

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

Financial statements for the year ended  
31 December 2020  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Takuni Group Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Takuni Group Public Company Limited and its subsidiaries (the "Group") and of Takuni Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is 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.

<b>Impairment of gas depots and related assets</b>	
Refer to the notes 4 (m) and 13 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As at 31 December 2020, the Group and the Company has gas depots and related assets which are recognised as part of property, plant and equipment of Baht 49.78 million in the consolidated and separate financial statements.</p> <p>As gas trading is in a declining market, there is a risk that the carrying amount of gas depots and related assets exceeds its recoverable amount. The management assesses the indication of impairment of assets and reviews the recoverable amount. The recoverable amount of gas depots and related assets are determined based on value in use. This approach involves management's judgement in estimation of discounted future cash flows with key assumptions which are growth rate, gross profit margin and discount rate. Discounted cash flows requires judgement and estimates made by management. As a result, this is a focus area for my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding management's process in assessing the impairment indicators, appropriateness of identification of the CGU and determining the recoverable amount of assets.</li> <li>• Testing calculation of the discounted future cash flows model used.</li> <li>• Assessing the key assumptions underlying the estimate of the value from using discounted future cash flows. Testing the sensitivity analysis to determine the effect of changes in the key assumptions by management concerning historical performance, operating plan and industry data.</li> <li>• Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

<b>Recognition of revenue from construction contracts</b>	
Refer to the notes 4 (s) and 18 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group's major revenue is from various construction contracts such as EPC services, Structure Mechanic and Piping (SMP) services and others, whereby the conditions of each contract are various and different. Revenue from construction contracts is recognised when the performance obligation is satisfied over time by reference the percentage of completion of each contract at the reporting date including consideration of provision for loss-making contracts.</p> <p>The recognition of revenue from construction contracts, provision for loss-making contracts, related receivables and contract assets is related to the following key factors:</p> <ul style="list-style-type: none"> <li>• Costs incurred;</li> <li>• Surveys of performance completed to date;</li> <li>• Total cost estimation of the contract; and</li> <li>• Revision for certain events or conditions that occur or expect to occur to complete the contract resulted in contract modification and revision of total cost estimation of the contract.</li> </ul> <p>I focused on this area as a key audit matter due to the recognition of revenue from construction contracts required judgement and estimates made by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls;</li> <li>• Testing total cost estimation of the contracts which was approved by the management including changes in total cost estimation during the year, actual costs incurred, revenue from construction contracts, possible for loss-making contracts, related receivables and contract assets with contracts and supporting documents;</li> <li>• Assessing the reasonableness of changes in total cost estimation during the year;</li> <li>• Testing the data used in calculation of percentage of completion with supporting documents;</li> <li>• Analysing the gross profit, work progress and inquire the rationale for differences from the management;</li> <li>• Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>



### *Other Matter*

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 27 February 2020.

### *Other Information*

Management is 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 those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is responsible for assessing the Group's 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's 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 skepticism 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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's 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

A handwritten signature in blue ink, which appears to read 'Vipavan Pattavanvivek', is positioned above the printed name.

