

TAKUNI GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2016



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 2016, 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

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including 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 data-bbox="300 427 603 456">1) Business combination</p> <p data-bbox="341 477 842 528">Refer to investments in subsidiaries and associates in Note 11.</p> <p data-bbox="333 557 845 994">On 7 April 2016, the Group acquired additional shares of CAZ (Thailand) Co., Ltd. (CAZ), which engaged in construction. The purchase consideration was Baht 69.53 million consisted of Baht 4 million in cash, Baht 6.63 million in dividend payments to former shareholders and Baht 58.90 million from the fair value of the previously held interest in CAZ before the acquisition date. The purchase of additional shares resulted in the shareholding increase from 47.72% to 51.30%. The Group had obtained control over CAZ (Step acquisition) since then. Management assessed that the acquisition of CAZ meets the definition of a business combination in Thai Financial Reporting Standards no.3 (TFRS 3) - Business Combination.</p> <p data-bbox="328 1023 842 1379">Management determined that the fair value of the net identifiable assets acquired is Baht 97.76 million, which were mostly trade and other accounts receivable of Baht 52.77 million, accrued revenue of Baht 139.95 million, trade and other payables of Baht 87.82 million and borrowings of Baht 66.00 million. The Group recognised goodwill of Baht 19.38 million in the consolidated financial statements. The valuation of identified assets and intangible assets was performed as part of the purchase price allocation and the valuation of those assets is in accordance with a business combination according to TFRS 3.</p> <p data-bbox="325 1408 839 1655">I focused on the measurement of acquired identifiable assets and the intangible assets arising from the business combination, such as significant contracts, and goodwill on acquisition date. This is because the fair value of acquired assets and intangible assets involved a significant area of judgement using assumptions in determining related fair value such as revenue, gross profit rate and discount rate etc.</p>	<p data-bbox="871 477 1497 613">I evaluated management's judgement about the assessment of the business combination of CAZ whether the measurement of fair value was appropriate and in accordance with the requirements for a business combination under TFRS 3.</p> <p data-bbox="868 642 1497 972">I assessed the appropriateness of the identifiable assets acquired and liabilities assumed at the acquisition date by examining the clauses laid out in the memorandum of understanding and making enquiries with management about the reasons for the acquisition. I examined management's procedures for determining the fair value of the net identifiable assets acquired, such as the estimation of the allowance for doubtful accounts based on the assessment of the aging report. I also made further enquiries whether there are other identifiable assets and liabilities acquired but not identified in the memorandum of understanding.</p> <p data-bbox="865 1001 1493 1330">In addition, I assessed the appropriateness of key assumptions used in the fair value measurement of CAZ's significant contracts, including the method used in determining the fair value of significant contracts made by management to evaluate whether the assumptions used, such as revenue, gross profit rate and discount rate, were consistent with the underlying contracts, historical data, and industry, and to assess whether the method used by management was comparable to that generally used for industry. I also engaged an auditor's expert to evaluate the appropriateness of method used and the assumptions made by management.</p> <p data-bbox="861 1359 1490 1547">I tested the calculation of goodwill from the business combination of CAZ, which was a difference between the consideration paid and fair value of the acquired assets of Baht 19.38 million which was determined by management based from the highly-skilled and highly-experienced workers that will help reduce costs and expand the business.</p> <p data-bbox="858 1576 1487 1713">Based on my procedures performed, I found that the assumptions used in identifying the fair values of identifiable assets and intangible assets arising from the business combination were reasonable and in line with the accounting for the business combination.</p>



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

Refer to critical accounting estimates and assumptions in Note 4.1, revenue recognition in Note 2.21 and trade and other receivables in Note 9.

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 40.6 % of total revenue in the consolidated financial statements. Moreover, this matter related to the fact that management had used significant judgement in the preparation of budget costs and reviewing the estimation of 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 which might occur, and considered whether a provision was necessary. I found no exceptions on this issue.

For a construction work performed at subsidiary level as audited by related subsidiary's auditors, I reviewed and assessed the adequacy of their work performed based on the key audit procedures outlined above.

Based on my procedures performed and the evaluation of subsidiary's auditor work, 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.

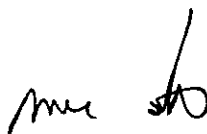
A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', written over a horizontal line.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
28 February 2017

Takuni Group Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Assets					
Current assets					
Cash and cash equivalents	7	286,508,790	90,100,398	130,222,750	64,632,341
Short-term investments	8	69,965,203	232,108	69,675,328	-
Trade and other receivables	9	310,189,929	128,873,842	63,298,439	47,569,593
Short-term loans to related parties	28	-	84,448,425	107,320,000	123,418,325
Inventories	10	31,623,953	43,038,816	24,780,207	29,007,820
Other current assets		12,435,104	649,937	52,470	160,718
Total current assets		710,722,979	347,343,526	395,349,194	264,788,797
Non-current assets					
Pledged and restricted bank deposits	7	67,355,200	40,455,019	63,355,200	36,455,019
Investments in subsidiaries	11	-	-	233,206,114	240,359,470
Investments in associates	11	-	167,244,543	-	-
Investment properties	12	4,516,644	4,862,259	-	-
Property, plant and equipment	13	519,552,453	203,144,239	91,434,372	95,223,226
Goodwill		19,383,641	-	-	-
Intangible assets	14	7,160,430	718,446	69,433	182,412
Deferred income tax assets	16	4,144,757	6,004,778	1,366,913	-
Other non-current assets		26,122,597	604,947	465,251	425,974
Total non-current assets		648,235,722	423,034,231	389,897,283	372,646,101
Total assets		1,358,958,701	770,377,757	785,246,477	637,434,898

Director



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Director

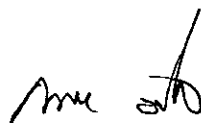


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The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts	15	-	61,500	-	-
Trade and other payables	17	162,744,923	84,684,915	41,123,615	65,572,029
Short-term borrowings from financial institutions	15	-	214,167,306	-	214,167,306
Current portion of long-term bank borrowings	15	45,020,000	6,000,000	3,500,000	6,000,000
Current portion of finance lease liabilities	15	1,834,059	788,015	831,082	788,015
Current income tax payable		-	9,882,849	-	2,039,669
Other current liabilities		16,761,744	756,139	-	-
Total current liabilities		226,360,726	316,340,724	45,454,697	288,567,019
Non-current liabilities					
Long-term bank borrowings	15	245,460,000	28,100,000	-	3,500,000
Finance lease liabilities	15	3,792,156	3,113,092	2,282,010	3,113,092
Employee benefit obligations	18	2,723,538	1,671,066	1,044,602	865,660
Deferred income tax liabilities	16	-	1,008,321	-	250,843
Other non-current liabilities		22,995,547	4,962,174	324,811	324,811
Total non-current liabilities		274,971,241	38,854,653	3,651,423	8,054,406
Total liabilities		501,331,967	355,195,377	49,106,120	296,621,425



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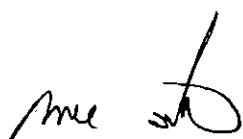


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Takuni Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and equity (Cont'd)					
Equity					
Share Capital	19				
Authorised share capital					
1,200,000,000 ordinary shares at par value of Baht 0.5 each (2015 : 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 (2015 : 400,000,000 ordinary shares paid-up of Baht 0.5 each)		400,000,000	200,000,000	400,000,000	200,000,000
Premium on paid-up capital ordinary shares	19	305,527,766	106,643,230	305,527,766	106,643,230
Share surplus from business combination under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated - Legal reserve	21	5,450,000	4,320,000	5,450,000	4,320,000
Unappropriated		72,571,964	83,582,860	25,162,591	29,850,243
Equity attributable to owners of the parent		804,186,020	415,182,380	736,140,357	340,813,473
Non-controlling interests		53,440,714	-	-	-
Total equity		857,626,734	415,182,380	736,140,357	340,813,473
Total liabilities and equity		1,358,958,701	770,377,757	785,246,477	637,434,898



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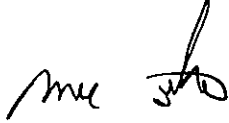


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The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

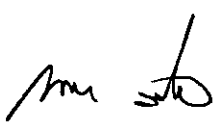
	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue					
Revenue from sales		867,927,806	1,019,000,554	860,008,859	1,007,566,006
Revenue from services		721,262,020	333,876,438	-	-
Total revenues		1,589,189,826	1,352,876,992	860,008,859	1,007,566,006
Cost					
Cost of sales		(810,356,254)	(960,111,561)	(807,223,864)	(935,556,178)
Cost of services		(663,548,697)	(236,194,061)	-	-
Total costs		(1,473,904,951)	(1,196,305,622)	(807,223,864)	(935,556,178)
Gross profit		115,284,875	156,571,370	52,784,995	72,009,828
Other income	24	63,548,355	11,802,747	46,168,918	32,584,299
Profit before expenses		178,833,230	168,374,117	98,953,913	104,594,127
Selling expenses		(19,859,208)	(24,195,540)	(23,982,688)	(28,717,094)
Administrative expenses		(100,220,366)	(61,412,368)	(49,557,483)	(39,159,629)
Finance costs		(9,859,553)	(3,147,894)	(2,497,305)	(2,313,201)
Share of (profit) loss from associates	11	(20,675,208)	1,234,543	-	-
Profit before income tax		28,218,895	80,852,858	22,916,437	34,404,203
Income tax	26	(7,850,686)	(15,471,044)	(318,089)	(5,788,115)
Profit for the year		20,368,209	65,381,814	22,598,348	28,616,088
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss					
Remeasurements of retirement benefit obligations	22	(429,206)	(562,498)	-	(340,024)
Total comprehensive income for the year, net of tax		19,939,003	64,819,316	22,598,348	28,276,064
Profit attributable to:					
Owners of the parent		16,495,287	65,381,814	22,598,348	28,616,088
Non-controlling interests		3,872,922	-	-	-
Profit for the year		20,368,209	65,381,814	22,598,348	28,616,088
Total comprehensive income attributable to:					
Owners of the parent		16,275,104	64,819,316	22,598,348	28,276,064
Non-controlling interests		3,663,899	-	-	-
Total comprehensive income for the year		19,939,003	64,819,316	22,598,348	28,276,064
Earnings per share					
Basic earnings per share (Baht)	27	0.021	0.163	0.029	0.072


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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 Changes in Equity
For the year ended 31 December 2016



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	Notes	Consolidated financial statements									
		Attributable to owners of the parent									
		Issued and paid-up share capital	Premium on paid-up capital	Share surplus from business combination under common control	Retained earnings	Unappropriated	Total owners of the parent	Non-controlling interests	Total equity		
Baht	Baht	Baht	Appropriated	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Beginning balance as at 1 January 2015	23	200,000,000	106,643,230	20,636,290	2,900,000	44,183,544	374,363,064	-	374,363,064	-	374,363,064
Dividend		-	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)	-	(24,000,000)
Legal reserve	21	-	-	-	1,420,000	(1,420,000)	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	64,819,316	64,819,316	-	64,819,316	-	64,819,316
Closing balance as at 31 December 2015		200,000,000	106,643,230	20,636,290	4,320,000	83,582,860	415,182,380	-	415,182,380	-	415,182,380
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	-	415,182,380
Proceeds from share issued	19	200,000,000	198,884,536	-	-	-	398,884,536	-	398,884,536	-	398,884,536
Acquisition of subsidiaries	11	-	-	-	-	-	-	-	-	49,776,815	49,776,815
Dividend	23	-	-	-	-	(26,156,000)	(26,156,000)	-	(26,156,000)	-	(26,156,000)
Legal reserve	21	-	-	-	1,130,000	(1,130,000)	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	16,275,104	16,275,104	-	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		857,626,734

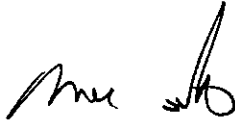



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The accompanying notes are an integral part of these consolidated and separate financial statements.

