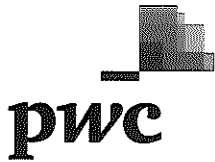


**TAKUNI GROUP PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND SEPARATE  
FINANCIAL INFORMATION**

**31 MARCH 2017**



## AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Takuni Group Public Company Limited and its subsidiaries, and the interim separate financial information of Takuni Group Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2017 and the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### Scope of review

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

### Conclusion

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

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  
11 May 2017


Takuni Group Public Company Limited

Statement of Financial Position

As at 31 March 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		246,883,281	286,508,790	215,876,369	130,222,750
Short-term investments	6	70,148,497	69,965,203	69,858,622	69,675,328
Trade and other receivables	7	240,375,676	315,783,550	62,069,630	63,298,439
Short-term loans to subsidiaries	22	-	-	169,760,000	107,320,000
Inventories	8	38,714,187	31,623,953	31,613,217	24,780,207
Other current assets		5,578,952	6,841,483	42,047	52,470
<b>Total current assets</b>		<b>601,700,593</b>	<b>710,722,979</b>	<b>549,219,885</b>	<b>395,349,194</b>
<b>Non-current assets</b>					
Pledged and restricted bank deposits		67,067,894	67,355,200	63,067,894	63,355,200
Investments in subsidiaries	9	-	-	91,359,470	233,206,114
Investment properties	10	97,881,423	4,516,644	-	-
Property, plant and equipment	11	526,443,543	519,552,453	90,201,302	91,434,372
Goodwill	12	19,383,641	19,383,641	-	-
Intangible assets	11	6,104,626	7,160,430	139,655	69,433
Deferred income tax assets	13	4,091,297	4,144,757	-	1,366,913
Other non-current assets	14	26,086,140	26,122,597	464,892	465,251
<b>Total non-current assets</b>		<b>747,058,564</b>	<b>648,235,722</b>	<b>245,233,213</b>	<b>389,897,283</b>
<b>Total assets</b>		<b>1,348,759,157</b>	<b>1,358,958,701</b>	<b>794,453,098</b>	<b>785,246,477</b>

Director \_\_\_\_\_

Director  \_\_\_\_\_

นางสาวนิตา ศรีวิภาณุวัฒน์  
กรรมการ

The accompanying condensed notes are integral part of these interim financial information

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

		Consolidated		Separate	
		financial information		financial information	
	Notes	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	15	164,523,629	162,744,923	51,255,691	41,123,615
Current portion of long-term bank borrowings	16	43,520,000	45,020,000	2,000,000	3,500,000
Current portion of finance lease liabilities	16	1,858,567	1,834,059	842,215	831,082
Current income tax payable		620,509	-	334,264	-
Other current liabilities		13,858,757	16,761,744	-	-
<b>Total current liabilities</b>		<b>224,381,462</b>	<b>226,360,726</b>	<b>54,432,170</b>	<b>45,454,697</b>
<b>Non-current liabilities</b>					
Long-term bank borrowings	16	234,360,000	245,460,000	-	-
Finance lease liabilities	16	3,308,545	3,792,156	2,064,576	2,282,010
Employee benefit obligations		2,935,737	2,723,538	1,091,281	1,044,602
Deferred income tax liabilities	13	717,362	-	19,695	-
Other non-current liabilities	17	23,882,367	22,995,547	324,811	324,811
<b>Total non-current liabilities</b>		<b>265,204,011</b>	<b>274,971,241</b>	<b>3,500,363</b>	<b>3,651,423</b>
<b>Total liabilities</b>		<b>489,585,473</b>	<b>501,331,967</b>	<b>57,932,533</b>	<b>49,106,120</b>

The accompanying condensed notes are integral part of these interim financial information

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

	Note	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht	Unaudited 31 March 2017 Baht	Audited 31 December 2016 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share Capital	18				
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)		<u>600,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
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)	18	400,000,000	400,000,000	400,000,000	400,000,000
Premium on paid-up capital ordinary shares	18	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		5,450,000	5,450,000	5,450,000	5,450,000
Unappropriated		<u>73,624,655</u>	<u>72,571,964</u>	<u>25,542,799</u>	<u>25,162,591</u>
Equity attributable to owners of the parent		<u>805,238,711</u>	<u>804,186,020</u>	<u>736,520,565</u>	<u>736,140,357</u>
Non-controlling interests		<u>53,934,973</u>	<u>53,440,714</u>	-	-
<b>Total equity</b>		<u>859,173,684</u>	<u>857,626,734</u>	<u>736,520,565</u>	<u>736,140,357</u>
<b>Total liabilities and equity</b>		<u>1,348,759,157</u>	<u>1,358,958,701</u>	<u>794,453,098</u>	<u>785,246,477</u>

The accompanying condensed notes are integral part of these interim financial information

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กรรมการ

**Takuni Group Public Company Limited**  
**Statement of Comprehensive Income**  
**For the three-month period ended 31 March 2017**

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
<b>Revenue</b>				
Revenue from sales	191,921,900	236,164,453	190,357,296	233,806,602
Revenue from services	169,224,700	57,156,702	-	-
<b>Total revenues</b>	<b>361,146,600</b>	<b>293,321,155</b>	<b>190,357,296</b>	<b>233,806,602</b>
<b>Cost of sales</b>				
Cost of sales	(179,642,301)	(221,464,940)	(178,771,743)	(220,639,030)
Cost of providing services	(147,884,568)	(41,242,633)	-	-
<b>Total cost of sales</b>	<b>(327,526,869)</b>	<b>(262,707,573)</b>	<b>(178,771,743)</b>	<b>(220,639,030)</b>
<b>Gross profit</b>	<b>33,619,731</b>	<b>30,613,582</b>	<b>11,585,553</b>	<b>13,167,572</b>
Other income	6,689,169	3,179,042	6,928,778	27,552,068
<b>Profit before expenses</b>	<b>40,308,900</b>	<b>33,792,624</b>	<b>18,514,331</b>	<b>40,719,640</b>
Selling expenses	(4,067,451)	(5,754,321)	(4,477,196)	(6,692,052)
Administrative expenses	(28,408,966)	(16,873,054)	(11,702,119)	(10,922,828)
Finance costs	(3,822,261)	(1,335,207)	(60,289)	(951,275)
Share of loss of associates	-	(6,793,052)	-	-
<b>Profit before income tax</b>	<b>4,010,222</b>	<b>3,036,990</b>	<b>2,274,727</b>	<b>22,153,485</b>
Income tax	(2,463,272)	(2,105,659)	(1,894,519)	(106,642)
<b>Profit for the period</b>	<b>1,546,950</b>	<b>931,331</b>	<b>380,208</b>	<b>22,046,843</b>
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment benefit obligations				
- Associates	-	2,379,661	-	-
<b>Total comprehensive income</b>	<b>1,546,950</b>	<b>3,310,992</b>	<b>380,208</b>	<b>22,046,843</b>
<b>Profit attributable to:</b>				
Owner of the parent	1,052,691	931,331	380,208	22,046,843
Non-controlling interests	494,259	-	-	-
<b>Profit for the period</b>	<b>1,546,950</b>	<b>931,331</b>	<b>380,208</b>	<b>22,046,843</b>
<b>Total comprehensive income</b> <b>attributable to:</b>				
Owners of the parents	1,052,691	3,310,992	380,208	22,046,843
Non-controlling interests	494,259	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,546,950</b>	<b>3,310,992</b>	<b>380,208</b>	<b>22,046,843</b>
<b>Earnings per share</b>				
Basic earnings per share (Baht)	20	0.0013	0.0012	0.0295
Diluted earnings per share (Baht)	20	0.0013	0.0009	0.0223