(Vipavan Pattavanvivek)  
Certified Public Accountant  
Registration No. 4795

KPMG Phoomchai Audit Ltd.  
Bangkok  
23 February 2021

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	6	472,611,336	138,272,339	320,426,587	101,316,422
Trade and other current receivables	7	265,180,232	305,583,093	79,040,966	130,439,563
Contract assets	8	524,091,002	707,291,598	-	145,064,727
Short-term loans to related parties	5	18,320,000	320,000	87,330,000	256,304,000
Inventories	9	61,079,605	222,170,664	11,135,478	37,713,827
Other current assets		7,961,308	15,573,223	114,027	1,508,257
<b>Total current assets</b>		<b>1,349,243,483</b>	<b>1,389,210,917</b>	<b>498,047,058</b>	<b>672,346,796</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	6, 16	29,819,939	48,846,959	15,800,000	11,899,000
Investments in subsidiaries	11	-	-	111,458,970	91,459,170
Investments in associates	10	1,446,592	5,205,714	4,000,000	4,000,000
Long-term loans to related parties	5	-	-	86,670,000	30,490,000
Investment properties		4,286,852	11,044,685	-	-
Property, plant and equipment	3, 13	721,355,574	692,023,810	57,572,203	59,201,371
Goodwill	14	19,383,641	19,383,641	-	-
Intangible assets		15,950,213	14,488,436	1,632,859	1,927,336
Receivable from sale of land	5, 15	76,240,690	-	-	-
Retention receivables	8	54,192,041	11,616,698	-	798,783
Withholding tax deducted at source		151,192,729	118,557,201	8,976,900	2,125,357
Deferred tax assets	22	7,683,526	5,608,105	1,988,731	2,168,214
Other non-current assets		7,421,244	3,656,157	2,985,680	2,969,215
<b>Total non-current assets</b>		<b>1,088,973,041</b>	<b>930,431,406</b>	<b>291,085,343</b>	<b>207,038,446</b>
<b>Total assets</b>		<b>2,438,216,524</b>	<b>2,319,642,323</b>	<b>789,132,401</b>	<b>879,385,242</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Bank overdrafts	6, 16	7,793	16,706,125	-	-
Short-term borrowings from financial institutions	16	509,103,580	222,247,286	-	-
Trade and other current payables		277,024,282	397,373,601	24,786,978	90,425,414
Contract liabilities	8	141,438,716	243,746,702	-	24,647,153
Short-term borrowings from related party	5, 16	-	2,500,000	-	-
Short-term borrowings from other party	16	20,000,000	-	-	-
Current portion of long-term borrowings from financial institutions	16	38,640,000	38,640,000	-	-
Current portion of lease liabilities <i>(2019: Current portion of finance lease liabilities)</i>	3, 16	24,480,468	9,575,603	976,658	1,230,938
Income tax payable		4,144,602	577,715	-	-
Other current liabilities		34,800,928	26,919,649	5,408,831	2,853,593
<b>Total current liabilities</b>		<b>1,049,640,369</b>	<b>958,286,681</b>	<b>31,172,467</b>	<b>119,157,098</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	16	84,300,000	105,060,000	-	-
Lease liabilities <i>(2019: Finance lease liabilities)</i>	3, 16	36,217,401	22,575,796	4,944,756	1,888,014
Deferred income	15	14,236,079	-	-	-
Non-current provisions for employee benefits		14,546,787	16,410,211	4,776,029	8,833,721
Other non-current liabilities		9,632,728	20,410,470	670,188	12,074,354
<b>Total non-current liabilities</b>		<b>158,932,995</b>	<b>164,456,477</b>	<b>10,390,973</b>	<b>22,796,089</b>
<b>Total liabilities</b>		<b>1,208,573,364</b>	<b>1,122,743,158</b>	<b>41,563,440</b>	<b>141,953,187</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Equity</b>					
Share capital:					
Authorised share capital					
<i>(1,200,000,000 ordinary shares, par value at Baht 0.5 per share)</i>		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up share capital					
<i>(800,000,000 ordinary shares, par value at Baht 0.5 per share)</i>		400,000,000	400,000,000	400,000,000	400,000,000
Share premium on ordinary shares	17	305,527,766	305,527,766	305,527,766	305,527,766
Share surplus from business combination					
under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated					
Legal reserve	17	11,552,000	9,942,000	11,552,000	9,942,000
Unappropriated		73,301,010	64,578,296	30,489,195	21,962,289
Other components of equity		81,852,708	81,852,708	-	-
<b>Equity attributable to owners of the parent</b>		<b>892,869,774</b>	<b>882,537,060</b>	<b>747,568,961</b>	<b>737,432,055</b>
Non-controlling interests	12	336,773,386	314,362,105	-	-
<b>Total equity</b>		<b>1,229,643,160</b>	<b>1,196,899,165</b>	<b>747,568,961</b>	<b>737,432,055</b>
<b>Total liabilities and equity</b>		<b>2,438,216,524</b>	<b>2,319,642,323</b>	<b>789,132,401</b>	<b>879,385,242</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Revenue</b>					
Revenue from sales of goods		632,836,672	744,449,890	509,916,823	742,388,886
Revenue from construction contracts and rendering of services		2,445,501,282	2,332,436,950	103,403,762	379,210,496
	18	<b>3,078,337,954</b>	<b>3,076,886,840</b>	<b>613,320,585</b>	<b>1,121,599,382</b>
Costs of sales of goods	9	(589,241,817)	(717,008,797)	(495,822,922)	(719,251,597)
Costs of construction contracts and rendering of services		(2,215,201,970)	(2,061,780,789)	(92,383,128)	(332,578,891)
<b>Gross profit</b>		<b>273,894,167</b>	<b>298,097,254</b>	<b>25,114,535</b>	<b>69,768,894</b>
Other income		10,307,970	17,844,925	55,660,053	38,979,718
Distribution costs		(4,111,173)	(5,356,979)	(2,058,556)	(2,808,439)
Administrative expenses		(159,679,829)	(190,209,380)	(46,201,020)	(72,698,475)
<b>Profit from operating activities</b>		<b>120,411,135</b>	<b>120,375,820</b>	<b>32,515,012</b>	<b>33,241,698</b>
Finance costs		(22,801,343)	(14,556,181)	(278,686)	(130,618)
Share of loss of associates					
accounted for using equity method		(2,345,564)	(1,317,125)	-	-
<b>Profit before income tax expense</b>		<b>95,264,228</b>	<b>104,502,514</b>	<b>32,236,326</b>	<b>33,111,080</b>
Income tax expense	22	(21,597,859)	(30,751,502)	(179,483)	(8,683,554)
<b>Profit for the year</b>		<b>73,666,369</b>	<b>73,751,012</b>	<b>32,056,843</b>	<b>24,427,526</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
		-	(5,366,067)	-	(3,554,086)
		-	1,073,214	-	710,817
		-	<b>(4,292,853)</b>	-	<b>(2,843,269)</b>
		<b>73,666,369</b>	<b>69,458,159</b>	<b>32,056,843</b>	<b>21,584,257</b>
<b>Profit attributable to:</b>					
		32,255,634	27,158,513	32,056,843	24,427,526
		41,410,735	46,592,499	-	-
		<b>73,666,369</b>	<b>73,751,012</b>	<b>32,056,843</b>	<b>24,427,526</b>
<b>Total comprehensive income attributable to:</b>					
		32,255,634	23,278,811	32,056,843	21,584,257
		41,410,735	46,179,348	-	-
		<b>73,666,369</b>	<b>69,458,159</b>	<b>32,056,843</b>	<b>21,584,257</b>
		<b>0.04</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>