Takuni Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

	Separate financial statements						Total equity Baht
	Notes	Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings		Unappropriated Baht	
				Appropriated Legal reserve Baht	Unappropriated Baht		
Beginning balance as at 1 January 2015		200,000,000	106,643,230	2,900,000	26,994,179	336,537,409	
Dividend	23	-	-	-	(24,000,000)	(24,000,000)	
Legal reserve	21	-	-	1,420,000	(1,420,000)	-	
Total comprehensive income for the year		-	-	-	28,276,064	28,276,064	
Closing balance as at 31 December 2015		200,000,000	106,643,230	4,320,000	29,850,243	340,813,473	
Beginning balance as at 1 January 2016		200,000,000	106,643,230	4,320,000	29,850,243	340,813,473	
Proceeds from share issued	19	200,000,000	198,884,536	-	-	398,884,536	
Dividend	23	-	-	-	(26,156,000)	(26,156,000)	
Legal reserve	21	-	-	1,130,000	(1,130,000)	-	
Total comprehensive income for the year		-	-	-	22,598,348	22,598,348	
Closing balance as at 31 December 2016		400,000,000	305,527,766	5,450,000	25,162,591	736,140,357	

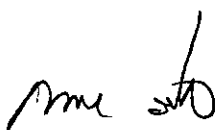

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กรรมการ


นางสาวนิตา ตรีวิธานวัฒน์
กรรมการ

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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit before income tax		28,218,895	80,852,858	22,916,437	34,404,203
Adjustments for:					
Depreciation and amortisation charge	12, 13, 14	31,142,491	16,182,327	5,647,600	6,417,892
Reversal allowance for doubtful accounts		(121,477)	(343,873)	(7,841)	(288,278)
Provision for impairment of investment in subsidiary		-	-	7,153,356	-
Allowance for net realisable value of inventories, allowance for obsolete and slow-moving inventories	10	(6,634,552)	17,768,068	-	-
(Gain) loss on disposals/written-offs of property, plant and equipment		(4,710,246)	(27,467)	947	2,868
Share of profit (loss) from associates	11	20,675,208	(1,234,543)	-	-
Gain on sale investment in associate	24	(25,421,961)	-	-	-
Gain on bargain purchase	11	(175,801)	-	-	-
Gain from remeasurement to fair value of investments	24	(19,264,043)	-	-	-
Loss from remeasurement of investment	8	40,735	-	40,735	-
Interest income	24	(9,802,792)	(4,689,391)	(12,809,047)	(5,242,101)
Financial cost		9,859,553	3,147,894	2,497,305	2,313,201
		23,806,010	111,655,873	25,439,492	37,607,785
Changes in operating working capital					
- Trade and other receivables		66,098,081	(45,866,448)	(14,842,484)	7,084,905
- Inventories		20,375,453	811,754	4,227,613	1,074,090
- Other current assets		(4,816,958)	(481,680)	108,248	(16,995)
- Other non-current assets		4,973,328	(74,500)	(1,406,190)	-
- Trade and other payables		(60,835,134)	(72,887,047)	(24,460,447)	(44,836,630)
- Other current liabilities		10,469,725	(67,968)	-	-
- Employee benefit obligations		794,413	142,316	-	45,951
- Other non-current liabilities		3,163,649	4,140,608	1,545,855	-
Cash generated from (used in) operations		64,028,567	(2,627,092)	(9,387,913)	959,106
- Interest paid		(9,859,553)	(3,147,894)	(2,497,305)	(2,313,201)
- Income tax paid		(38,992,399)	(12,261,610)	(3,975,514)	(4,274,545)
Net cash generated from (used in) operating activities		15,176,615	(18,036,596)	(15,860,732)	(5,628,640)



นางสาวกาญจนา ริมพนิชยกิจ
กรรมการ



นางสาวนิตา ศรีวีรานวัฒน์
กรรมการ

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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from investing activities					
Purchases of investments in subsidiaries and in associates	11	(1,225,684)	(166,010,000)	-	(149,999,700)
Proceeds from sales of investments in associates	11	134,735,000	-	-	-
Purchases of property, plant and equipment and intangible assets	13, 14	(312,384,161)	(4,787,355)	(1,735,095)	(329,202)
Proceeds from sales of property, plant and equipment		8,918,965	147,509	997	-
Proceed of sales of short-term investment	8	59,798,706	-	-	-
Purchase of short-term investments	8	(129,572,536)	(232,108)	(69,716,063)	-
Loan payments received from related parties and others	28	18,568,000	30,300,000	366,436,325	40,010,000
Interest received		10,714,415	3,777,768	11,929,943	3,093,505
Loan payments received from other parties	28	202,698,425	-	-	-
Short-term loans made to related parties and others	28	(181,818,000)	(114,748,425)	(350,338,000)	(133,428,325)
Pledged and restricted bank deposits		(26,900,181)	(8,984,838)	(26,900,181)	(10,155,019)
Net cash used in investing activities		(216,467,051)	(260,537,449)	(70,322,074)	(250,808,741)
Cash flows from financing activities:					
Proceeds from short-term borrowings from financial institutions		94,588,462	214,167,306	-	214,167,306
Repayments of short-term borrowings from financial institutions		(308,755,768)	-	(214,167,306)	-
Proceeds from short-term borrowings from other parties		4,000,000	-	-	-
Proceeds from long-term borrowings from financial institutions	15	280,000,000	-	-	-
Repayments of long-term borrowings from financial institutions	15	(43,620,000)	(6,541,417)	(6,000,000)	(6,000,000)
Proceeds from increase capital	19	200,000,000	-	200,000,000	-
Proceeds from share premium	19	198,884,536	-	198,884,536	-
Dividend payments	23	(26,156,000)	(24,000,000)	(26,156,000)	(24,000,000)
Payment on finance lease liabilities		(1,180,902)	(1,788,893)	(788,015)	(1,788,893)
Net cash generated from financing activities		397,760,328	181,836,996	151,773,215	182,378,413
Net increase (decrease) in cash and cash equivalents					
		196,469,892	(96,737,049)	65,590,409	(74,058,968)
Cash and cash equivalents - opening balance		90,038,898	186,775,947	64,632,341	138,691,309
Cash and cash equivalents - closing balance	7	286,508,790	90,038,898	130,222,750	64,632,341
Cash and cash equivalents	7	286,508,790	90,100,398	130,222,750	64,632,341
Bank overdrafts	15	-	(61,500)	-	-
Cash and cash equivalents - closing balance	7	286,508,790	90,038,898	130,222,750	64,632,341
Non-cash transactions					
Purchases of property, plant and equipment (included in other accounts payables)		6,843,053	155,027	12,033	-
Purchases of intangible assets (included in other accounts payables)		272,214	-	-	-
Purchases of assets under finance lease		251,160	5,690,000	-	5,690,000
Disposals of property, plant and equipment (included in other accounts receivables)		-	585	-	583
Dividend payable		6,633,085	-	-	-

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

นางสาวกาญจนา ริมพณิชยกิจ

นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

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 11.

The principal business operations of the Group are summarised 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	: Industrial and construction services
Safety-checking services	: Industrial and car gas systems safety-checking services
Others	: Investing (holding) company

These Group consolidated and company financial statements were authorised for issue by the Board of Directors on 28 February 2017.

2 Accounting policies

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

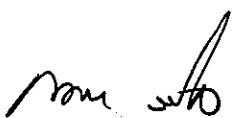
2.1 Basis of preparation


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 4.

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.


นางสาวกาญจนา ริมพนิชชกิจ
กรรมการ


นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards

The Group has applied the revised financial reporting standards which are effective on 1 January 2016 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 2017.

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. 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.

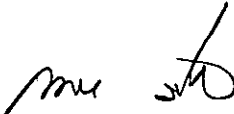
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.


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.


นางสาวกาญจนา ริมพิชัยกิจ
กรรมการ


นางสาวนิตา ตริวีรานวัฒน์
กรรมการ

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 identifies 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.

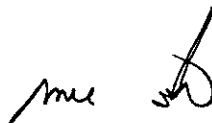
The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying 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 separated 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.



นางสาวกาญจนา ริมพณิชยกิจ
กรรมการ



นางสาวนิตา ศรีวีรานุวัฒน์
กรรมการ

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 Company 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 Company 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.

นางสาวกาญจนา ริมพนิชชกิจ
กรรมการ

นางสาวนิตา ตริวิธานวัฒน์
กรรมการ

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 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.

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
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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.

นางสาวกาญจนา ริมพันิชยกิจ
กรรมการ

นางสาวนิตา ตริวีรานุวัฒน์
กรรมการ

2 Accounting policies (Cont'd)

2.10 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	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 2.13).

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.

2.11 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.

2.12 Intangible assets

2.12.1 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.

2.12.2 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 Accounting policies (Cont'd)

2.13 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.

2.14 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.

2.15 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.

2 Accounting policies (Cont'd)

2.16 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.

2.17 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 company 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.

2 Accounting policies (Cont'd)

2.18 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.

2.19 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.

2.20 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.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transact costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.21 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.

2.22 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)

2.23 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.

