease payments under non-cancellable operating lease in respect of land and building for office, operating equipment and land rental for gas storage facility in Pichit province.**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	6,837,939	4,093,058	1,917,733	1,159,333
Later than 1 year but not later than 5 years	6,487,087	5,036,932	3,943,732	1,769,332
Over 5 years	5,098,712	5,532,645	5,098,712	5,532,645
Total	<u>18,423,738</u>	<u>14,662,635</u>	<u>10,960,177</u>	<u>8,461,310</u>

  
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**30 Contingencies**

**Contingent liabilities**

The subsidiary was sued from claiming damage case by one company ("plaintiff") for breach of service contract in amount of Baht 1.6 million. The Court of First Instance reach out judgment on 27 October 2017 to dismiss the case and the subsidiary is free from liabilities regarding this claim. However, the plaintiff has its right to file an appeal with its claims to the Court of Appeal within 27 February 2018. The subsidiary has not recorded provision for the contingent liabilities, which may arise from the legal proceeding since the management believes that the subsidiary will not incur any significant loss from this litigation.

**31 Events after the reporting period**

**Company**

**Spinoff**

On 5 February 2018, the Board of Directors' meeting approved the listing of CAZ (Thailand) Co., Ltd. ("CAZ"), which is a subsidiary of the Group held interest by Takuni (Thailand), on the Market of Alternative Investment (mai) and approved the issuance and offering of new ordinary shares of CAZ by initial public offering (IPO) and to the Company's shareholders based on the shareholding proportion (pre-emptive right). This will affect to share of profit or voting rights of Takuni (Thailand) in CAZ decrease from 51.30% to 36.64% or equivalent to 14.66%.

**Dividend payment**

On 27 February 2018, the Board of Directors' meeting approved the dividends payment from the profit for the year ended 31 December 2017 at Baht 0.035 per share for 800 million shares, totaling Baht 28 million. The dividends are due for payment within May 2018.

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