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

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

**Statement of changes in equity**

	<b>Consolidated financial statements</b>									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings		Other components of equity	Equity attributable to owner of the parent	Non- controlling interests	Total equity
					Legal reserve	Unappropriated <i>(in Baht)</i>	Changes in parent's ownership interest in subsidiary			
<b>Year ended 31 December 2019</b>										
<b>Balance at 1 January 2019</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>20,636,290</b>	<b>8,692,000</b>	<b>72,549,501</b>	<b>1,070,428</b>	<b>808,475,985</b>	<b>80,721,117</b>	<b>889,197,102</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the parent</i>										
Dividends	24	-	-	-	-	(30,000,016)	-	(30,000,016)	(19,350,002)	(49,350,018)
<b>Total distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000,016)</b>	<b>-</b>	<b>(30,000,016)</b>	<b>(19,350,002)</b>	<b>(49,350,018)</b>
<i>Changes in ownership interests in subsidiary</i>										
Acquisition of non-controlling interests without a change in control	11	-	-	-	-	-	80,782,280	80,782,280	206,811,642	287,593,922
<b>Total changes in ownership interests in subsidiary</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,782,280</b>	<b>80,782,280</b>	<b>206,811,642</b>	<b>287,593,922</b>
<b>Comprehensive income for the year</b>										
Profit		-	-	-	-	27,158,513	-	27,158,513	46,592,499	73,751,012
Other comprehensive income		-	-	-	-	(3,879,702)	-	(3,879,702)	(413,151)	(4,292,853)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,278,811</b>	<b>-</b>	<b>23,278,811</b>	<b>46,179,348</b>	<b>69,458,159</b>
Transfer to legal reserve	17	-	-	-	1,250,000	(1,250,000)	-	-	-	-
<b>Balance at 31 December 2019</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>20,636,290</b>	<b>9,942,000</b>	<b>64,578,296</b>	<b>81,852,708</b>	<b>882,537,060</b>	<b>314,362,105</b>	<b>1,196,899,165</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Consolidated financial statements									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings		Other components of equity	Equity attributable to owner of the parent	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Changes in parent's ownership interest in subsidiary			
<b>Year ended 31 December 2020</b>										
<b>Balance at 1 January 2020</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>20,636,290</b>	<b>9,942,000</b>	<b>64,578,296</b>	<b>81,852,708</b>	<b>882,537,060</b>	<b>314,362,105</b>	<b>1,196,899,165</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the parent</i>										
Dividends	24	-	-	-	-	(21,922,920)	-	(21,922,920)	(18,999,454)	(40,922,374)
<i>Total distributions to owners of the parent</i>		-	-	-	-	<b>(21,922,920)</b>	-	<b>(21,922,920)</b>	<b>(18,999,454)</b>	<b>(40,922,374)</b>
<b>Comprehensive income for the year</b>										
Profit		-	-	-	-	32,255,634	-	32,255,634	41,410,735	73,666,369
<b>Total comprehensive income for the year</b>		-	-	-	-	<b>32,255,634</b>	-	<b>32,255,634</b>	<b>41,410,735</b>	<b>73,666,369</b>
Transfer to legal reserve	17	-	-	-	1,610,000	(1,610,000)	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>20,636,290</b>	<b>11,552,000</b>	<b>73,301,010</b>	<b>81,852,708</b>	<b>892,869,774</b>	<b>336,773,386</b>	<b>1,229,643,160</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve Unappropriated <i>(in Baht)</i>		
<b>Year ended 31 December 2019</b>						
Balance at 1 January 2019		400,000,000	305,527,766	8,692,000	31,628,025	745,847,791
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners</i>						
Dividends	24	-	-	-	(29,999,993)	(29,999,993)
<i>Total distributions to owners</i>		-	-	-	(29,999,993)	(29,999,993)
<b>Comprehensive income for the year</b>						
Profit		-	-	-	24,427,526	24,427,526
Other comprehensive income		-	-	-	(2,843,269)	(2,843,269)
<b>Total comprehensive income for the year</b>		-	-	-	<b>21,584,257</b>	<b>21,584,257</b>
Transfer to legal reserve	17	-	-	1,250,000	(1,250,000)	-
<b>Balance at 31 December 2019</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>9,942,000</b>	<b>21,962,289</b>	<b>737,432,055</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve Unappropriated		
<b>Year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>9,942,000</b>	<b>21,962,289</b>	<b>737,432,055</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners</i>						
Dividends	24	-	-	-	(21,919,937)	(21,919,937)
<b>Total distributions to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,919,937)</b>	<b>(21,919,937)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	32,056,843	32,056,843
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>32,056,843</b>	<b>32,056,843</b>
Transfer to legal reserve	17	-	-	1,610,000	(1,610,000)	-