2.24 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 currency risk, 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) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

3.1.1 Interest rate risk

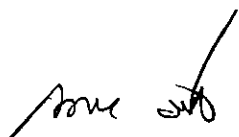
The Group enters into the long-term borrowing agreements from domestic financial institutions which some of them bear floating interest rates. Therefore the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's and Company's operations in the current 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. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.


นางสาวกาญจนา ริมพันิชยกิจ
กรรมการ


นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

3 Financial risk management (Cont'd)

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2016. See note 12 for disclosures of the Investment properties that are measured at fair value and note 15 for disclosures of borrowings that are measured at fair value.

Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Total Baht
Financial assets at fair value through profit or loss			
Held-to-maturity debt (Note 8)	-	49,716,063	49,716,063
Trading securities (Note 8)	19,959,265	-	19,959,265
Fixed deposit (Note 8)	-	289,875	289,875
Total assets	19,959,265	50,005,938	69,965,203
Separate financial statements			
	Level 1 Baht	Level 2 Baht	Total Baht
Financial assets at fair value through profit or loss			
Held-to-maturity debt (Note 8)	-	49,716,063	49,716,063
Trading securities (Note 8)	19,959,265	-	19,959,265
Fixed deposit (Note 8)	-	-	-
Total assets	19,959,265	49,716,063	69,675,328

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015

Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Total Baht
Financial assets at fair value through profit or loss			
Held-to-maturity debt (Note 8)	-	-	-
Trading securities (Note 8)	-	-	-
Fixed deposit (Note 8)	232,108	-	232,108
Total assets	232,108	-	232,108
Separate financial statements			
	Level 1 Baht	Level 2 Baht	Total Baht
Financial assets at fair value through profit or loss			
Held-to-maturity debt (Note 8)	-	-	-
Trading securities (Note 8)	-	-	-
Fixed deposit (Note 8)	-	-	-
Total assets	-	-	-

There were no transfers between Levels 1 and 2 during the period.

4 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.

4.1 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.

4.1.1 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.

4.1.2 Revenue recognition

The Company has recognised revenue from rendering services based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. If the estimate of the stage of completion changes by 1 %, revenue will be reduced/increased by Baht 8.38 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 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.

6 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.

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	: Industrial and construction services
Safety-checking services	: Industrial and car gas systems safety-checking services
Others	: Investing (holding) company

The Group has 1 customer in construction service which generated revenues more than 10% of total revenues in the consolidated financial statements for the year ended 31 December 2016 totaling Baht 181.65 million (2015: totaling Baht 248.15 million).

Takumi Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

6 Segment information (Cont'd)

	Consolidated financial statements													
	For the period ended 31 December													
	Sales						Services							
	Petroleum Gas trading		Gas installation equipment trading		Transportation services		Construction service		Safety checking services		Other		Total	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenues from operation	860,008,859	1,007,566,006	10,104,233	13,688,271	40,295,645	51,021,454	647,739,260	261,295,855	63,166,215	54,997,680	-	-	1,821,314,212	1,988,569,266
Revenues from inter - segment	-	-	(2,182,391)	(2,243,150)	(25,611,421)	(30,030,423)	(2,593,560)	(2,168,231)	(1,737,014)	(1,250,470)	-	-	(32,124,366)	(35,692,274)
Total revenue	860,008,859	1,007,566,006	7,921,842	11,445,121	14,684,224	20,991,031	645,145,700	259,127,624	61,429,201	53,747,210	-	-	1,589,189,826	1,352,876,992
Segment result - gross profit	52,026,931	72,124,775	4,608,803	(14,736,725)	2,837,504	4,365,723	32,315,144	70,818,899	23,396,393	23,998,708	-	-	115,224,875	156,571,370
Operating profit														
Financial cost														
Share of (loss) profit from associates														
Profit before tax														
Income tax														
Net profit														
AS at 31 December														
Property, plant and equipment	94,740,430	98,994,115	5,832,792	6,139,475	33,698,109	32,168,010	374,498,434	58,712,876	10,782,688	5,415,476	-	1,714,287	519,552,453	203,144,239
Total consolidated assets	442,354,704	343,303,386	11,773,617	19,592,694	41,141,971	45,013,341	675,839,960	177,727,105	44,990,712	34,733,224	142,893,737	150,008,007	1,359,956,701	770,377,757
Total consolidated liabilities													501,331,967	355,195,377

นางสาวกาญจนา ริมพนิชภักดิ์
 กรรมการ

นางสาวนิตา ตริวิธานวัฒน์
 กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	671,784	64,198	674	1,966
Cash at bank - Current accounts	17,998,263	2,407,861	10,747,028	5,324,442
- Savings accounts	194,290,208	80,369,008	75,427,148	52,046,602
- Short-term fixed accounts	73,548,535	7,259,331	44,047,900	7,259,331
Total	286,508,790	90,100,398	130,222,750	64,632,341
Pledged and restricted bank deposits	67,355,200	40,455,019	63,355,200	36,455,019

Deposits held at call with banks bear interest at the rates 0.37% to 1.35% per annum (2015: 0.37% to 1.58% per annum) and these deposits have an average maturity of 3 to 12 months.

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

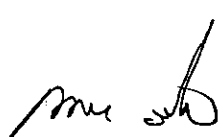
Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:


	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash and cash equivalents	286,508,790	90,100,398	130,222,750	64,632,341
Bank overdrafts (Note15)	-	(61,500)	-	-
	286,508,790	90,038,898	130,222,750	64,632,341

8 Short-term investments

At 31 December 2016, the summary of short-term investments is as follows:

	Consolidated financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
At 1 January 2015	-	-	-
Additions	-	232,108	232,108
At 31 December 2015	-	232,108	232,108
Additions	20,000,000	109,572,536	129,572,536
Disposals	-	(59,798,706)	(59,798,706)
(less) Re-measuring investments	(40,735)	-	(40,735)
At 31 December 2016	19,959,265	50,005,938	69,965,203


นางสาวกาญจนา ริมพิถชก
กรรมการ


นางสาวนิตา ตริวิรัตนวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

8 Short-term investments (Cont'd)

At 31 December 2016, the summary of short-term investments is as follows: (Cont'd)

	Separate financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
At 1 January 2015	-	-	-
Additions	-	-	-
At 31 December 2015	-	-	-
Additions	20,000,000	49,716,063	69,716,063
Disposals	-	-	-
(less) Re-measuring investments	(40,735)	-	(40,735)
At 31 December 2016	<u>19,959,265</u>	<u>49,716,063</u>	<u>69,675,328</u>

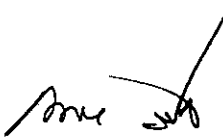
The fair values of the investments are as follows:


	Consolidated financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
Cost as at 31 December 2016	20,000,000	50,005,938	70,005,938
<u>Less</u> Unrealised loss	(40,735)	-	(40,735)
Fair value as at 31 December 2016	<u>19,959,265</u>	<u>50,005,938</u>	<u>69,965,203</u>

	Separate financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
Cost as at 31 December 2016	20,000,000	49,716,063	69,716,063
<u>Less</u> Unrealised loss	(40,735)	-	(40,735)
Fair value as at 31 December 2016	<u>19,959,265</u>	<u>49,716,063</u>	<u>69,675,328</u>

At 31 December 2016, the summary of short-term investment is as follows:

	Consolidated financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
Held-to-maturity debt	-	49,716,063	49,716,063
Trading securities	20,000,000	-	20,000,000
Fixed deposit	-	289,875	289,875
<u>Less</u> Changes in value of investments	(40,735)	-	(40,735)
	<u>19,959,265</u>	<u>50,005,938</u>	<u>69,965,203</u>


นางสาวกาญจนา ริมพันิชยกิจ
กรรมการ


นางสาวนิตา ตรีวีรานูวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

8 Short-term investments (Cont'd)

At 31 December 2016, the summary of short-term investment is as follows: (Cont'd)

	Separate financial statements		
	Trading Baht	Held-to-maturity due within 1 year Baht	Total Baht
Held-to-maturity debt	-	49,716,063	49,716,063
Trading securities	20,000,000	-	20,000,000
Fixed deposit	-	-	-
<u>Less</u> Changes in value of investments	(40,735)	-	(40,735)
	<u>19,959,265</u>	<u>49,716,063</u>	<u>69,675,328</u>

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

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivables	199,512,187	57,130,399	57,238,480	42,859,941
<u>Less</u> Allowance for doubtful accounts	(3,631,449)	(1,178,809)	(1,030,189)	(1,038,030)
Trade accounts receivables - net	195,880,738	55,951,590	56,208,291	41,821,911
Receivable from related parties (Note 28)	-	400,000	882,329	1,595,200
Others receivables	403,186	151,710	161,978	150,709
Prepayments	5,474,907	6,493,183	1,322,660	983,999
Accrued interest income (Note 28)	-	911,623	3,896,878	3,017,774
Accrued income - Safety-checking services	6,930,024	9,853,792	-	-
Unbilled receivables under construction contracts	53,000,280	50,447,011	-	-
Account receivable - VAT and withholding tax	48,500,794	4,664,933	826,303	-
Trade and other receivables - net	<u>310,189,929</u>	<u>128,873,842</u>	<u>63,298,439</u>	<u>47,569,593</u>

Unbilled receivables are the revenue from construction contracts, normally such balance will be billed to customers after the construction has been completed which is anticipated to be around within the next quarter in 2017.

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable				
Within credit term	155,564,545	33,823,310	25,799,910	25,086,836
Overdue				
Up to 3 months	34,354,077	16,142,438	29,523,422	13,832,842
3 - 6 months	6,051,775	1,380,114	285,000	382,564
6 - 12 months	1,474,810	1,312,192	1,014,466	1,096,025
Over 12 months	2,066,980	4,472,345	615,682	2,461,674
Total	199,512,187	57,130,399	57,238,480	42,859,941
<u>Less</u> Allowance for doubtful accounts	(3,631,449)	(1,178,809)	(1,030,189)	(1,038,030)
Trade accounts receivable - net	<u>195,880,738</u>	<u>55,951,590</u>	<u>56,208,291</u>	<u>41,821,911</u>

Management believe the allowance provided for is sufficient based on its consideration of past debt collection experiences of the Group. Part of overdue receivables is secured by postdated cheques received and the cash collection from those postdated cheques is still as usual.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finished goods - petroleum gas	24,706,725	28,860,102	24,780,207	29,007,820
- gas tank for installation and equipment	12,685,812	19,706,965	-	-
Work in progress - gas installations	61,859	1,343,678	-	-
Work in progress under construction contracts	1,550,687	7,576,542	-	-
Raw materials	3,917,822	3,450,839	-	-
General supplies	1,584,624	1,618,818	-	-
Total	44,507,529	62,556,944	24,780,207	29,007,820
<u>Less</u> Allowance for net realisable value of inventories	<u>(12,883,576)</u>	<u>(19,518,128)</u>	-	-
Inventories - net	31,623,953	43,038,816	24,780,207	29,007,820

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	7,576,542	5,800,000	-	-
Contract costs incurred during the year	596,942,822	185,477,532	-	-
Contract expenses recognised during the year	<u>(602,968,677)</u>	<u>(183,700,990)</u>	-	-
At 31 December	<u>1,550,687</u>	<u>7,576,542</u>	-	-
Contract costs incurred and recognised profits (less losses) to date	2,115,016,060	274,613,920	-	-
Advances received on construction contracts	217,633,335	-	-	-

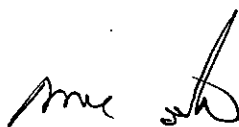
Amounts due from customers for construction contracts are shown in Note 9.