The accompanying condensed notes are integral part of these interim financial information

Takumi Group Public Company Limited  
Statement of Changes in Equity  
For the three-month period ended 31 March 2017

Consolidated financial information (Unaudited)

Note	Attribute to owner of the parent										Total equity Baht	
	Issued and paid-up capital		Share premium		Share surplus from business combination		Retained earnings		Total owners of the parent			Non-controlling interests Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
	400,000,000	-	305,527,766	20,636,290	5,450,000	72,571,964	804,186,020	53,440,714	857,626,734			
	-	-	-	-	-	1,052,691	1,052,691	494,259	1,546,950			
	400,000,000		305,527,766	20,636,290	5,450,000	73,624,655	805,238,711	53,934,973	859,173,684			
Opening balance at 1 January 2017												
Total comprehensive income for the period												
	200,000,000		106,643,230	20,636,290	4,320,000	83,582,860	415,182,380	-	415,182,380			
Increase in ordinary shares	200,000,000		188,884,536	-	-	-	398,884,536	-	398,884,536			
Total comprehensive income for the period	-		-	-	-	3,310,992	3,310,992	-	3,310,992			
	400,000,000		305,527,766	20,636,290	4,320,000	86,893,852	817,377,908	-	817,377,908			
Closing balance at 31 March 2016												


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The accompanying condensed notes are integral part of these interim financial information

Takuni Group Public Company Limited  
Statement of Changes in Equity  
For the three-month period ended 31 March 2017

	Separate financial information (Unaudited)					
	Note	Issued and paid-up capital Baht	Share premium Baht	Retained earnings		Total equity Baht
				Appropriated Legal reserve Baht	Unappropriated Baht	
<b>Opening balance at 1 January 2017</b>		400,000,000	305,527,766	5,450,000	25,162,591	736,140,357
Total comprehensive income for the period		-	-	-	380,208	380,208
<b>Closing balance at 31 March 2017</b>		<u>400,000,000</u>	<u>305,527,766</u>	<u>5,450,000</u>	<u>25,542,799</u>	<u>736,520,565</u>
<b>Opening balance at 1 January 2016</b>		200,000,000	106,643,230	4,320,000	29,850,243	340,813,473
Increase in ordinary shares	18	200,000,000	198,884,536	-	-	398,884,536
Total comprehensive income for the period		-	-	-	22,046,843	22,046,843
<b>Closing balance at 31 March 2016</b>		<u>400,000,000</u>	<u>305,527,766</u>	<u>4,320,000</u>	<u>51,897,086</u>	<u>761,744,852</u>

The accompanying condensed notes are integral part of these interim financial information

  
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**Takuni Group Public Company Limited**  
**Statement of Cash Flows**  
**For the three-month period ended 31 March 2017**

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		4,010,222	3,036,990	2,274,727	22,153,485
Adjustments for:					
Depreciation and amortisation charge	10, 11	11,207,631	3,644,507	1,375,478	1,487,170
(Reversal of) allowance for doubtful accounts		84,843	(61,334)	189,366	(55,950)
Reversal of impairment of investment in subsidiary	9	-	-	(174,756)	-
Reversal of allowance for net realisable value of inventories and reversal of allowance for obsolete and slow-moving inventories	8	(254,166)	(495,711)	-	-
Loss (gain) on sales/written-off of property, plant and equipment		(2,443,802)	732	-	-
Gain from remeasurement of investment	6	(98,854)	-	(98,854)	-
Share of loss (profit) from associates		-	6,793,052	-	-
Interest paid		3,822,261	1,335,207	60,289	951,275
Interest income		(1,040,674)	(2,210,719)	(2,639,375)	(2,335,079)
		15,287,461	12,042,724	986,875	22,200,901
Changes in operating working capital					
- Trade and other receivables		69,729,410	20,730,762	(838,892)	(22,413,537)
- Inventories		(6,836,068)	12,474,464	(6,833,010)	6,481,128
- Other current assets		6,856,152	272,302	10,423	55,695
- Other non-current assets		36,458	1,488	359	-
- Trade and other payables		6,845,152	(13,675,849)	10,114,801	(6,760,780)
- Other current liabilities		(2,902,987)	150,101	-	-
- Employee benefit obligations		212,199	60,213	46,679	44,736
- Other non-current liabilities		886,820	908,106	-	-
Cash generated from operations		90,114,597	32,964,311	3,487,235	(391,857)
- Interest paid		(3,822,261)	(1,335,207)	(60,289)	(951,275)
- Income tax paid		(1,071,942)	(2,205,603)	(173,647)	(134,004)
Net cash generated from (used in) operating activities		85,220,394	29,423,501	3,253,299	(1,477,136)

The accompanying condensed notes are integral part of these interim financial information