<b>Balance at 31 December 2020</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>11,552,000</b>	<b>30,489,195</b>	<b>747,568,961</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated financial		Separate financial		
	statements		statements		
	Year ended 31 December		Year ended 31 December		
Note	2020	2019	2020	2019	
<i>(in Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		73,666,369	73,751,012	32,056,843	24,427,526
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Income tax expense	22	21,597,859	30,751,502	179,483	8,683,554
Finance costs		22,801,343	14,556,181	278,686	130,618
Depreciation and amortisation		87,472,358	65,345,405	6,876,783	6,316,403
Impairment loss recognised in profit or loss	13	-	22,477,776	-	22,477,776
Non-current provisions for employee benefits		2,666,777	3,345,129	126,308	1,805,469
Impairment loss of receivables	7	3,384,868	2,362,950	326,706	1,342,015
(Reversal of) loss on inventories devaluation	9	395,870	(1,425,926)	-	-
(Gain) loss on disposal and written-off of property, plant and equipment		1,046,927	(1,319,332)	(156,297)	(32,716)
Loss on disposal of investment properties		1,938,465	3,118,317	-	-
Gain on revaluation of securities		-	(503,377)	-	(503,377)
Gain on sale of securities		-	(406,059)	-	(406,059)
Share of loss of associates accounted for using equity method		2,345,564	1,317,125	-	-
Write-off of withholding tax deducted at source		1,541,244	12,650	-	12,650
Dividend income		-	-	(37,897,018)	(19,999,977)
Interest income		(417,736)	(1,322,396)	(7,475,749)	(5,481,039)
		<u>218,439,908</u>	<u>212,060,957</u>	<u>(5,684,255)</u>	<u>38,772,843</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade and other current receivables		37,017,993	(66,917,209)	68,581,758	56,102,477
Contract assets		183,200,596	(411,800,669)	145,064,727	(132,744,193)
Inventories		101,664,983	118,225,641	26,578,349	(10,324,410)
Other current assets		7,611,915	(4,590,542)	1,394,230	2,484,822
Retention receivables		(42,575,343)	23,592,610	798,783	(798,783)
Other non-current assets		(3,729,723)	(1,285,446)	(16,465)	648
Trade and other current payables		(115,610,992)	53,727,303	(65,551,964)	(14,176,289)
Contract liabilities		(102,307,986)	(143,130,208)	(24,647,153)	(23,847,847)
Other current liabilities		7,881,280	2,172,914	2,555,238	1,427,875
Employee benefits paid		(4,530,201)	(139,725)	(4,184,000)	-
Other non-current liabilities		(10,777,742)	8,161,524	(11,404,166)	8,064,373
Net cash generated from (used in) operating activities		<u>276,284,688</u>	<u>(209,922,850)</u>	<u>133,485,082</u>	<u>(75,038,484)</u>
Interest paid		(22,085,538)	(14,977,622)	(140,296)	(1,590)
Tax paid		(54,318,531)	(70,300,003)	(6,851,543)	(9,089,910)
<b>Net cash from (used in) operating activities</b>		<u><b>199,880,619</b></u>	<u><b>(295,200,475)</b></u>	<u><b>126,493,243</b></u>	<u><b>(84,129,984)</b></u>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
Note	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Decrease (increase) in restricted deposits at financial institutions	19,027,020	(11,498,209)	(3,901,000)	660,000
Acquisition of current investments	-	(124,000,000)	-	(30,000,000)
Proceeds from sale of current investments	-	184,808,143	-	90,406,059
Proceeds from loans to related parties	5	-	409,634,000	136,276,000
Loans to related parties	5	(18,000,000)	(296,840,000)	(179,220,000)
Acquisition of associates net of cash acquired		(1,560,847)	-	(4,000,000)
Acquisition of subsidiary net of cash acquired	11	-	(19,999,800)	(99,700)
Acquisition of property, plant and equipment		(66,116,541)	(227,363)	(2,077,485)
Acquisition of intangible assets		(3,199,864)	(78,000)	-
Proceeds from disposal of investment properties		4,260,500	-	-
Proceeds from disposal of property, plant and equipment		3,622,456	171,417	32,716
Dividend received		-	16,249,982	30,749,990
Interest received		417,736	11,612,919	2,367,990
<b>Net cash from (used in) investing activities</b>		<b>(61,549,540)</b>	<b>116,622,155</b>	<b>45,095,570</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from short-term borrowings from financial institutions		1,076,113,301	666,054,730	-
Repayment of short-term borrowings from financial institutions		(789,257,007)	(502,987,167)	-
Repayment of long-term borrowings from financial institutions		(20,760,000)	(38,640,000)	-
Proceeds from short-term borrowings from other party		20,000,000	5,000,000	-
Repayment of short-term borrowings from other party		-	(5,000,000)	-
Proceeds from short-term borrowings from related party	5	24,684,940	3,500,000	-
Repayment of short-term borrowings from related party	5	(27,184,940)	(1,000,000)	-
Repayment of lease liabilities		(29,967,670)	(4,058,345)	(1,528,062)
Proceeds from issue of shares		-	287,593,922	-
Dividends paid to owners of the Company		(21,922,920)	(21,919,937)	(29,999,993)
Dividends paid to non-controlling interests		(18,999,454)	-	-
<b>Net cash from (used in) financing activities</b>		<b>212,706,250</b>	<b>(24,005,233)</b>	<b>(31,528,055)</b>