As at 31 December 2016, the Group had accrued retentions amount to Baht 24.68 million (2015: Nil), and the Group's bank guarantees on construction contracts amount to Baht 238.55 million (2015: Baht 15.10 million).

Costs of inventories recognised as expense and included in 'cost of sales' in the consolidated and separate financial statements are Baht 1,066.87 million and Baht 785.16 million, respectively (2015: Baht 1,076.45 million and Baht 884.99 million, respectively).

Inventories include allowance for finished goods of Baht 12.88 million (2015: Baht 19.52 million), mostly there are finished goods for gas systems installation in the consolidated financial statement. During 2016, the Group had reversed allowance for net realisable value of inventories amount to Baht 6.64 million (2015: increase in allowance amount Baht 17.77 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 2016, the inventories included minimum mandatory reserve on petroleum gas of Baht 8.00 million in the consolidated and separate financial statements (2015: Baht 8.56 million).



นางสาวกาญจนา ริมพันิชยกิจ
 กรรมการ



นางสาวนิตา ตริวิรานูวัฒน์
 กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

11 Investments in subsidiaries and associates

11.1 Subsidiaries

The group had the following subsidiaries at 31 December

Group and Company

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		
				2016	2015	2016	2015	2016	2015	2016	2015	
Takuni (Thailand) Co., Ltd. (TT)	Thailand	Industrial and car gas systems installation	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	53,376,790	53,376,790	
Ratchapruke Engineering Co., Ltd. (RE)	Thailand	Industrial and car gas systems safety-checking services	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	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	00.01	00.01	15,643,180	15,643,180	
Newman Green Co.,Ltd. (NMG)	Thailand	Investing company	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	142,846,344	149,999,700	
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	Construction contractor	Indirect shareholding via TT	-	-	51.30	47.72	48.70	-	-	-	
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	Indirect shareholding via CAZ	-	-	51.22	-	48.78	-	-	-	
										Total	233,206,114	240,359,470

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.

นางสาวกาญจนา วิมพณิชยกิจ
กรรมการ

นางสาวนิตา ศรีวีรานูวัฒน์
กรรมการ

11 Investments in subsidiaries and associates (Cont'd)

11.1 Subsidiaries (Cont'd)

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.

Summarised statement of financial position

	<u>CAZ</u>
	<u>Baht</u>
As at 31 December 2016	
Current	
Assets	370,786,777
Liabilities	(419,185,438)
Total current net assets	(48,398,661)
Non-current	
Assets	375,115,609
Liabilities	(229,190,196)
Total non-current net assets	145,925,413
Net assets	97,526,752

Summarised statement of comprehensive income

	<u>CAZ</u>
	<u>Baht</u>
For the year ended 31 December 2016	
Revenue	661,473,732
Profit before income tax	15,987,205
Income tax	(3,649,262)
Post-tax profit from continuing operations	12,337,943
Post-tax profit from discontinued operations	-
Other comprehensive income	1,950,455
Total comprehensive income	14,288,398
Total comprehensive income allocated to non- controlling interests	1,604,227

Summarised statement of cash flows

	<u>CAZ</u>
	<u>Baht</u>
For the year ended 31 December 2016	
Cash flow from operating activities	
Cash generated from operations	30,286,675
Interest paid	(8,277,900)
Income tax paid	(20,513,508)
Net cash generated from operating activities	1,495,267
Net cash used in investing activities	(294,228,984)
Net cash used in financing activities	295,942,927
Net increase in cash and cash equivalents	3,209,210
Cash, cash equivalents and bank overdrafts at beginning of year	4,267,243
Cash and cash equivalents at end of year	7,476,453

The information above is the amount before inter-company eliminations.

11 Investments in subsidiaries and associates (Cont'd)

11.1 Subsidiaries (Cont'd)

a) Business combinations - CAZ (Thailand) Co., Ltd.

The Board of Directors' meeting of Takuni (Thailand) Co., Ltd no. 2/2016 held on 26 February 2016 passed a resolution to increase the investment in CAZ from 47.72% of paid-up share capital to 51.30% of paid-up capital. The Group has purchased the additional shares on 7 April 2016 by cash payment of Baht 4 million. This transaction made CAZ be the subsidiary of the Group. As a result of acquisition, the Group is expected to expand business opportunity in construction in the future.

The goodwill of Baht 19.38 million arises from a number of factors such as expected synergies through combining a highly skilled workforce and obtaining economies of scale and unrecognised assets such as the workforce.

The following table summarises the consideration paid for CAZ and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

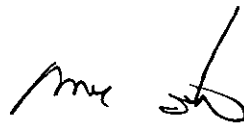
Consideration paid at 7 April 2016

	Million Baht
Cash	4.00
Contingent consideration	6.63
Total consideration transferred	10.63
Fair value of equity interest in CAZ the business combination	58.90
Total consideration	69.53

Recognised amounts of identifiable assets acquired and liabilities assumed

	Million Baht
Cash and cash equivalents	3.57
Trade and other receivables	52.77
Unbilled revenue	139.95
Inventories	2.33
Retentions	27.27
Property, plant and equipment	24.32
Significant contracts*	10.70
Other assets	36.04
Trade and other payables	(87.82)
Retirement benefit obligations	(0.26)
Unearned revenues	(28.76)
Borrowings	(66.00)
Other liabilities	(16.35)
Total identifiable assets	97.76
Non-controlling interest	47.61
Goodwill	19.38

* Contracts acquired in a business combination are recognised at fair value at the acquisition date. The contracts have a finite useful life.



นางสาวกาญจนา ริมphanichakul
 กรรมการ



นางสาวนิตา ตรีวานิช
 กรรมการ

11 Investments in subsidiaries and associates (Cont'd)

11.1 Subsidiaries (Cont'd)

a) Business combinations - CAZ (Thailand) Co., Ltd. (Cont'd)

The contingent consideration arrangement requires the Group to pay the former owners of CAZ. The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is Baht 6.63 million. The fair value of the contingent consideration arrangement is Baht 6.63 million. The dividends will be distributed to former shareholders in the book of shareholders' registration on 11 March 2015 before an increase in authorised share capital.

The fair value of trade and other receivables is Baht 52.77 million and includes trade receivables with a fair value of Baht 52.72 million. The gross contractual amount for trade receivables due is Baht 32.94 million of which Baht 1.29 million is expected to be uncollectible.

The fair value of the non-controlling interest in CAZ, an unlisted company, was estimated by applying value of net assets of CAZ proportioning to non-controlling interests are also recorded in equity.

The Group recognised a gain of Baht 19.26 million as a result of measuring at fair value its 47.27% equity interest in CAZ held before the business combination. The gain is included in other income in the Group's statement of comprehensive income for the year ending 31 December 2016.

The revenue included in the consolidated statement of comprehensive income since 7 April 2016 contributed by CAZ was Baht 435.53 million. CAZ also contributed profit of Baht 3.36 million over the same period.

If CAZ had been consolidated from 1 January 2016, the consolidated statement of comprehensive income would show revenue of Baht 633.98 million and profit of Baht 9.43 million.

b) Business combination - JKEC Co., Ltd.

On 28 March 2016, the CAZ's Extraordinary Shareholders meeting, the shareholders passed a resolution to invest in JKEC, which is established in 2016 and incorporates construction service, 21,000 shares at par value at Baht 100 per share totaling Baht 2.10 million, representing 51.22% of paid-up share capital of JKEC. This made CAZ has control over JKEC since 1 June 2016.

Consideration paid at 1 September 2016

	<u>Million Baht</u>
Cash	2.10
Total consideration transferred	<u>2.10</u>
Cash and cash equivalents	1.31
Trade and other receivables	3.10
Unbilled revenue	7.88
Other current assets	0.01
Retentions	0.66
Equipment	0.44
Intangible asset	0.03
Other assets	0.47
Trade and other payables	(1.24)
Unearned revenues	(7.48)
Borrowings	(0.40)
Other liabilities	<u>(0.33)</u>
Total identifiable net assets	<u>4.45</u>
Non-controlling interest	2.17
Gain on bargain purchase	(0.18)

Gain on bargain purchase amount Baht 0.18 million has been recognised as other income in the consolidated financial statements.

The revenue included in the consolidated statement of comprehensive income since 1 June 2016 contributed by JKEC was Baht 57.92 million. JKEC also contributed profit of Baht 3.29 million over the same period.

If JKEC had been consolidated from 1 January 2016, the consolidated statement of comprehensive income would show revenue of Baht 78.41 million and profit of Baht 3.63 million.

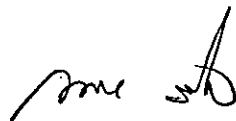
Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

11 Investments in subsidiaries and associates (Cont'd)

11.2 Investments in associates

Set out below are the associates of the group as at 31 December, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly and indirectly by the Group; the country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ incorporation	% of interest		Nature of the relationship	Measurement method	2016		2015	
		2016	2015			Cost method	Equity method	Cost method	Equity method
		Baht	Baht			Baht	Baht	Baht	Baht
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	51.30	47.72	Associate	-	-	-	26,010,000	36,778,244
Well Korat Energy Co., Ltd. (WKE)	Thailand	-	45.00	Associate	-	-	-	140,000,000	130,466,299
					-	-	-	166,010,000	167,244,543



นางสาวกาญจนา ริมพิชชกิจ
กรรมการ



นางสาวนิตา ดิธีรานูวัฒน์
กรรมการ

11 Investments in subsidiaries and associates (Cont'd)

11.2 Investments in associates (Cont'd)

Disposal of Well-Korat Energy Co., Ltd.