**Takuni Group Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the three-month period ended 31 March 2017**

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Purchase of intangible assets		(1,458,036)	-	(92,258)	-
Purchases of property, plant and equipment		(114,042,490)	(876,509)	(103,097)	(700,000)
Purchase of short-term investments	6	(69,496,325)	-	(69,496,325)	-
Proceeds from disposals of short-term investments	6	69,411,885	-	69,411,885	-
Proceeds from sales of property, plant and equipment		2,470,186	-	-	-
Interest received		1,040,674	810,226	4,517,710	2,009,680
Short-term loans made to associates		-	(69,568,000)	-	(69,568,000)
Loan payments received from associates		-	4,000,000	-	24,000,000
Short-term loans made to subsidiaries	22.2	-	-	(113,440,000)	-
Loan payments received from subsidiaries	22.2	-	-	51,000,000	-
Pledged and restricted bank deposits		287,306	(11,563,000)	287,306	(11,563,000)
Proceeds from dissolution of subsidiary	9.1	-	-	143,021,100	-
Acquisition of subsidiary	9.1	-	-	(999,700)	-
<b>Net cash generated from (used in) investing activities</b>		<b>(111,786,800)</b>	<b>(77,197,283)</b>	<b>84,106,621</b>	<b>(55,821,320)</b>
<b>Cash flows from financing activities</b>					
Repayments on short-term borrowings from financial institutions		-	(214,167,306)	-	(214,167,306)
Proceeds from short-term borrowings from financial institutions		-	30,000,000	-	-
Repayments on long-term borrowings from financial institutions	16	(12,600,000)	(1,980,000)	(1,500,000)	(1,500,000)
Payment on finance lease liabilities		(459,103)	(193,091)	(206,301)	(193,091)
Proceeds from issuance of ordinary shares	18	-	398,884,536	-	398,884,536
<b>Net cash generated from (used in) from financing activities</b>		<b>(13,059,103)</b>	<b>212,544,139</b>	<b>(1,706,301)</b>	<b>183,024,139</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(39,625,509)</b>	<b>164,770,357</b>	<b>85,653,619</b>	<b>125,725,683</b>
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>		<b>246,883,281</b>	<b>254,809,255</b>	<b>215,876,369</b>	<b>190,358,024</b>

**Non-cash transactions**

	Consolidated financial information		Separate financial information	
	Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
	Baht	Baht	Baht	Baht
Purchases of property, plant and equipment (included in accounts payable and other accounts payables)	2,048,821	166,166	17,275	32,737
Disposals of property, plant and equipment (included in trade and other receivables)	-	585	-	583
Dividend receivable from subsidiaries (included in trade and other receivables)	-	-	-	21,399,930
Dividends payable	6,633,085	-	-	-

The accompanying condensed notes are integral part of these interim financial information

## **1 General information**

Takuni Group Public Company Limited (the Company) is a public company incorporated and resident in Thailand. The address of its 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 9.

The principal business operations of the Group are gas trading and transportation, gas systems installation and safety check services for vehicles, construction services and property development business.

This interim consolidated and company financial information was authorised for issue by the Board of Directors on 11 May 2017.

This interim consolidated and company financial information has been reviewed, not audited.

## **2 Accounting policies**

### **2.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

N/L

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

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

Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

The management has assessed and considered that the above revised standards do not have significant impact to the Group.

**3 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

	<b>Consolidated financial statements</b>		
	<b>As previously reported Baht</b>	<b>Reclassification Baht</b>	<b>After reclassification Baht</b>
<b>Assets</b>			
Trade and other receivables	310,189,929	5,593,621	315,783,550
Other current assets	12,435,104	(5,593,621)	6,841,483

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

**4 Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

**5 Segment information**

The Group presents segment information in accordance with business segment in the financial report by considering based on the grouping of related products and services as the basis for segment information.

Significant business segments are as follows:

Petroleum gas trading	: Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	: Car gas installation and industrial equipment
Transportation services	: Gas transportation services by land
Construction services	: Construction services
NDT and inspection services	: Industrial and car gas systems safety-checking services
Others	: Property development

The Group has one customer in construction services which each generated revenues more than 10% of total revenues in the consolidated financial information for three-month period ended 31 March 2017 totaling Baht 111.05 million. (31 March 2016: one customer in construction service generated revenue totalling Baht 35.20 million).

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**Condensed Notes to the Interim Consolidated and Separate Financial Information (Unaudited)**  
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**5 Segment information (Cont'd)**

	Consolidated financial statements For the period ended 31 March													
	Sales			Services									Total	
	2017	2016		Gas installation equipment trading		Transportation services		Construction service		NDT and inspection service		2017	2016	
Baht	Baht		2017	2016	2017	2016	2017	2016	2017	2016	Baht	Baht		
Revenues from operation	190,357,296	233,806,602		1,880,479	2,556,073	8,337,214	11,621,843	156,961,867	38,202,160	12,693,654	15,354,948	370,170,510	301,541,626	
Revenues from inter - segment	-	-	(315,875)	(198,222)	(198,222)	(5,899,148)	(7,171,949)	(591,589)	(601,960)	(2,217,298)	(248,340)	(9,023,910)	(8,220,471)	
Total revenue	190,357,296	233,806,602	1,564,604	2,357,851	2,438,066	4,449,694	1,031,245	156,370,278	37,600,200	10,416,356	15,106,608	361,146,600	293,321,155	
Segment result - gross profit	11,337,752	13,399,989	670,238	1,224,711	(64,598)	1,031,245	7,545,312	20,044,149	7,545,312	1,632,190	7,412,325	33,619,731	30,613,582	
Operating profit	93,449,522	94,740,430	5,761,708	5,832,792	37,247,594	33,698,109	374,498,434	16,704,576	10,762,668	7,832,483	11,165,249	526,443,543	519,552,453	
Financial cost	533,531,988	442,334,704	11,701,155	11,773,617	45,599,237	41,141,971	621,024,476	43,388,433	44,980,712	83,513,890	142,893,737	1,348,759,157	1,358,958,701	
Share of loss from associates	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit before income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31 March 2017 and 31 December 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property, plant and equipment, net	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	501,331,967	
Total consolidated assets	533,531,988	442,334,704	11,701,155	11,773,617	45,599,237	41,141,971	621,024,476	43,388,433	44,980,712	83,513,890	142,893,737	1,348,759,157	1,358,958,701	
Total consolidated liabilities	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	489,585,473	501,331,967	501,331,967	

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**6 Short-term investment**

As of 31 March 2017, information relating to short-term investments is as follows:

	<b>Consolidated financial information</b>			
	<b>31 March 2017</b>		<b>31 December 2016</b>	
	<b>Cost / Amortised Cost Baht</b>	<b>Fair Value Baht</b>	<b>Cost / Amortised Cost Baht</b>	<b>Fair Value Baht</b>
<b>Short-term investments</b>				
Investments in Debt Securities	49,800,503	49,800,503	49,716,063	49,716,063
Investments in Equity	20,000,000	20,058,119	20,000,000	19,959,265
Fixed deposit	289,875	289,875	289,875	289,875
Total	70,090,378	70,148,497	70,005,938	69,965,203
Unrealized gain (loss)	58,119	-	(40,735)	-
Total Short-term investments	<u>70,148,497</u>	<u>70,148,497</u>	<u>69,965,203</u>	<u>69,965,203</u>

	<b>Separate financial information</b>			
	<b>31 March 2017</b>		<b>31 December 2016</b>	
	<b>Cost / Amortised Cost Baht</b>	<b>Fair Value Baht</b>	<b>Cost / Amortised Cost Baht</b>	<b>Fair Value Baht</b>
<b>Short-term investments</b>				
Investments in Debt Securities	49,800,503	49,800,503	49,716,063	49,716,063
Investments in Equity	20,000,000	20,058,119	20,000,000	19,959,265
Total	69,800,503	69,858,622	69,716,063	69,675,328
Unrealized gain (loss)	58,119	-	(40,735)	-
Total Short-term investments	<u>69,858,622</u>	<u>69,858,622</u>	<u>69,675,328</u>	<u>69,675,328</u>

During the quarter ended 31 March 2017, the movement of short-term securities is as follows:

	<b>Consolidated financial information</b>		
	<b>For three-month period</b>		
	<b>Investments in debt securities Baht</b>	<b>Investments in debt securities Baht</b>	<b>Fixed deposit Baht</b>
Opening net book amount	49,716,063	19,959,265	289,875
Addition	69,496,325	-	-
Disposal	(69,411,885)	-	-
Change in fair value of trading securities	-	98,854	-
Closing net book amount	<u>49,800,503</u>	<u>20,058,119</u>	<u>289,875</u>

	<b>Separate financial information</b>		
	<b>For three-month period</b>		
	<b>Investments in Debt Securities Baht</b>	<b>Investments in Debt Securities Baht</b>	<b>Fixed deposit Baht</b>
Opening net book amount	49,716,063	19,959,265	-
Addition	69,496,325	-	-
Disposal	(69,411,885)	-	-
Change in fair value of trading securities	-	98,854	-
Closing net book amount	<u>49,800,503</u>	<u>20,058,119</u>	<u>-</u>

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**Takuni Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2017**

**7 Trade and other receivables**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Trade accounts receivables	132,254,648	199,512,187	57,922,496	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,429,233)</u>	<u>(3,631,449)</u>	<u>(1,219,555)</u>	<u>(1,030,189)</u>
Trade accounts receivables - net	129,825,415	195,880,738	56,702,941	56,208,291
Receivable from related parties (Note 22)	-	-	898,647	884,126
Others receivables	969,062	583,657	283,360	160,181
Prepayments	16,980,431	10,888,057	1,183,671	1,322,660
Accrued interest income (Note 22)	-	-	2,018,543	3,896,878
Accrued income - NDT and inspection service	4,284,896	6,930,024	-	-
Unbilled receivables under construction contracts	35,247,362	53,000,280	-	-
Account receivable - Revenue department (VAT and withholding tax)	53,068,510	48,500,794	982,468	826,303
Trade and other receivables - net	<u>240,375,676</u>	<u>315,783,550</u>	<u>62,069,630</u>	<u>63,298,439</u>

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
<b>Trade accounts receivable</b>				
Within credit term	89,840,254	155,564,545	26,705,483	25,799,910
Overdue				
- Up to 3 months	38,396,170	34,354,077	29,217,738	29,523,422
- 3 - 6 months	842,290	6,051,775	463,128	285,000
- 6 - 12 months	694,227	1,474,810	310,905	1,014,466
- Over 12 months	2,481,707	2,066,980	1,225,242	615,682
Total	132,254,648	199,512,187	57,922,496	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,429,233)</u>	<u>(3,631,449)</u>	<u>(1,219,555)</u>	<u>(1,030,189)</u>
Trade accounts receivable - net	<u>129,825,415</u>	<u>195,880,738</u>	<u>56,702,941</u>	<u>56,208,291</u>

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

Unbilled receivables are revenues under construction contracts, which will be collected from customers following the percentage of completion and money will be received in the following month.

**Takuni Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2017**

**8 Inventories**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Finished goods				
- petroleum gas	31,600,524	24,706,725	31,613,217	24,780,207
- gas tank for installation and equipment	12,496,389	12,685,812	-	-
Work in progress - gas installations	130,145	61,859	-	-
Work in progress under construction contracts	917,605	1,550,687	-	-
Raw materials	4,499,166	3,917,822	-	-
General supplies	1,699,768	1,584,624	-	-
<b>Total</b>	<b>51,343,597</b>	<b>44,507,529</b>	<b>31,613,217</b>	<b>24,780,207</b>
<u>Less</u> Allowance for net realisable value of inventories	(12,629,410)	(12,883,576)	-	-
<b>Inventories - net</b>	<b>38,714,187</b>	<b>31,623,953</b>	<b>31,613,217</b>	<b>24,780,207</b>

As at 31 March 2016, the Group provided for an allowance for finished goods particularly those items relating gas installation and equipment of Baht 12.63 million (2016: Baht 12.88 million), in which allowance of Baht 0.25 million was reversed as related finished goods were sold in the first quarter in 2017 (2016: allowance of Baht 0.49 million for finished goods was reserved).

**Takuni Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2017**

**9 Investment in subsidiaries**

Investments in subsidiaries as at 31 March 2017 are as follows:

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	
				31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Takuni (Thailand) Co., Ltd. (TT)	Thailand	Industrial and car gas systems installation	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	53,376,790	53,376,790
Ratchapruet 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	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	Real estate company	Direct shareholders	99.97	-	99.97	-	0.03	-	999,700	-
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	Construction contractor	Indirect shareholding via TT	-	-	51.30	51.30	48.70	48.70	-	-
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	Indirect shareholding via CAZ	-	-	51.22	51.22	48.78	48.78	-	-
Total										91,359,470	233,206,114

All subsidiaries are incorporated in Thailand.