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

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
Note	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>351,037,329</b>	<b>(91,115,386)</b>	<b>219,110,165</b>	<b>(70,562,469)</b>
Cash and cash equivalents at 1 January	121,566,214	212,681,600	101,316,422	171,878,891
<b>Cash and cash equivalents at 31 December</b>	<b>472,603,543</b>	<b>121,566,214</b>	<b>320,426,587</b>	<b>101,316,422</b>
<b>Cash and cash equivalents at 31 December</b>	6			
Cash and cash equivalents	472,611,336	138,272,339	320,426,587	101,316,422
Bank overdrafts	(7,793)	(16,706,125)	-	-
	<b>472,603,543</b>	<b>121,566,214</b>	<b>320,426,587</b>	<b>101,316,422</b>
<b>Non-cash transactions</b>				
Payable from purchase of property, plant and equipment	2,179,608	7,229,331	4,000	12,472
Payable from purchase of intangible assets	428,000	165,750	-	78,000
Receivable from disposal of property, plant and equipment	76,240,690	-	-	-
Acquisitions of right-of-use assets under leases	57,847,482	30,528,555	5,031,404	3,112,500

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

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**Takuni Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2020**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2021.

## **1 General information**

Takuni Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 19 August 2014. The Company’s registered office at 140/1 Soi Nawee Charoensap, Kanchanaphisek Road, Bang Khae, Bangkok.

The Company’s major shareholder during the financial year was Treeveeranuwat family who hold 35% shareholding.

The principal activities of the Company are Liquid Petroleum Gas (LPG) procurement and trading. The principal activities of the Group are:

Liquid Petroleum Gas trading	Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	Equipment trading, industrial and car gas systems installation
Transportation services	Hazardous substances and construction materials transportation services by land
Construction services	Construction services
Non-destructive testing (NDT) and inspection services	Non-destructive testing and inspection service
Others	Property development

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are disclosed in note 11.

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

### *(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes in accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**Takuni Group Public Company Limited and its Subsidiaries**  
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(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4 (k) and 13 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

4 (s) and 18 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from service is recognised over time or at a point in time; and

11 Consolidation: whether the Group has control over an investee even the Group hold less than a majority of shares.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4 (s) Revenue recognition: total cost estimation of the contracts and assessment of percentage of completion for overtime revenue recognition;
- 4 (m) and 13 Impairment test of property, plant and equipment: key assumptions underlying recoverable amounts;
- 4 (m) and 14 Impairment test of goodwill: key assumptions underlying recoverable amounts;
- 7 and 25 Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
- 25 Determining the fair value of financial instruments on the basis of significant unobservable inputs; and
- 28 Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**3 Changes in accounting policies**

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

**(a) TFRS - Financial instruments standards**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d). The impact from adoption of TFRS - Financial instruments standards are as follows:

*Impairment - Financial assets and contract assets*

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

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

**(b) TFRS 16 Leases**

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

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

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

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

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

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

#### **4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

##### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in the subsidiaries section, other than business combinations with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

**Takuni Group Public Company Limited and its Subsidiaries**  
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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Acquisitions from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity - accounted investees*

The Group's interests in equity - accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

**Takuni Group Public Company Limited and its Subsidiaries**  
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Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity - accounted investees, until the date on which significant influence ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Investments in subsidiaries and associates**

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

**(c) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

**Takuni Group Public Company Limited and its Subsidiaries**  
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When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(d) Financial instruments**

***Accounting policies applicable from 1 January 2020***

***(d.1) Recognition and initial measurement***

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

***(d.2) Classification and subsequent measurement***

***Financial assets - classification***

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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*Financial assets - assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

*Financial assets - subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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*Financial liabilities - classification, subsequent measurement and gains and losses*

Financial liabilities, classified as amortised cost, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(e) Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

*(f) Trade and other receivables and contract assets*

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

*(g) Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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**(h) *Investment properties***

Investment properties are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Buildings	20 years
Condominium	40 years

**(i) *Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land and land improvement	14	years
Buildings and building improvements	10 years and 20	years
Gas cylinders and equipment	5 - 20	years
Furniture, fixtures and office equipment	3 - 10	years
Vehicles	5 years and 10	years

No depreciation is provided on assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Intangible assets**

*Goodwill*

The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 - 10	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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**(k) Leases**

*Accounting policies applicable from 1 January 2020*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group present right-of-use assets in property, plant and equipment in the statement of financial position.

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*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'other income'. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(l) *Impairment of financial assets***

***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, loans to related parties) and contract assets.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

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

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considered a financial asset to have low credit risk when its credit rating is considered of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is over the payment period as specified in the contract, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*Accounting policies applicable before 1 January 2020*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

**(m) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversal of impairment*

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(n) Contract liabilities**

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

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**(o) Employee benefits**

*Defined contribution plan*

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(p) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

*Warranties*

A provision for warranties is recognised when the underlying services are provided. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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*Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

**(q) Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(r) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**(s) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue from construction contracts and revenue from rendering of services are satisfied over time by reference the percentage of completion to date or when services are provided. The percentage of completion is measured by reference to the surveys of performance complete to date or using cost incurred relative to total cost estimation to each contrast by using the best method to account for the transfer of work to the customer and considered the nature of work provided and the term of contract. The related costs are recognised in profit or loss when they are incurred.

**(t) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(u) Interest**

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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*Accounting policies applicable before 1 January 2020*

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

**(v) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and investment in associates to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(w) *Earnings per share*

The Group presents basic earnings per share (EPS) by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(x) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(y) *Segment reporting*

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**5 Related parties**

Relationships with subsidiaries and associates are disclosed in notes 10 and 11.