On 9 May 2016, the Board of Directors of Takuni Group Co., Ltd. passed a resolution to sell ordinary shares of WKE which is held by Newman Green Co., Ltd. (Company's subsidiary) totaling 12.60 million shares representing to 45% of paid-up share capital amounting to Baht 134.74 million to third party. The Group entered into the agreement and received consideration on sales investment on 30 June 2016. The Group and the company recognised gain on sales investment amounting to Baht 25.42 million which is presented in consolidated financial statements.

Investments accounted for using equity method

The amounts recognised in the balance sheet are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Associates	-	167,244,543	-	-
At 31 December	-	167,244,543	-	-

The amounts recognized in the income statement are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Associates	20,675,208	1,234,543	-	-
At 31 December	20,675,208	1,234,543	-	-

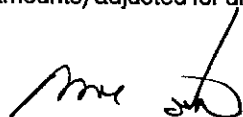
Summarised financial information for associates

Set out below are the summarised financial information for CAZ and WKE which is accounted for using the equity method.

Summarised statement of comprehensive income

	For the period ended		
	7 April 2016 CAZ Baht	9 May 2016 WKE Baht	Total Baht
Revenue	198,475,423	40,311,530	238,786,953
Depreciation and amortisation	(1,833,512)	(20,108,589)	(21,942,101)
Interest expense	(1,305,478)	(19,441,906)	(20,747,384)
Profit or loss from continuing operations	7,672,405	(52,235,844)	(44,563,439)
Income tax	(1,597,118)	-	(1,597,118)
Post-tax profit from continuing operations	6,075,287	(52,235,844)	(46,160,557)
Other comprehensive income	-	-	-
Total comprehensive income	6,075,287	(52,235,844)	(46,160,557)

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.




12 Investment properties

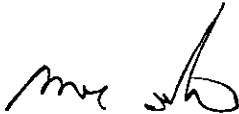
	<u>Buildings</u> <u>Baht</u>
At 1 January 2015	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	<u>(1,704,444)</u>
Net book amount	<u>5,207,875</u>
For the year ended 31 December 2015	
Opening net book amount	5,207,875
Depreciation charge	<u>(345,616)</u>
Closing net book amount	<u>4,862,259</u>
At 31 December 2015	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	<u>(2,050,060)</u>
Net book amount	<u>4,862,259</u>
Fair value at 31 December 2015*	<u>43,000,000</u>
For the year ended 31 December 2016	
Opening net book amount	4,862,259
Depreciation charge	<u>(345,615)</u>
Closing net book amount	<u>4,516,644</u>
At 31 December 2016	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	<u>(2,395,675)</u>
Net book amount	<u>4,516,644</u>
Fair value at 31 December 2016*	<u>43,000,000</u>

*The Group has engaged an independent assets appraiser to perform the valuation of investment properties, the building leased to the external parties. According to its being report dated 22 December 2014, fair value is assessed using income approach based on public and company information of valuated assets in order to assess rental income and information from similar businesses in order to assess the relevant expenses. The discount rate is 11% and the fair values are within level 3 of the fair value hierarchy. The management believe that there is no factor which will significantly affect on the fair value after the latest valuation date.

Investment property at net book value of Baht 4.52 million (2015: Baht 4.86 million) has been pledged as a security for borrowings (Note 15).

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

	Consolidated financial statements	
	<u>2016</u> <u>Baht</u>	<u>2015</u> <u>Baht</u>
Rental income	5,408,540	5,327,992
Direct operating expense arise from investment property that generated rental income	1,759,050	2,070,709


นางสาวกาญจนา ริมphanakij
กรรมการ


นางสาวนิตา ตริวานิต
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

13 Property, plant and equipment

	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	
At 1 January 2015							
Cost	77,161,182	39,048,872	36,489,553	23,712,132	129,456,940	29,924,035	335,792,714
Less Accumulated depreciation	-	(8,204,822)	(5,890,917)	(16,295,640)	(97,022,698)	-	(127,414,077)
Net book amount	77,161,182	30,844,050	30,598,636	7,416,492	32,434,242	29,924,035	208,378,637
For the year ended 31 December 2015							
Opening net book amount	77,161,182	30,844,050	30,598,636	7,416,492	32,434,242	29,924,035	208,378,637
Additions	13,000	105,207	-	2,778,737	5,690,000	1,719,878	10,306,822
Transfer	606,612	7,489,697	20,918,785	891,552	-	(29,906,646)	-
Disposals and written offs - net	-	-	-	(60,886)	(55,167)	-	(116,053)
Depreciation charge	-	(2,333,427)	(2,956,007)	(2,884,926)	(7,250,807)	-	(15,425,167)
Closing net book amount	77,780,794	36,105,527	48,561,414	8,140,969	30,818,268	1,737,267	203,144,239
At 31 December 2015							
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

นางสาวกาญจนา วัฒนชัยกิจ
กรรมการ

นางสาวนิตา ตรีวิธานวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

13 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	
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 (Note 11)	-	-	-	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	-	-	-	(374,628)	(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

นางสาวกาญจนา ริมพณิชยกิจ

นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

13 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	
At 1 January 2015							
Cost	25,711,182	12,210,383	27,569,177	2,918,669	8,782,000	33,167,164	110,358,575
Less Accumulated depreciation	-	(1,702,269)	(4,509,232)	(1,358,244)	(7,237,081)	-	(14,806,826)
Net book amount	25,711,182	10,508,114	23,059,945	1,560,425	1,544,919	33,167,164	95,551,749
For the year ended 31 December 2015							
Opening net book amount	25,711,182	10,508,114	23,059,945	1,560,425	1,544,919	33,167,164	95,551,749
Additions	13,000	-	-	204,329	5,690,000	5,592	5,912,921
Transfer	606,612	7,782,507	23,892,085	891,552	-	(33,172,756)	-
Disposals and written offs - net	-	-	-	(3,451)	-	-	(3,451)
Depreciation charge	-	(999,635)	(2,658,653)	(640,306)	(1,939,399)	-	(6,237,993)
Closing net book amount	26,330,794	17,290,986	44,293,377	2,012,549	5,295,520	-	95,223,226
At 31 December 2015							
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

นางสาวกาญจนา ริมพณิชยกิจ

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กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

13 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	
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

นางสาวกาญจนา ริมพณิชยกิจ

นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

13 Property, plant and equipment (Cont'd)

As at 31 December 2016, TT, the subsidiary, had pledged certain plots of land and buildings with net book value of Baht 46.15 million (2015: Baht 47.49 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 15).

As at 31 December 2016, GG, the subsidiary, had pledged its gas trucks and gas transportation vehicles with their net book value of Baht 8.24 million (2015: Baht 9.80 million) as collateral for subsidiary's long-term credit facilities obtained in 2012.

Cost of fixed assets which are fully depreciated and still in use in the consolidated financial statements as at 31 December 2016 were approximately Baht 76.92 million (2015: Baht 84.74 million). There are fixed assets which are fully depreciated and still in use in the company financial statements were approximately Baht 9.80 million (2015: Baht 7.04 million).

As at 31 December 2016, this purchase transactions above include the acquisition of assets under financial lease which company is lease, total amount Baht 0.25 million (2015: Baht 5.69 million).

The detail of vehicles which are the fixed assets under finance lease agreements as included in the above is as follows:

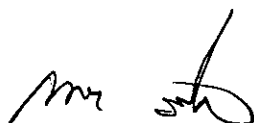
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost of fixed assets under finance lease agreements	5,941,160	5,690,000	5,690,000	5,690,000
<u>Less</u> Accumulated depreciation	<u>(1,721,244)</u>	<u>(576,794)</u>	<u>(1,714,794)</u>	<u>(576,794)</u>
Net book amount	<u>4,219,916</u>	<u>5,113,206</u>	<u>3,975,206</u>	<u>5,113,206</u>

14 Intangible assets

	Consolidated financial statements		
	Significant contract Baht	Computer software Baht	Total Baht
At 1 January 2015			
Cost	-	1,386,512	1,386,512
<u>Less</u> Accumulated amortisation	-	<u>(403,053)</u>	<u>(403,053)</u>
Net book value	-	<u>983,459</u>	<u>983,459</u>
For the year ended 31 December 2015			
Opening net book value	-	983,459	983,459
Additions	-	146,531	146,531
Amortisation charge	-	<u>(411,544)</u>	<u>(411,544)</u>
Closing net book value	-	<u>718,446</u>	<u>718,446</u>
At 31 December 2015			
Cost	-	1,533,043	1,533,043
<u>Less</u> Accumulated amortisation	-	<u>(814,597)</u>	<u>(814,597)</u>
Net book value	-	<u>718,446</u>	<u>718,446</u>
For the year ended 31 December 2016			
Opening net book value	-	718,446	718,446
Acquisitions through subsidiaries (Note 11)	10,700,000	2,801,989	13,501,989
Additions	-	364,100	364,100
Amortisation charge	<u>(6,878,571)</u>	<u>(545,534)</u>	<u>(7,424,105)</u>
Closing net book value	<u>3,821,429</u>	<u>3,339,001</u>	<u>7,160,430</u>
At 31 December 2016			
Cost	10,700,000	4,939,959	15,639,959
<u>Less</u> Accumulated amortisation	<u>(6,878,571)</u>	<u>(1,600,958)</u>	<u>(8,479,529)</u>
Net book value	<u>3,821,429</u>	<u>3,339,001</u>	<u>7,160,430</u>

14 Intangible assets (Cont'd)

	Separate financial statements
	Computer software
	Baht
At 1 January 2015	
Cost	473,490
<u>Less</u> Accumulated amortisation	<u>(215,110)</u>
Net book value	<u>258,380</u>
For the year ended 31 December 2015	
Opening net book value	258,380
Additions	103,931
Amortisation charge	<u>(179,899)</u>
Closing net book value	<u>182,412</u>
At 31 December 2015	
Cost	577,421
<u>Less</u> Accumulated amortisation	<u>(395,009)</u>
Net book value	<u>182,412</u>
For the year ended 31 December 2016	
Opening net book value	182,412
Additions	5,200
Amortisation charge	<u>(118,179)</u>
Closing net book value	<u>69,433</u>
At 31 December 2016	
Cost	582,621
<u>Less</u> Accumulated amortisation	<u>(513,188)</u>
Net book value	<u>69,433</u>



นางสาวกาญจนา ริมพิชชกิจ
กรรมการ



นางสาวนิตา ตริวีรานุวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

15 Borrowings

	Consolidated financial statements		Sperate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current				
Bank overdrafts	-	61,500	-	-
Short-term borrowings from financial institutions	-	214,167,306	-	214,167,306
Current portion of long-term borrowings	45,020,000	6,000,000	3,500,000	6,000,000
Current portion of finance lease liabilities	1,834,059	788,015	831,082	788,015
Total current borrowings	46,854,059	221,016,821	4,331,082	220,955,321
Non-Current				
Bank borrowings	245,460,000	28,100,000	-	3,500,000
Finance lease liabilities	3,792,156	3,113,092	2,282,010	3,113,092
Total non-current borrowings	249,252,156	31,213,092	2,282,010	6,613,092
Total borrowings	296,106,215	252,229,913	6,613,092	227,568,413

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

	Consolidated financial statements		Sperate financial statements	
	2016	2015	2016	2015
Bank overdrafts	-	2.88% - 7.88%	-	-
Bank borrowings	3.00% - 6.08%	2.94% - 3.00%	3.00%	3.00%
Financial lease liabilities	4.76% - 5.43%	5.45%	5.37%	5.45%

15.1 Bank overdrafts

As at 31 December 2016, the Group had bank overdraft facilities of Baht 101 million (2015: Baht 60 million) which were guaranteed by the subsidiary's land and buildings (Note 13), subsidiary's bank fixed accounts 12 months (Note 7).