**9 Investment in subsidiaries (Cont'd)**

The movement of investments in subsidiaries for the three-month period ended 31 March 2017 are as follows:

	<b>Separate financial information Baht</b>
Beginning net book amount	233,206,114
Acquisitions	999,700
Disposals	<u>(142,846,344)</u>
Ending net book amount	<u>91,359,470</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 the Company. 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.

**10 Investment properties**

The movement of investment properties for the three-month period ended 31 March 2017 can be summarised as follows:

	<b>Consolidated financial information</b>		
	<b>Land Baht</b>	<b>Buildings Baht</b>	<b>Total Baht</b>
Opening net book amount	-	4,516,644	4,516,644
Additions	93,450,000	-	93,450,000
Depreciation charge	-	(85,221)	(85,221)
Closing net book amount	<u>93,450,000</u>	<u>4,431,423</u>	<u>97,881,423</u>
Fair value at 31 March 2017	<u>116,904,000</u>	<u>43,000,000</u>	<u>159,904,000</u>

Buildings at net book value of Baht 4.4 million has been pledged as a security for borrowings (Note 16).

**Land**

Fair values of the Group's investment properties, land held for a currently undetermined future use, were assessed by an independent valuer. According to its report dated 11 April 2017, fair value is assessed using market comparison approach.

**Buildings**

Fair values of the Group's investment properties, the building located at head office leased to the external parties, were assessed by an independent valuer. According to its report dated 22 December 2014, fair value is assessed using income approach.

As at 31 March 2017, management believes the Group has no significant factors that may affect the fair value as previously assessed.

**11 Property, plant, equipment and intangible assets**

The movement of property, plant, equipment and intangible assets for the three-month period ended 31 March 2017 is summarised as follows:

	Consolidated financial information		Separate financial information	
	Property, plant and equipment Baht	Intangible assets Baht	Property, plant and equipment Baht	Intangible assets Baht
Opening net book amount	519,552,453	7,160,430	91,434,372	69,433
Additions	15,798,258	1,395,998	120,372	92,258
Written offs	(236,560)	-	-	-
Depreciation charge	(8,670,608)	(2,451,802)	(1,353,442)	(22,036)
Closing net book amount	<u>526,443,543</u>	<u>6,104,626</u>	<u>90,201,302</u>	<u>139,655</u>

As at 31 March 2017, TT, a subsidiary, had pledged certain plots of land and buildings with net book value of Baht 45.82 million (31 December 2016: Baht 46.15 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 for the Group (Note 16).

As at 31 March 2017, GG, a subsidiary, had truck and gas transportation vehicles with a net book value of Baht 7.86 million (31 December 2016: Baht 8.24 million) as collateral against long-term loans from financial institution.

As at 31 March 2017, CAZ, a subsidiary, had mortgaged land and buildings with a net book value of Baht 255 million (31 December 2016: Baht 256 million). as collateral for credit facilities for bank overdrafts, letters of guarantees, long-term borrowings from a financial institution for the Group (Note 16).

**12 Goodwill**

	Consolidated financial information	
	31 March 2017 Baht	31 December 2016 Baht
At the beginning of the period	19,383,641	-
Acquisition of subsidiaries	-	19,383,641
At the end of the period	<u>19,383,641</u>	<u>19,383,641</u>

The goodwill arises from increase the investment in CAZ from 47.72% of paid-up share capital to 51.30% of paid-up capital on 7 April 2016. As a result of acquisition, the Group is expected to expand business opportunity in construction in the future.

**13 Deferred tax assets (liabilities)**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Deferred income tax assets	4,091,297	4,144,757	-	1,366,913
Deferred income tax liabilities	(717,362)	-	(19,695)	-
Deferred income tax, net	<u>3,373,935</u>	<u>4,144,757</u>	<u>(19,695)</u>	<u>1,366,913</u>

Deferred tax assets arise from temporary differences of the allowance for doubtful accounts, allowance for inventories and reserve obligations for employee benefits. Deferred tax liabilities arise from temporary differences of finance lease and gains and losses arising from the acquisition of assets between the Group.

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**14 Other non-current assets**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Deposit	1,764,430	1,438,113	464,892	465,251
Retention	24,321,710	24,684,484	-	-
Other non-current assets	26,086,140	26,122,597	464,892	465,251

**15 Trade and other payables**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Trade accounts payable	78,312,994	97,731,760	45,418,638	32,633,450
Trade accounts payable - related parties (Note 22)	-	-	1,860,322	2,099,768
Amounts due to related parties (Note 22)	-	-	76,519	50,272
Other payables	8,847,309	4,326,920	2,166,066	1,664,987
Unearned revenue	53,949,226	35,443,930	-	-
Account payable - Revenue department	636,455	2,026,706	273,890	1,157,995
Accrued expense	22,777,645	23,215,607	1,460,256	3,517,143
Total trade and other payables	164,523,629	162,744,923	51,255,691	41,123,615

**16 Borrowings**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
<b>Current</b>				
Current portion of long-term borrowings	43,520,000	45,020,000	2,000,000	3,500,000
Current portion of finance lease liabilities	1,858,567	1,834,059	842,215	831,082
Total current borrowings	45,378,567	46,854,059	2,842,215	4,331,082
<b>Non-current</b>				
Bank borrowings	234,360,000	245,460,000	-	-
Finance lease liabilities	3,308,545	3,792,156	2,064,576	2,282,010
Total non-current borrowings	237,668,545	249,252,156	2,064,576	2,282,010
<b>Total borrowings</b>	<b>283,047,112</b>	<b>296,106,215</b>	<b>4,906,791</b>	<b>6,613,092</b>

**16 Borrowings (Cont'd)**

The movement in long-term borrowings from financial institutions are analysed as follows:

	<b>Consolidated financial information</b>	<b>Separate financial information</b>
	<b>31 March 2017 Baht</b>	<b>31 March 2017 Baht</b>
Opening amount	290,480,000	3,500,000
Additions	-	-
Repayments	(12,600,000)	(1,500,000)
Closing amount	<u>277,880,000</u>	<u>2,000,000</u>

**The Company**

On 18 July 2012, the Company entered into the long-term borrowing agreement with a local financial institution amounting to Baht 30 million, which required the principle repayment of Baht 500,000 per month, totaling 60 months. This borrowing bears the interest rate of 3% per annum and is pledged by subsidiaries' land and buildings (Note 10 and Note 11).