The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sales of goods and rendering of service	Market price
Purchases of goods and receiving of services	Market price
Transportation expense	Market price
Rental expense	Contractual price
Dividend income	Declared dividend payment
Interest income and interest expense	Interest rates determined in intercompany loan agreements
Other income and other expense	Agreed price

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Purchases of goods and receiving of services	-	-	17,425	192,518
Other income	-	-	9,671	13,531
Dividend income	-	-	37,897	20,000
Rental expense	-	-	1,068	1,068
Transportation expense	-	-	20,044	26,206
Interest income	-	-	7,309	4,480
Other expenses	-	-	808	666
<b>Associates</b>				
Sales of goods and rendering of services	101	-	-	-
Purchases of goods	10	-	10	-
Other income	91	-	-	-

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**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	35,436	39,454	12,682	14,829
Post-employment benefits	961	4,220	302	3,623
<b>Total key management personnel compensation</b>	<b>36,397</b>	<b>43,674</b>	<b>12,984</b>	<b>18,452</b>
<b>Other related parties</b>				
Interest expense	256	20	-	-

Balances as at 31 December with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statement</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Trade receivables</b>				
Associate	36	-	-	-
<b>Other receivables</b> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	764	2,259
Associate	8	-	-	-
<b>Total</b>	<b>8</b>	<b>-</b>	<b>764</b>	<b>2,259</b>
<b>Interest receivables</b> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	2,700	6,985
<b>Dividend receivables</b> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	37,897	16,250
<b>Interest receivables</b> <i>(included in other non-current assets)</i>				
Subsidiaries	-	-	2,127	1,979
<b>Receivable from sale of land</b>				
Associate	76,241	-	-	-
<b>Trade and other current payables</b>				
Subsidiaries	-	-	2,181	31,170
<b>Loans to</b>				
	<b>Interest rate</b>	<b>Consolidated financial statements</b>		
	At 31 December	1 January	Increase	Decrease
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>		
<b>2020</b>				
Associate	-	320	18,000	-
				18,320

**Takuni Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2020**

<i>Loans to</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Consolidated financial statements</b>			
		1 January	Increase (in thousand Baht)	Decrease	31 December
<b>2019</b>					
Associate	-	-	<b>320</b>	-	<b>320</b>

<i>Loans to</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Separate financial statements</b>			
		1 January	Increase (in thousand Baht)	Decrease	31 December
<b>2020</b>					
Subsidiaries	3	286,474	278,840	(409,634)	155,680
Associate	-	320	18,000	-	18,320
<b>Total</b>		<b>286,794</b>	<b>296,840</b>	<b>(409,634)</b>	<b>174,000</b>

<b>2019</b>					
Subsidiaries	3	243,850	178,900	(136,276)	286,474
Associate	-	-	320	-	320
<b>Total</b>		<b>243,850</b>	<b>179,220</b>	<b>(136,276)</b>	<b>286,794</b>

<i>Loans from</i>	<b>Interest rate</b> At 31 December (% per annum)	<b>Consolidated financial statements</b>			
		1 January	Increase (in thousand Baht)	Decrease	31 December
<b>2020</b>					
Other related party	5.25 - 5.75	<b>2,500</b>	<b>24,685</b>	<b>(27,185)</b>	-
<b>2019</b>					
Other related party	5.25	-	<b>3,500</b>	<b>(1,000)</b>	<b>2,500</b>

***Significant agreements with related parties***

The Company entered into a general management agreement with related parties to provide business services in solving the problem, providing assistance and giving advice in business operations. The agreement covers a period of 1 year and will be renewed for a period of 1 year until it is terminated by either party after given 1 month written notice to other party. The Company will receive management fees as indicated in the agreement.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**6 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	599	429	6	19
Cash at banks - current accounts	142,965	33,537	1,095	2,412
Cash at banks - savings accounts	228,935	103,335	219,266	97,914
Highly liquid short-term investments	100,112	971	100,060	971
<b>Cash and cash equivalents in the statement of financial position</b>	<b>472,611</b>	<b>138,272</b>	<b>320,427</b>	<b>101,316</b>
Bank overdrafts used for cash management purposes	(8)	(16,706)	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>472,603</b>	<b>121,566</b>	<b>320,427</b>	<b>101,316</b>

Restricted deposits at financial institution are saving accounts and 3 to 12 months fixed accounts which have been pledged as collateral for loans, bank overdrafts and letter of guarantee issuance.

**7 Trade and other current receivables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Trade receivables</b>					
Related party	5	36	-	-	-
Other parties		258,468	283,882	42,219	102,375
Less allowance for impairment (2019: allowance for doubtful accounts)	25	(10,678)	(7,293)	(5,471)	(5,144)
<b>Net</b>		<b>247,826</b>	<b>276,589</b>	<b>36,748</b>	<b>97,231</b>
<b>Other current receivables</b>					
Related party	5	8	-	764	2,259
Other parties		600	323	-	1
Prepaid expense		14,034	14,801	932	3,121
Advance payments to subcontractors		2,553	13,793	-	4,593
Accrued income - others		159	77	-	-
Interest receivables	5	-	-	2,700	6,985
Dividend receivables	5	-	-	37,897	16,250
<b>Total</b>		<b>17,354</b>	<b>28,994</b>	<b>42,293</b>	<b>33,209</b>
<b>Total trade and other current receivables</b>		<b>265,180</b>	<b>305,583</b>	<b>79,041</b>	<b>130,440</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Impairment loss (2019: <i>Bad and doubtful debts</i> )	3,385	2,363	327	1,342

As at 31 December 2020, a subsidiary had pledged of Baht 101.93 million of trade receivables as collateral for short-term borrowings from financial institutions - factoring loan (2019: *Baht 41.47 million*).