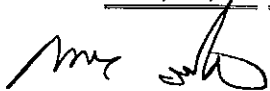
15.2 Short-term borrowings from financial institutions


As at 31 December 2015, the Group had unsecured short-term borrowings from financial institutions facilities of Baht 214.17 million and its interest at the rate of 5% per annum which were borrowed to support the business expansion and working capital of operating activities. The borrowings were repaid in February 2016.

15.3 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Beginning balance	34,100,000	40,641,417	9,500,000	15,500,000
Acquisition through subsidiary (Note 11)	20,000,000	-	-	-
Additions	280,000,000	-	-	-
Repayments	(43,620,000)	(6,541,417)	(6,000,000)	(6,000,000)
Ending balance	290,480,000	34,100,000	3,500,000	9,500,000


นางสาวกาญจนา ริมพณิชกิจ
กรรมการ


นางสาวนิดา ศรีวีรานวัฒน์
กรรมการ

15 Borrowings (Cont'd)

15.3 Long-term borrowings (Cont'd)

The Company

On 18 August 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 12 and Note 13).

Subsidiaries

Takuni (Thailand) Co., Ltd.

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 12 and Note 13).

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 13).

On 13 January 2016, G Gas Logistics Co., Ltd. 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 13).

Rajchapluek Engineering Co., Ltd.

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 12 and Note 13).

CAZ (Thailand) Co., Ltd.

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 director (Note 12 and Note 13).

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 director (Note 12 and Note 13).

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 the Company and land and buildings of CAZ (Note 12).

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Borrowings:				
- at fixed rates	30,860,000	34,100,000	3,500,000	9,500,000
- at floating rates	259,620,000	-	-	-
Total long-term borrowings	290,480,000	34,100,000	3,500,000	9,500,000

15 Borrowings (Cont'd)

15.3 Long-term borrowings (Cont'd)

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

	Consolidated financial statements			
	Book value		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term borrowings from banks	290,480,000	34,100,000	282,844,718	31,344,597
	Separate financial statements			
	Book value		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term borrowings from banks	3,500,000	9,500,000	3,461,822	8,998,857

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 6.32% to 6.34% (2015: 6.58% to 7.23%) which are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	45,020,000	6,000,000	3,500,000	6,000,000
Later than 1 years but not later than 5 years	245,460,000	28,100,000	-	3,500,000
Total long-term borrowings	290,480,000	34,100,000	3,500,000	9,500,000

15.4 Finance lease liabilities

The outstanding balance of the financial leases liabilities of vehicles are as follows;

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	2,097,676	977,100	977,100	977,100
Later than 1 years but not later than 5 years	4,012,917	3,419,850	2,442,750	3,419,850
	6,100,593	4,396,950	3,419,850	4,396,950
<u>Less</u> Future finance charges on finance leases	(474,378)	(495,843)	(306,758)	(495,843)
Present value of finance lease liabilities	5,626,215	3,901,107	3,113,092	3,901,107
Finance lease liabilities:				
- Current	1,834,059	788,015	831,082	788,015
- Non-current	3,792,156	3,113,092	2,282,010	3,113,092
	5,626,215	3,901,107	3,113,092	3,901,107

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

16 Deferred income tax (Cont'd)

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening net book value	4,996,457	568,109	(250,843)	483,837
Acquisitions through subsidiaries	51,612	-	-	-
Charged (credited) to profit or loss (Note 26)	(796,010)	4,287,723	1,617,756	(819,686)
Charged (credited) to other comprehensive income	(107,302)	140,625	-	85,006
Closing net book value	<u>4,144,757</u>	<u>4,996,457</u>	<u>1,366,913</u>	<u>(250,843)</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 5.33 million. (2015: Nil) in respect of losses amounting to Baht 26.63 million (2015: Nil) that can be carried forward against future taxable income. Losses amounting to Baht 26.63 million (2015: Nil) expire in 2021.

17 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable	97,731,760	72,167,363	32,633,450	55,832,943
Trade accounts payable - related parties (Note 28)	-	-	2,099,768	3,013,570
Amounts due to related parties (Note 28)	-	-	50,272	77,643
Other payables	4,326,920	3,033,252	1,664,987	2,499,941
Unearned revenue	35,443,930	119,375	-	-
Account payable - revenue department	2,026,706	1,031,448	1,157,995	330,764
Accrued expense	23,215,607	8,333,477	3,517,143	3,817,168
Total trade and other payables	<u>162,744,923</u>	<u>84,684,915</u>	<u>41,123,615</u>	<u>65,572,029</u>

18 Employee benefit obligations

	31 December 2016	
	Consolidated financial statements Baht	Separate financial statements Baht
Retirement benefit obligations (Thailand law)		
Statements of financial position		
Retirement benefits	<u>2,723,538</u>	<u>1,044,602</u>
Statements of income		
Retirement benefits	<u>1,052,471</u>	<u>178,942</u>
Remeasurements of post-employment benefit obligations		
Liabilities in the statement of financial position comprised of:		
Present value of funded obligations	<u>2,723,538</u>	<u>1,044,602</u>
Liability in the statement of financial position	<u>2,723,538</u>	<u>1,044,602</u>

18 Employee benefit obligations (Cont'd)

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

	Consolidated financial statements	Separate financial statements
	2016 Baht	2016 Baht
For the year ended 31 December		
Opening balance	1,671,066	865,660
Current service cost	867,223	155,456
Interest cost	56,347	23,486
Acquisitions through subsidiaries	258,059	-
Benefit payment	(558,363)	-
Remeasurement		
Loss from change in financial assumptions	429,206	-
Closing balance	<u>2,723,538</u>	<u>1,044,602</u>

The principal actuarial assumptions used were as follows:

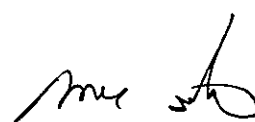
	2016
Discount rate	1.83% to 2.56%
Salary growth rate	5%


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	0.5%	Decrease by 1.79%	Increase by 1.85%
Salary growth rate	0.5%	Increase by 1.79%	Decrease by 1.75%
	Separate financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 2.29%	Increase by 2.36%
Salary growth rate	0.5%	Increase by 2.29%	Decrease by 2.24%

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.


นางสาวกานญา ริมพนิชยกิจ
กรรมการ


นางสาวนิตา ตริวีรานวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

18 Employee benefit obligations (Cont'd)

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

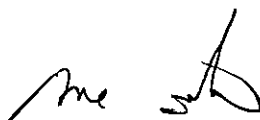
	Consolidated financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Retirement benefits	144,155	72,781	1,740,215	548,084	2,505,235
	Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	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

19 Share capital

	Consolidated and Separate financial statements					Total Baht
	Authorised share capital		Issued and paid-up capital			
	Number of Shares	Ordinary shares Baht	Number of Shares	Ordinary shares Baht	Premium on paid-up capital Baht	
Opening amount as at 1 January 2015	400,000,000	200,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Change in par value						
Increase in authorised share capital	800,000,000	400,000,000	-	-	-	-
Closing amount as at 31 December 2015	1,200,000,000	600,000,000	400,000,000	200,000,000	106,643,230	306,643,230
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 December 2016	1,200,000,000	600,000,000	800,000,000	400,000,000	305,527,766	705,527,766

At the extraordinary general meeting No. 1/2015 held on 2 December 2015, the shareholders approved the increase in authorised share capital from Baht 400 million to Baht 1,200 million at par value Baht 0.50 per share to support the offering of shares to the existing shareholders totaling 400 million shares and to support the warrant for purchasing common stock (TAKUNI-W), amount not more than 400 million shares. The Company registered the increase in authorised share capital with the Ministry of Commerce on 16 December 2015 and received the paid-up shares from existing shareholders who intend to subscribe for the purchase of shares on 13 January 2016.

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.



นางสาวกาญจนา ริมพันชกกิจ
กรรมการ



นางสาวนิตา ศรีวีรานันท์
กรรมการ

20 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 ordinary share
Exercise price	:	Baht 2 per share
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

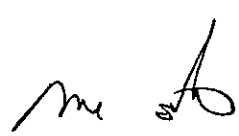
The movement of warrants to purchase ordinary shares for the year ended 31 December 2016 is as follows:

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

21 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	4,320,000	2,900,000	4,320,000	2,900,000
Appropriation during the year	<u>1,130,000</u>	<u>1,420,000</u>	<u>1,130,000</u>	<u>1,420,000</u>
At 31 December	<u>5,450,000</u>	<u>4,320,000</u>	<u>5,450,000</u>	<u>4,320,000</u>

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.