**Subsidiaries**

**TT**

On 19 January 2016, TT entered into the long-term loan 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 10 and Note 11).

**GG**

On 24 May 2012, GG entered into the long-term borrowing agreement with a local 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 11).

On 13 January 2016, GG entered into the long-term loan 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 11).

**RE**

On 19 January 2016, RE entered into the long-term loan 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 10 and Note 11).

**CAZ**

On 15 January 2016, CAZ entered into the loan 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 land and buildings of TT and CAZ's director (Note 10 and Note 11).

On 15 January 2016, CAZ entered into the loan 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 land and buildings of TT and CAZ's director (Note 10 and Note 11).

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% per annum and is pledged by Takuni Group Public Limited and land and buildings of CAZ (Note 11).

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**17 Other non-current liabilities**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Deposit and guarantee Retention	329,811	329,811	324,811	324,811
Accrued dividend	16,919,471	16,032,651	-	-
	6,633,085	6,633,085	-	-
Other non-current assets	23,882,367	22,995,547	324,811	324,811

**18 Share capital and share premium**

	Consolidated financial information and Separate financial information					
	Authorised share capital		Issued and paid-up capital		Premium on paid-up capital Baht	Total Baht
	Number of shares Shares	Ordinary shares Baht	Number of shares Shares	Ordinary shares Baht		
<b>For the three-month period ended</b>						
Opening amount as at 1 January 2017	1,200,000,000	600,000,000	800,000,000	400,000,000	305,527,766	705,527,766
Increase in authorised share capital	-	-	-	-	-	-
Closing amount as at 31 March 2017	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>800,000,000</u>	<u>400,000,000</u>	<u>305,527,766</u>	<u>705,527,766</u>
Opening amount as at 1 January 2016	1,200,000,000	600,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Increase in authorised share capital	-	-	400,000,000	200,000,000	198,884,536	398,884,536
Closing amount as at 31 March 2016	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>800,000,000</u>	<u>400,000,000</u>	<u>305,527,766</u>	<u>705,527,766</u>

On 13 January 2016, the Company received paid up capital from the first 400 million common shares. The new shares were sold to the existing shareholders at the price of Baht 1 per share (Baht 0.50 for paid up capital and Baht 0.50 for share premium) totaling Baht 400 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 13 January 2016. Directly attributable expenses of issuing additional shares of Baht 1.1 million were deducted from the share premium received from the shareholders.

**19 Warrants**

**Warrants to purchase ordinary shares TAKUNI-W**

On 29 January 2016, the Company issued warrants to offer to its existing shareholders. The detail of warrants is as follows:

Type of warrants	:	To be issued under the names of respective holders and transferable.
Term of warrants	:	5 years from the issuing and offering date
Number of warrants	:	399,999,874 units
Ratio	:	2 existing ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1.02 ordinary share (31 December 2016 : 1 warrant per 1 ordinary share)
Exercise price	:	Baht 1.97 per share (31 December 2016 : Baht 2 per share)
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

As at 13 March 2017, the company will adjust exercise price and exercise ratio of warrants during the term of the warrants since dividend payout is higher than dividend payout policy.

The movement of warrants to purchase ordinary shares for the three-month period ended 31 March 2017 is as follows:

	<b>Consolidated and Separated financial information</b>
	<b>TAKUNI-W Warrants</b>
Opening balance	399,999,874
Warrants issued during the period	-
Warrants exercised during the period	-
Closing balance	<u>399,999,874</u>

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**Takuni Group Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 31 March 2017**

**20 Basic earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares issued during the period (Note 18).

	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
<b>For the three-month period ended 31 March</b>				
Profit attributable to shareholders (Baht)	1,052,691	931,331	380,208	22,046,843
Weighted average number of ordinary shares (Shares)	800,000,000	747,252,747	800,000,000	747,252,747
Weighted average number of ordinary shares to be issued for warrants - TAKUNI-W (Shares)	-	239,928,782	-	239,928,782
Weighted average number of ordinary shares including diluted ordinary shares (Shares)	800,000,000	987,181,529	800,000,000	987,181,529
Basic earnings per share (Baht)	0.0013	0.0012	0.0005	0.0295
Diluted earnings per share (Baht)	0.0013	0.0009	0.0005	0.0223

**21 Income taxes**

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 22% (31 March 2016: 21% per annum).

**22 Related party transactions**

As at 31 March 2017, the major shareholders of the Company are 3 individuals from the same family, which own 53.35% of the Company's share capital. The investment in subsidiaries and associate is disclosed in Note 9.

The following transactions were significant to subsidiaries and related parties:

**22.1 Outstanding balances arising from sales/purchases of goods/services**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
<b>Other receivables</b>				
Subsidiaries	-	-	898,647	882,329
<b>Advance</b>				
Subsidiaries (included in other receivable)	-	-	-	1,797
<b>Accrued interest income</b>				
Subsidiaries	-	-	2,018,543	3,896,878
<b>Trade accounts payable</b>				
Subsidiaries	-	-	1,860,322	2,099,768
<b>Other account payables</b>				
Subsidiaries	-	-	76,519	50,272

**22 Related party transactions (Cont'd)**

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

**22.2 Short-term loans to related parties**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Subsidiaries	-	-	169,760,000	107,320,000
Associates	-	-	-	-
	-	-	169,760,000	107,320,000

**a) Short-term loans to subsidiaries**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Opening balance	-	-	107,320,000	53,870,000
Loans increase from acquisition of subsidiary - CAZ	-	-	-	45,000,000
Additions	-	-	113,440,000	168,520,000
Repayments	-	-	(51,000,000)	(160,070,000)
Ending balance	-	-	169,760,000	107,320,000

These loans are unsecured and carry interest at the rate of 1.5% to 8.5% per annum. The loans are due on demand.

**b) Short-term loans to associates**

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Opening balance	-	84,448,425	-	69,548,325
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)
Additions	-	181,818,000	-	181,818,000
Repayments	-	(18,568,000)	-	(18,568,000)
Ending balance	-	-	-	-

These loans are unsecured and carry interest at the rate of 5.50% to 8.50% per annum. The loans are due on demand.