## **8 Contract assets and contract liabilities**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Contract assets</i></b>				
Total project value	7,770,394	4,962,823	494,935	494,935
Accumulated amount recognised as revenue on percentage of completion basis	4,458,463	2,844,391	494,935	391,531
Less value of total billed	(3,934,372)	(2,137,099)	(494,935)	(246,466)
<b>Total contract assets</b>	<b><u>524,091</u></b>	<b><u>707,292</u></b>	<b><u>-</u></b>	<b><u>145,065</u></b>
Retention receivables	<u>54,192</u>	<u>11,617</u>	<u>-</u>	<u>799</u>
<b><i>Contract liabilities</i></b>				
Total project value	923,886	1,319,309	-	-
Value of total billed	446,984	1,239,493	-	-
Less accumulated amount recognised as revenue on percentage of completion basis	(414,991)	(1,235,708)	-	-
	<u>31,993</u>	<u>3,785</u>	<u>-</u>	<u>-</u>
Advance received from construction contracts	<u>109,446</u>	<u>239,962</u>	<u>-</u>	<u>24,647</u>
<b>Total contracts liabilities</b>	<b><u>141,439</u></b>	<b><u>243,747</u></b>	<b><u>-</u></b>	<b><u>24,647</u></b>

### *Revenue recognition from contract balance*

During the year 2020, the Group recognised contract liabilities balance at the beginning of the year in revenue from construction contracts and rendering of services amounted of Baht 3.79 million.

### *Revenue expected to be recognised in the future related to performance obligations that are unsatisfied*

As at 31 December 2020, the Group has revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 3,824.12 million which is expected to be recognised during 2021 - 2023.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**9 Inventories**

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
Finished goods - petroleum gas	11,071	19,347	11,135	19,397
Finished goods - gas tank for installation and equipment	8,078	9,422	-	-
Finished goods - minibus	9,459	2,101	-	-
Work in progress - gas installation	122	1,893	-	-
Work in progress - testing	511	3	-	-
Work in progress - minibus	-	8,724	-	-
Raw materials	38,228	30,969	-	18,317
Supplies	2,983	3,024	-	-
Land and building for sale	-	155,664	-	-
<b>Total</b>	<b>70,452</b>	<b>231,147</b>	<b>11,135</b>	<b>37,714</b>
Less allowance for losses on decline in value	(9,372)	(8,976)	-	-
<b>Net</b>	<b>61,080</b>	<b>222,171</b>	<b>11,135</b>	<b>37,714</b>
Inventories recognised in 'cost of sales of goods':				
- Cost	495,447	718,435	495,823	719,252
- Write-down	1,174	-	-	-
- Reversal of write-down	(778)	(1,426)	-	-
<b>Net</b>	<b>495,843</b>	<b>717,009</b>	<b>495,823</b>	<b>719,252</b>

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 2020, the Group and the Company have reserved petroleum gas amounting to Baht 4.16 million which is represented as finished goods - petroleum gas in the consolidated and separate financial statements (2019: Baht 7.15 million).

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**10 Investments in associates**

	Type of business	Consolidated financial statements								Dividend income for the year	
		Ownership interest		Paid-up capital		Cost		Equity		2020	2019
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Associates</i>											
Sermasch Co., Ltd.	Repair and maintenance of tools and machinery	47.5	47.5	2,000	2,000	1,419	1,419	422	558	-	-
Sorb Engineering Co., Ltd.	Sales and installation of tools and machinery	47.5	47.5	2,000	2,000	1,104	1,104	1,025	727	-	-
Exact Real Estate Co., Ltd.	Property development for sale	40.0	40.0	10,000	10,000	4,000	4,000	-	3,921	-	-
Yi Hao Motor Co., Ltd.	Manufacturer and assembly electric motorbike	40.0	-	3,914	-	1,561	-	-	-	-	-
<b>Total</b>						<u>8,084</u>	<u>6,523</u>	<u>1,447</u>	<u>5,206</u>	<u>-</u>	<u>-</u>

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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	<b>Separate financial statements</b>							
	Ownership interest		Paid-up capital		Cost		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)				(in thousand Baht)			
<i>Associate</i>								
Exact Real Estate Co., Ltd.	40.0	40.0	10,000	10,000	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>

All associates were incorporated and mainly operate in Thailand, except Yi Hao Motor Co., Ltd. which was incorporated and operates in Taiwan.

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

On 12 July 2019, the Executive Committee's meeting approved to invest in ordinary shares by establishing a new company named Exact Real Estate Co., Ltd. totaling 40,000 shares at a par value of Baht 100 per share, total consideration paid of Baht 4 million, representing 40% of paid-up share capital. The investing in the associate was on 15 August 2019.

On 13 May 2019, the Executive Committee's meeting approved the acquisition of Sermasch Co., Ltd. totaling 9,500 shares at a par value of Baht 100 per share, total consideration paid of Baht 1.42 million, representing 47.5% of paid-up share capital and the acquisition of Sorb Engineering Co., Ltd. totaling 9,500 shares at a par value of Baht 100 per share, total consideration paid of Baht 1.10 million, representing 47.5% of paid-up share capital. The payment of the investments in associates were made on 28 May 2019. As a result of acquisition, the Group is expected to have its expansion in inspection and testing business.