นางสาวกาญจนา ริมพณิชยกิจ
กรรมการ



นางสาวนิตา ตริวีรานูวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

22 Components of other comprehensive income (loss)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other comprehensive income (loss):				
Remeasurements of defined benefit plans	(536,508)	(703,123)	-	(425,030)
Other comprehensive income (loss)	(536,508)	(703,123)	-	(425,030)
Income tax relating to components of other comprehensive income	107,302	140,625	-	85,006
Other comprehensive income (loss) for the year	(429,206)	(562,498)	-	(340,024)

23 Dividend paid

The Company

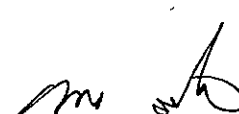
The Group's dividend paid and dividend per share consist of:


The operation for the period	Approved by	Approved date	Dividend paid (Baht)	Dividend per share (Baht)	Payment date
2016					
1 January 2015 to 31 December 2015	The Shareholders' Meeting	26 April 2016	26,156,000	0.033	25 May 2016
2015					
1 January 2014 to 31 March 2014	The Shareholders' Meeting	27 April 2015	6,000,000	0.40	23 June 2014
1 April 2014 to 31 December 2014	The Shareholders' Meeting	27 April 2015	24,000,000	0.06	27 May 2015

Subsidiaries

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

The operation for the period	Company	Approved by	Approved date	Dividend paid (Baht)	Dividend per share (Baht)	Payment date
2016						
1 January 2015 to 31 December 2015	TT	The Shareholders' Meeting	31 March 2016	12,000,000	1.20	29 April 2016
1 January 2015 to 31 December 2015	GG	The Shareholders' Meeting	31 March 2016	3,000,000	2.00	29 April 2016
1 January 2015 to 31 December 2015	RE	The Shareholders' Meeting	31 March 2016	6,400,000	32.00	29 April 2016
2015						
1 January 2014 to 31 December 2014	GG	The Shareholders' Meeting	27 April 2015	5,010,000	3.34	9 April 2015
1 January 2014 to 31 December 2014	RE	The Shareholders' Meeting	27 April 2015	5,600,000	28.00	9 April 2015


นางสาวกาญจนา ริมพันิชกิจ
กรรมการ


นางสาวนิศา ตริวีรานูวัฒน์
กรรมการ

Takuni Group Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the year ended 31 December 2016

24 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the year ended 31 December				
Rental income	435,240	6,120,000	435,240	6,120,000
Interest income	9,802,792	4,689,391	12,809,047	5,242,101
Dividend income	-	-	21,399,930	10,609,937
Gain from sale investment in associate (Note 11)	25,421,961	-	-	-
Gain from re-measured to fair value of investment (Note 11)	19,264,043	-	-	-
Others	8,624,319	993,356	11,524,701	10,612,261
	<u>63,548,355</u>	<u>11,802,747</u>	<u>46,168,918</u>	<u>32,584,299</u>

25 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Cost of sales - gas	785,730,084	884,989,208	785,730,084	884,989,208
Depreciation and amortisation (Note 12, 13 and 14)	31,142,491	16,182,327	5,647,600	6,417,892
Staff costs	212,295,395	63,119,919	25,494,924	23,371,150
Contribution to the fuel fund	-	24,023,980	-	24,023,980
Gas transportation expenses	7,562,863	6,275,473	32,569,684	36,260,323
Gas storage expenses	10,674,540	15,802,296	10,674,540	15,802,296

26 Income tax

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the year ended 31 December				
Current tax	7,054,676	19,758,767	1,935,845	4,968,429
Deferred income tax				
Deferred income tax expense (Note 16)	796,010	(4,287,723)	(1,617,756)	819,686
Income tax	<u>7,850,686</u>	<u>15,471,044</u>	<u>318,089</u>	<u>5,788,115</u>

The tax on profit before tax differs from the tax for filing purposes amount as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Profit before income tax	28,218,895	80,852,858	22,916,437	34,404,203
Tax calculated at the tax rate of 20%	5,643,779	16,170,572	4,583,287	6,880,840
Exempt income tax	(3,852,809)	(1,759,708)	(4,279,986)	(2,121,987)
Tax losses for which no deferred income tax asset was recognised	5,326,675	-	-	-
Expenses not deductible for tax purposes	733,041	1,060,180	14,788	1,029,262
Income tax	<u>7,850,686</u>	<u>15,471,044</u>	<u>318,089</u>	<u>5,788,115</u>

Further information about deferred income tax is presented in Note 16.

27 Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares (Note 19).

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to ordinary shareholders of the company (Baht)	16,495,287	65,381,814	22,598,348	28,616,088
Weighted average number of ordinary shares outstanding (Shares)	786,885,246	400,000,000	786,885,246	400,000,000
Basic earnings per share (Baht)	0.021	0.163	0.029	0.072

28 Related-party transactions

As at 31 December 2016, the major shareholders of the Company are 3 individuals from Treeweeranuwat family, which own 56.62% of the Company's share capital.

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other receivables				
Subsidiaries	-	-	882,329	1,195,200
Associates	-	400,000	-	400,000
	-	400,000	882,329	1,595,200
Advance				
Subsidiaries	-	-	1,797	-
Accrued interest income				
Subsidiaries	-	-	3,896,878	2,220,123
Associates	-	911,623	-	797,651
	-	911,623	3,896,878	3,017,774
Trade accounts payable				
Subsidiaries	-	-	2,099,768	3,013,570
Other account payables				
Subsidiaries	-	-	50,272	77,643

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Subsidiaries	-	-	107,320,000	53,870,000
Associates	-	84,448,425	-	69,548,325
	-	84,448,425	107,320,000	123,418,325

1) Short-term loans to subsidiaries

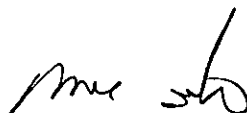
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	53,870,000	30,000,000
Loans increase from acquisition of subsidiary - CAZ	-	-	45,000,000	-
Additions	-	-	168,520,000	43,880,000
Repayments	-	-	(160,070,000)	(20,010,000)
Ending balance	-	-	107,320,000	53,870,000


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.

2) Short-term loans to associates

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 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	114,748,425	181,818,000	89,548,325
Repayments	(18,568,000)	(30,300,000)	(18,568,000)	(20,000,000)
Ending balance	-	84,448,425	-	69,548,325

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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กรรมการ


นางสาวนิตา ศรีวีรานูวัฒน์
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28 Related-party transactions (Cont'd)

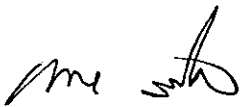
The following transactions were significant to subsidiaries and related parties: (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the year ended 31 December				
Other income				
Subsidiaries	-	-	10,388,791	9,944,776
Associates	780,000	-	780,000	-
	<u>780,000</u>	<u>-</u>	<u>11,168,791</u>	<u>9,944,776</u>
Dividend income (Include in other income)				
Subsidiaries	-	-	21,399,930	10,609,937
Interest income (Include in other income)				
Subsidiaries	-	-	4,835,329	1,416,699
Associates	4,467,910	3,027,215	4,060,862	2,493,459
	<u>4,467,910</u>	<u>3,027,215</u>	<u>8,896,191</u>	<u>3,910,158</u>

d) Purchases of goods and services, and interest expenses

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Purchase of goods and services				
Subsidiaries	-	-	1,455,125	506,455
Rental expenses - office				
Subsidiaries	-	-	504,000	504,000
Transportation expenses				
Subsidiaries	-	-	25,005,025	29,984,850
Other Expenses				
Subsidiaries	-	-	113,640	187,873


นางสาวกาญจนา ริมพนิชชกิจ
กรรมการ


นางสาวนิตา ตริรัตน์วัฒน์
กรรมการ

28 Related-party transactions (Cont'd)

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

e) Key management compensation

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the year ended 31 December				
Salaries and other short-term employee benefits	19,102,707	8,885,210	12,136,015	8,885,210
Retirement benefits	244,426	469,422	170,950	469,422
	<u>19,347,133</u>	<u>9,354,632</u>	<u>12,306,965</u>	<u>9,354,632</u>

29 Commitments

a) Letters of guarantees

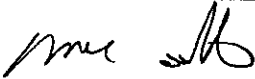
Outstanding bank guarantees issued by the banks on behalf of the Group for the purchase of petroleum gas from gas sellers and governmental agencies for the electricity usage, and on behalf of subsidiaries for the purchase of goods and advances received from customers are as follows:


	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Letters of guarantees				
Company and subsidiary	313,529,951	91,956,704	71,894,484	71,934,484
Associates	-	138,307,735	-	-
	<u>313,529,951</u>	<u>230,264,439</u>	<u>71,894,484</u>	<u>71,934,484</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 7 and 15).

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.

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	4,093,058	613,784	1,159,333	948,884
Within 2 to 5 years	5,036,932	1,865,938	1,769,332	2,165,938
Over 5 years	5,532,645	5,424,162	5,532,645	5,424,162
Total	<u>14,662,635</u>	<u>7,903,884</u>	<u>8,461,310</u>	<u>8,538,984</u>


นางสาวกัญญา ริมพณิชยกิจ
กรรมการ


นางสาวนิตา ตริวิธานวัฒน์
กรรมการ

30 Events after the reporting period

The Company

Establishment

At Takuni Group Manangments' Meeting, on 13 December 2016, the managements 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.

Dividend

On 28 February 2017, the Board of Directors' meeting approved the dividends payment from the retained earnings as at 31 December 2016 at Baht 0.03125 per share for 800,000,000 shares, totaling Baht 25 million. The dividends are due for payment within May 2017.

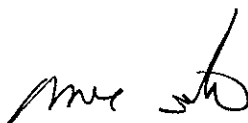
Subsidiaries

Land Purchase

On 24 January 2017, Takuni Land Co., Ltd. into land purchase agreement located at Bang Khae, Bangkok with third parties, totaling Baht 81.54 million. The company loan from Takuni Group Public Co., Ltd to purchase land.

Dissolution of Newman Green Co., Ltd.

At the Extraordinary Shareholders' Meeting No. 01/2017, on 4 February 2017, the shareholders approved for dissolution of the NMG. The company registered for dissolution with Ministry of Commerce on 7 February 2017.