22 Related party transactions (Cont'd)

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

22.3 Revenues from sales of goods/services and other income

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the three-month period ended 31 March</b>				
<b>Other income</b>				
Subsidiaries	-	-	2,500,021	2,880,000
<b>Dividend income</b> (included in other income)				
Subsidiaries	-	-	-	21,399,930
<b>Interest income</b> (included in other incomes)				
Subsidiaries	-	-	1,607,500	327,092
Related parties	-	2,120,137	-	1,917,404
	-	2,120,137	1,607,500	2,244,496

22.4 Purchases of goods/services and interest expenses

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the three-month period ended 31 March</b>				
<b>Purchase of goods and services</b>				
Subsidiaries	-	-	58,740	63,977
<b>Rental expenses - office</b>				
Subsidiaries	-	-	126,000	126,000
<b>Transportation expenses</b>				
Subsidiaries	-	-	5,223,987	7,171,949
<b>Other Expenses</b>				
Subsidiaries	-	-	62,262	36,490

**22 Related party transactions (Cont'd)**

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

**22.5 Key management compensation**

Key management includes directors (executive and non-executive), the compensation paid or payable to key management is shown below:

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>For the three-month period ended 31 March</b>				
Salaries and other short-term employee benefits	5,379,462	2,208,882	3,374,885	2,208,882
Post-employment benefits	128,094	42,724	44,590	42,724
	<u>5,507,556</u>	<u>2,251,606</u>	<u>3,419,475</u>	<u>2,251,606</u>

**23 Commitments and contingency**

**23.1 Letters of guarantees**

As at 31 March 2017, the outstanding bank guarantees issued by the banks on behalf of the Company and subsidiaries for the purchase of petroleum gas and guarantee for the electricity usage, and on behalf of the associate for the purchase of goods and advance received from customers are as follows:

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Letters of guarantees Company and subsidiary	498,237,180	313,529,951	77,894,484	71,894,484
	<u>498,237,180</u>	<u>313,529,951</u>	<u>77,894,484</u>	<u>71,894,484</u>

As at 31 March 2017, the Group had credit facilities for letter of credits or trust receipt, letter of guarantee, forward contracts and credit limit of loan. These credit facilities are pledged by subsidiaries' assets (Note 10 and Note 11), the Group's bank accounts, and directors.

**23 Commitments and contingency (Cont'd)**

**23.2 Operating lease commitments**

As at 31 March 2017, the Group and Company had the future aggregate minimum lease payments under non-cancellable operating lease in respect of land rental, buildings, equipment and car rental in which the period of contracts is from 1 year to 22 years, as follows:

	Consolidated financial information		Separate financial information	
	31 March 2017 Baht	31 December 2016 Baht	31 March 2017 Baht	31 December 2016 Baht
Within 1 year	6,521,474	4,093,058	1,345,333	1,159,333
Within 2 to 5 years	4,426,832	5,036,932	1,756,732	1,769,332
Over 5 years	5,328,162	5,532,645	5,424,162	5,532,645
Total	<u>16,276,468</u>	<u>14,662,635</u>	<u>8,526,227</u>	<u>8,461,310</u>

**23.3 Litigation**

CAZ was sued from claiming damages case by one company for breach of service contract in the amount of Baht 1.6 million. The Court of First Instance appoints the mediation and the taking of evidence on 16 June 2017.

CAZ has not recorded provision for the contingent liabilities which may arise as a result of the legal proceeding since the management believes that CAZ will not incur any significant loss from this litigation.

**24 Subsequent event**

**Dividend**

On 26 April 2017, the Board of Directors approved the appropriation of dividends for the operating results for the period for the year ended 31 December 2016 at Baht 0.03125 for 800,000,000 shares, totaling Baht 25,000,000. The dividends are due for payment to shareholders on 25 May 2017.

(“TRANSLATION”)

TG 090/60

11<sup>th</sup> May 2017

Subject: Clarification of the Operating Result for the significant change  
 Attention: The President  
 The Stock Exchange of Thailand

We, Takuni Group Public Company Limited (The Company) and its subsidiaries (The Group) would like to clarify the change in operating result for the 3 months ended 31 March 2017 more than 20% from the last year as follows:

**Statement of Comprehensive Income**

*Unit: Million Baht*

	31 March 2017	31 March 2016	Change	Percentage	Remark
<b>Sales and Services Income</b>	<b>361.15</b>	<b>293.32</b>	<b>67.83</b>	<b>23.12%</b>	
- LPG Trading	190.36	233.81	(43.45)	-18.58%	1
- Transportation	2.44	4.45	(2.01)	-45.17%	2
- Conversion Kit Installation	1.56	2.36	(0.80)	-33.90%	
- Construction	156.37	37.60	118.77	315.88%	3
- Testing and Inspection	10.42	15.10	(4.68)	-30.99%	4
<b>Cost of sales and services</b>	<b>(327.53)</b>	<b>(262.71)</b>	<b>(64.82)</b>	<b>24.67%</b>	
- LPG Trading	(179.02)	(220.41)	41.39	-18.78%	
- Transportation	(2.50)	(3.42)	0.92	-26.90%	
- Conversion Kit Installation	(0.89)	(1.14)	0.25	-21.93%	
- Construction	(136.33)	(30.05)	(106.28)	353.68%	
- Testing and Inspection	(8.79)	(7.69)	(1.10)	14.30%	
<b>Gross Profit</b>	<b>33.62</b>	<b>30.61</b>	<b>3.01</b>	<b>9.83%</b>	
- LPG Trading	11.34	13.40	(2.06)	-15.37%	1
- Transportation	(0.06)	1.03	(1.09)	-105.83%	2
- Conversion Kit Installation	0.67	1.22	(0.55)	-45.08%	
- Construction	20.04	7.55	12.49	165.43%	3
- Testing and Inspection	1.63	7.41	(5.78)	-78.00%	4
Other income	6.69	3.18	3.51	110.38%	5