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กรรมการ



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(“TRANSLATION”)

TG 032/60

28th February 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 year ended 31 December 2016 more than 20% from the last year as follows:

Statement of Comprehensive Income

	31 December 2016	31 December 2015	Change	Percentage	Remark
Sales and Services Income	1,589,189,826	1,352,876,992	236,312,834	17.47%	
- LPG Trading	860,008,859	1,007,566,006	(147,557,147)	-14.64%	1
- Transportation	14,684,224	20,991,031	(6,306,807)	-30.05%	2
- Conversion Kit Installation	7,921,842	11,445,121	(3,523,279)	-30.78%	
- Construction	645,145,700	259,127,624	386,018,076	148.97%	3
- Testing and Inspection	61,429,201	53,747,210	7,681,991	14.29%	4
Cost of sales and services	(1,473,904,951)	(1,196,305,622)	(277,599,329)	23.20%	
- LPG Trading	(807,981,928)	(935,441,231)	127,459,303	-13.63%	
- Transportation	(11,746,720)	(16,625,308)	4,878,588	-29.34%	
- Conversion Kit Installation	(3,312,939)	(26,181,846)	22,868,907	-87.35%	
- Construction	(612,830,556)	(188,308,735)	(424,521,821)	225.44%	
- Testing and Inspection	(38,032,808)	(29,748,502)	(8,284,306)	27.85%	
Gross Profit	115,284,875	156,571,370	(41,286,495)	-26.37%	
- LPG Trading	52,026,931	72,124,775	(20,097,844)	-27.87%	1
- Transportation	2,937,504	4,365,723	(1,428,219)	-32.71%	
- Conversion Kit Installation	4,608,903	(14,736,725)	19,345,628	131.27%	
- Construction	32,315,144	70,818,889	(38,503,745)	-54.37%	3
- Testing and Inspection	23,396,393	23,998,708	(602,315)	-2.51%	4
Other income	63,548,355	11,802,747	51,745,608	438.42%	5
Profit before expenses	178,833,230	168,374,117	10,459,113	6.21%	

	31 December 2016	31 December 2015	Change	Percentage	Remark
Selling expenses	(19,859,208)	(24,195,540)	4,336,332	-17.92%	
Administrative expenses	(100,220,366)	(61,412,368)	(38,807,998)	63.19%	6
Finance costs	(9,859,553)	(3,147,894)	(6,711,659)	213.21%	
Share of profit of associates	(20,675,208)	1,234,543	(21,909,751)	-1774.73%	5
Profit before income tax	28,218,895	80,852,858	(52,633,963)	-65.10%	
Income tax	(7,850,686)	(15,471,044)	7,620,358	-49.26%	7
Profit for the year	20,368,209	65,381,814	(45,013,605)	-68.85%	
Other comprehensive income	(429,206)	(562,498)	133,292	-23.70%	
Total comprehensive income for the year, net of tax	19,939,003	64,819,316	(44,880,313)	-69.24%	
Profit attributable to:					
Owners of the parent	16,495,287	65,381,814			
Non-controlling interests	3,872,922	-			
Profit for the year	20,368,209	65,381,814			

1. LPG sales income decreased because the usage of LPG in transportation sector decreased from previous year, result in volume sold in 2016 decreased 1.18% from the last 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 13.63% compared to the last year. Thus, gross profit margin decreased from 7.16% to be 6.05%.
2. Transportation service income decreased as the decreased in number of trip of internationally LPG transportation during 2016. However, the Group has started Ammonia transportation service since November 2016, which already recognized revenue 0.47 Million Baht in 2016 consolidated financial statements.
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 year 2016 amounting of 435.53 Million Baht (in 2015, the Group recognized only profit sharing from associated).

During 2016, the Group has recorded revenue by percentage of completion for property construction amounting of 137.82 Million Baht and LPG terminal amounting of 39.20 Million Baht, which less than the previous year revenue of 248.15 Million Baht. However, there is probable that total contract costs will exceed total contract revenue, the Group recognized the expected loss from

property construction amounting of 24.32 Million Baht in the 2016 consolidated financial statements. This result in the decreased of gross profit margin from 27.33% for the year 2015 to be 5.01% for the year 2016.

As at 31 December 2016, the Group has backlog for construction service in oil and gas sector totaling of 300.31 Million Baht and received letter of intent totaling of 351.10 Million Baht.

4. Testing and Inspection service slightly increased as the increased in CNG cylinder and LPG terminal inspection service. However, gross profit margin for 2016 was 38.09%, less than the prior year which was 44.63%, because service cost for engineer has increased.
5. Other income significantly increased because;
 - 5.1 Gain from sale investment in associate (Well Korat Energy Co., Ltd.) on 30 June 2016 which net profit was 4.27 Million Baht - shown in other income amounting of 25.42 Million Baht and share of loss of associate amounting of 21.15 Million Baht.
 - 5.2 Gain from re-measured to fair value of investment in associate (CAZ) before the step acquisition on 7 April 2016 amounting of 19.26 Million Baht.
 - 5.3 Interest income from short-term investment and gain on disposal of fixed asset amounting of 10.86 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 34.90 Million Baht (61% was staff cost). Moreover, staff cost for the Group 100% subsidiaries also increased around 4.03 Million Baht from the previous year.
7. The Group's Corporate Income Tax expense decreased because of the decreased in operating profit.

Statement of Financial Position

	31 December 2016	31 December 2015	Change	Percentage	Remark
Assets					
Current assets					
Cash and cash equivalents	286,508,790	90,100,398	196,408,392	217.99%	1
Temporary investments	69,965,203	232,108	69,733,095	30043.38%	1
Trade and other receivables	310,189,929	128,873,842	181,316,087	140.69%	2
Short-term loans to related parties	-	84,448,425	(84,448,425)	-100.00%	3

	31 December 2016	31 December 2015	Change	Percentage	Remark
Inventories	31,623,953	43,038,816	(11,414,863)	-26.52%	
Other current assets	12,435,104	649,937	11,785,167	1813.28%	4
Total current assets	710,722,979	347,343,526	363,379,453	104.62%	
Non-current assets					
Pledged and restricted bank deposits	67,355,200	40,455,019	26,900,181	66.49%	1
Investments in associates	-	167,244,543	(167,244,543)	-100.00%	3
Investment properties	4,516,644	4,862,259	(345,615)	-7.11%	
Property, plant and equipment	519,552,453	203,144,239	316,408,214	155.76%	5
Goodwill	19,383,641	-	19,383,641	100.00%	6
Intangible assets	7,160,430	718,446	6,441,984	896.66%	6
Deferred income tax assets	4,144,757	6,004,778	(1,860,021)	-30.98%	
Other non-current assets	26,122,597	604,947	25,517,650	4218.16%	4
Total non-current assets	648,235,722	423,034,231	225,201,491	53.23%	
Total assets	1,358,958,701	770,377,757	588,580,944	76.40%	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	-	61,500	(61,500)	-100.00%	
Trade and other payables	162,744,922	84,684,915	78,060,007	92.18%	7
Short-term borrowings from financial institutions	-	214,167,306	(214,167,306)	-100.00%	8
Current portion of long-term bank borrowings	45,020,000	6,000,000	39,020,000	650.33%	9
Current portion of finance lease liabilities	1,834,059	788,015	1,046,044	132.74%	
Current income tax payable	-	9,882,849	(9,882,849)	-100.00%	
Other current liabilities	16,761,744	756,139	16,005,605	2116.75%	10
Total current liabilities	226,360,725	316,340,724	(89,979,999)	-28.44%	

	31 December 2016	31 December 2015	Change	Percentage	Remark
Non-current liabilities					
Long-term bank borrowings	245,460,000	28,100,000	217,360,000	773.52%	9
Finance lease liabilities	3,792,156	3,113,092	679,064	21.81%	
Employee benefit obligations	2,723,538	1,671,066	1,052,472	62.98%	
Deferred income tax liabilities	-	1,008,321	(1,008,321)	-100.00%	
Other non-current liabilities	22,995,548	4,962,174	18,033,374	363.42%	10
Total non-current liabilities	274,971,242	38,854,653	236,116,589	607.69%	
Total liabilities	501,331,967	355,195,377	146,136,590	41.14%	
Shareholders' equity					
Issued and paid-up	400,000,000	200,000,000	200,000,000	100.00%	1
Premium on paid-up capital	305,527,766	106,643,230	198,884,536	186.50%	1
Share surplus from business combination under common control	20,636,290	20,636,290	-	0.00%	
Retained earnings	78,021,964	87,902,860	(9,880,896)	-11.24%	
Total parent's equity	804,186,020	415,182,380	389,003,640	93.69%	
Non-controlling interests	53,440,714	-	53,440,714	100.00%	
Total shareholders' equity	857,626,734	415,182,380	442,444,354	106.57%	
Total liabilities and shareholders' equity	1,358,958,701	770,377,757	588,580,944	76.40%	

1. Cash and cash equivalents, Pledged and restricted bank deposits, and Temporary investments significantly increased from the previous year because the Company has received cash from the rights offering to the existing shareholders totaling 400 million shares in January 2016, with exercise price 1 Baht (par value 0.50 Baht per share). The Company also invested in short-term investment and deposited as collateral for letter of guarantee for the Group's construction service. Moreover, this right offering has increased issued and paid-up share capital and premium on paid-up capital amounting of 398.88 Million Baht.

2. Trade and other receivables increased from the last year because the Group has included trade receivables, accrued income and withholding tax deducted at source of CAZ into the consolidated financial statements amounting of 204.86 Million Baht. However, trade receivable from LPG trading, transportation, testing and inspection service slightly increased amounting of 24.67 Million Baht since some of receivables have liquidity situation. However, the Group has consider allowance for doubtful account according to the policy.

During 2016, the Group has been paid for 50.45 Million Baht that recorded as accrued income of LPG terminal construction as at 31 December 2015.

3. Short-term loans to related parties and Investments in associates decreased due to the selling of investment in associate (Well Korat Energy Co., Ltd.) on 30 June 2016. The Group has received all of short-term loan repayment from such a related party.
4. Other current assets and other non-current assets increased because asset of CAZ must be included in the consolidated financial statements. Other current assets of CAZ were advance payment to subcontractor and suspense input VAT. Other non-current assets of CAZ were retention that has been deducted from construction services, which will be refunded together with the last payment of each construction contract.
5. Property, plant and equipment sharply increased because CAZ has purchased land, plant, and equipment during 2016 for its business operation. Moreover, the Group has purchased Ammonia Truck for transportation service as well as tools and equipment for testing and inspection service to support its business expansion.
6. Goodwill and Intangible asset increased because the fair value measurement of net asset and identify intangible asset for business combination (CAZ) under TFRS 3 Business Combination. On the acquisition date, the Group recorded goodwill amounting of 19.38 Million Baht from as well as record intangible asset from backlog amounting of 3.82 Million Baht, which will be amortized in 2017 when complete these project.
7. Trade and other payables increased from the last year because the Group has included trade payables, unearned income and accrued expense of CAZ into the consolidated financial statements amounting of 106.22 Million Baht. However, trade payable of the Company slightly decreased due to less LPG volume purchase compared to the same period of previous year.
8. Short-term borrowings from financial institutions, which is for investment in associated company, has repaid from cash flow received from the right offering in January 2016.

9. Long-term bank borrowings increased because of loan for PPE purchase to support the Groups' business operation and expansion, especially in construction, transportation, and testing and inspection service.
10. Other current liabilities and other non-current liabilities increased from retention deducted to subcontractor and dividend payable to the CAZ shareholders before the additional business combination on 7 April 2016.

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)
Vice President