	31 March 2017	31 March 2016	Change	Percentage	Remark
<b>Profit before expenses</b>	40.31	33.79	6.52	19.30%	
Selling expenses	(4.07)	(5.75)	1.68	-29.22%	
Administrative expenses	(28.41)	(16.87)	(11.54)	68.41%	6
Finance costs	(3.82)	(1.34)	(2.48)	185.07%	
Share of profit (loss) of associates	-	(6.79)	6.79	-100.00%	7
<b>Profit before income tax</b>	4.01	3.04	0.97	31.91%	
Income tax	(2.46)	(2.11)	(0.35)	16.59%	
<b>Profit for the period</b>	1.55	0.93	0.62	66.67%	
Other comprehensive income	-	2.38	(2.38)	-100.00%	
<b>Total comprehensive income for the period</b>	1.55	3.31	(1.76)	-53.17%	
<b>Profit attributable to:</b>					
Owners of the parent	1.05	0.93	0.12	12.90%	
Non-controlling interests	0.50	-			

1. LPG sales income decreased because the usage of LPG in transportation sector decreased, result in volume sold decreased 16.24% from same period of previous year. Moreover, the lower selling price according to the board of National Energy Policy office and LPG price war reduced the average selling price by 2.80% compared to the first quarter of last year. However, gross profit margin has no significant changed from 5.74% for Q1 2016 to be 5.96% for Q1 2017.
2. Transportation service income decreased because there has no LPG transportation service fee to regional LPG depot from PTT Plc. since February 2017.
3. Construction service income sharply increased because the Group has step acquisition of investment in construction business (CAZ (Thailand) Co., Ltd. "CAZ") to be 51.30% on 7 April 2016. This result in changing the status of investment from associated to be subsidiary, the Group recorded service income from oil and gas construction for the first quarter of 2017 amounting of 130.93 Million Baht (in 2016, the Group recognized only profit sharing from associated).

As at 31 March 2017, the Group has backlog for construction service in oil and gas sector totaling of 528.97 Million Baht.

4. Testing and Inspection service slightly decreased as the decreased in CNG / LPG station inspection service. Moreover, gross profit margin for Q1 2017 was

15.67%, less than Q1 2016 which was 49.07%, because service cost for engineer and depreciation has been increased.

5. Other income significantly increased because of interest income from short-term investment and gain on disposal of fixed asset amounting of 3.48 Million Baht.
6. Administrative expense for the Group increased as the consolidated financial statements has included expense of oil and gas construction service sector since 7 April 2016, amounting of 10.93 Million Baht (48% was staff cost). Moreover, staff cost for the Group 100% subsidiaries also increased 19.22% from the same period of the previous year.
7. The Group has disposed investment in associate (Well Korat Energy Co., Ltd.) on 30 June 2016 and has step acquisition of investment in associate (CAZ) on 7 April 2016. Thus, there was no Share of profit (loss) of associates as the prior year.

## Statement of Financial Position

*Unit: Million Baht*

	31 March 2017	31 December 2016	Change	Percentage
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	246.88	286.51	(39.63)	-13.83%
Temporary investments	70.15	69.97	0.18	0.26%
Trade and other receivables	240.38	310.19	(69.81)	-22.51%
Short-term loans to related parties	38.71	31.62	7.09	22.41%
Inventories	5.58	12.44	(6.86)	-55.13%
Other current assets	<b>601.70</b>	<b>710.72</b>	<b>(109.02)</b>	<b>-15.34%</b>
<b>Total current assets</b>	246.88	286.51	(39.63)	-13.83%
<b>Non-current assets</b>				
Pledged and restricted bank deposits	67.07	67.36	(0.29)	-0.42%
Investment properties	97.88	4.52	93.36	2067.10%
Property, plant and equipment	526.44	519.55	6.89	1.33%
Goodwill	19.38	19.38	-	100.00%
Intangible assets	6.10	7.16	(1.06)	-14.81%
Deferred income tax assets	4.09	4.14	(0.05)	-1.32%

	31 March 2017	31 December 2016	Change	Percentage
Other non-current assets	26.09	26.12	(0.03)	-0.12%
<b>Total non-current assets</b>	<b>747.05</b>	<b>648.24</b>	<b>98.81</b>	<b>15.24%</b>
<b>Total assets</b>	<b>1,348.75</b>	<b>1,358.96</b>	<b>(10.21)</b>	<b>-0.75%</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	164.52	162.74	1.78	1.09%
Short-term borrowings from financial institutions	43.52	45.02	(1.50)	-3.33%
Current portion of long-term bank borrowings	1.86	1.83	0.03	1.41%
Current portion of finance lease liabilities	0.62	-	0.62	#DIV/0!
Current income tax payable	13.86	16.76	(2.90)	-17.31%
Other current liabilities	<b>224.38</b>	<b>226.36</b>	<b>(1.98)</b>	<b>-0.88%</b>
<b>Total current liabilities</b>				
<b>Non-current liabilities</b>	234.36	245.46	(11.10)	-4.52%
Long-term bank borrowings	3.31	3.79	(0.48)	-12.71%
Finance lease liabilities	2.93	2.72	0.21	7.58%
Employee benefit obligations	0.72	-	0.72	#DIV/0!
Deferred income tax liabilities	23.88	23.00	0.88	3.85%
Other non-current liabilities	<b>265.20</b>	<b>274.97</b>	<b>(9.77)</b>	<b>-3.55%</b>
<b>Total non-current liabilities</b>	<b>489.58</b>	<b>501.33</b>	<b>(11.75)</b>	<b>-2.34%</b>
<b>Total liabilities</b>	164.52	162.74	1.78	1.09%
<b>Shareholders' equity</b>				
Issued and paid-up	400.00	400.00	-	0.00%
Premium on paid-up capital	305.53	305.53	-	0.00%
Share surplus from business combination under common control	20.64	20.64	-	0.02%

	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>Change</b>	<b>Percentage</b>
Retained earnings	79.07	78.02	1.05	1.34%
Total parent's equity	805.24	804.19	1.05	0.13%
Non-controlling interests	53.93	53.44	0.49	100.00%
<b>Total shareholders' equity</b>	<b>859.17</b>	<b>857.63</b>	<b>1.54</b>	<b>0.18%</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,348.75</b>	<b>1,358.96</b>	<b>(10.21)</b>	<b>-0.75%</b>

The Group's total asset as at 31 March 2017 was 1,348.75 Million Baht, slightly decreased from 31 December 2016 which was 1,358.96 Million Baht or 0.75% because of the repayment of long term loan from financial institutions. Moreover, during the first quarter of 2017, the Group has purchased some land to support the business expansion on property development business (record as investment property).

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)  
Vice President