The Group has assessed the fair value of Sermasch Co., Ltd. and Sorb Engineering Co., Ltd. and recognised the difference between consideration paid and acquired identifiable net assets as a goodwill which was included in investments in associates.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**11 Investments in subsidiaries**

	Type of business	Ownership interest		Separate financial statements				Dividend income for the year	
		2020	2019	Paid-up capital		Cost		2020	2019
		(%)		2020	2019	2020	2019	(in thousand Baht)	
<b><i>Direct subsidiaries</i></b>									
Takuni (Thailand) Co., Ltd.	Equipment trading, industrial and car gas systems installation and construction services	99.99	99.99	50,000	50,000	53,377	53,377	22,000	3,250
Rajchupleuk Engineering Co., Ltd.	NDT and inspection services	99.99	99.99	40,000	20,000	41,340	21,340	-	-
G Gas Logistics Co., Ltd.	Hazardous substances and construction materials transportation services by land	99.99	99.99	15,000	15,000	15,643	15,643	6,000	16,750
Takuni Land Co., Ltd.	Property development	99.97	99.97	1,000	1,000	1,000	1,000	9,897	-
Takuni Trading Co., Ltd.	Sales of automotive equipment, motorcycles and electric cars	99.70	99.70	100	100	99	99	-	-
<b><i>Indirect subsidiaries</i></b>									
CAZ (Thailand) Public Company Limited	Construction services	36.64	36.64	140,000	140,000	-	-	-	-
JKEC Co., Ltd.	Construction services	26.80	26.80	10,100	10,100	-	-	-	-
<b>Total</b>						<b>111,459</b>	<b>91,459</b>	<b>37,897</b>	<b>20,000</b>

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All subsidiaries were incorporated and operate in Thailand.

In the second quarter of 2020, the Company additionally invested in newly issued ordinary shares of Rajchappleuk Engineering Co. Ltd., amounting to Baht 20 million, at the existing proportion.

On 11 March 2019, the Executive Committee's meeting approved to establish and register Takuni Trading Company Limited. The new company was registered with the Ministry of Commerce on 3 April 2019 with the authorized share capital of Baht 100,000.

During 11 - 15 January 2019, CAZ (Thailand) Public Company Limited ("CAZ") which is an indirect subsidiary of the Group held by Takuni (Thailand) Co., Ltd., offered its ordinary shares to the initial public offering (IPO) by issuing 80 million ordinary shares. The new shares were sold to subscribers at price of Baht 3.90 per share, totaling Baht 312 million. The net receiving from IPO was Baht 285.99 million after deducting costs of share issuance of Baht 26.01 million. The shares of CAZ began trading in the Market for Alternative Investment (mai) on 22 January 2019. After IPO, the holding percentage by the Group has decreased from 51.30% to 36.64%. CAZ is still an indirect subsidiary of the Group and the Company continues to prepare the consolidated financial statements.

## 12 Non-controlling interests

The following table summarises the information relating to the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	<b>CAZ (Thailand) Public Company Limited</b>	
	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	63.36%	63.36%
Current assets	901,375	832,603
Non-current assets	773,649	655,000
Current liabilities	(1,020,066)	(854,224)
Non-current liabilities	(126,744)	(139,104)
<b>Net assets</b>	<b>528,214</b>	<b>494,275</b>
Carrying amount of non-controlling interest	334,676	313,173
Intra-group eliminations	2,097	1,189
<b>Total</b>	<b>336,773</b>	<b>314,362</b>
Revenue	2,233,065	2,034,458
Profit	63,926	75,003
Other comprehensive income	-	(630)
<b>Total comprehensive income</b>	<b>63,926</b>	<b>74,373</b>
Profit allocated to non-controlling interest	40,504	47,522
Intra-group eliminations	907	(930)
<b>Total</b>	<b>41,411</b>	<b>46,592</b>
Other comprehensive income allocated to non-controlling interest	40,504	47,123
Intra-group eliminations	907	(944)
<b>Total</b>	<b>41,411</b>	<b>46,179</b>
Cash flows used in operating activities	(68,405)	(210,578)
Cash flows used in investing activities	(35,577)	(198,526)
Cash flows from financing activities	231,768	388,509
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>127,786</b>	<b>(20,595)</b>

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**13 Property, plant and equipment**

	<b>Consolidated financial statements</b>						
	Land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Furniture, fixture and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<i>Cost</i>							
At 1 January 2019	261,713	130,756	58,966	191,411	141,629	2,955	787,430
Additions	76,538	21,391	-	101,293	19,786	16,607	235,615
Transfers	-	3,882	-	4,148	(1,015)	(7,015)	-
Transfers to inventories	(19,538)	(1,918)	-	-	-	-	(21,456)
Disposals/written-off	-	-	-	(1,951)	(5,168)	-	(7,119)
<b>At 31 December 2019 and 1 January 2020</b>	<b>318,713</b>	<b>154,111</b>	<b>58,966</b>	<b>294,901</b>	<b>155,232</b>	<b>12,547</b>	<b>994,470</b>
Recognition of right-of-use assets on initial application of TFRS 16 <i>(see note 3(b))</i>	4,467	-	-	-	9,866	-	14,333
<b>At 1 January 2020 - as adjusted</b>	<b>323,180</b>	<b>154,111</b>	<b>58,966</b>	<b>294,901</b>	<b>165,098</b>	<b>12,547</b>	<b>1,008,803</b>
Additions	4,757	165	6	36,773	10,432	52,449	104,582
Transfers	-	30,257	-	30,791	-	(61,048)	-
Disposals/written-off	(290)	(609)	-	(2,415)	(6,465)	-	(9,779)
Reclassification	-	-	(109)	-	109	-	-
<b>At 31 December 2020</b>	<b>327,647</b>	<b>183,924</b>	<b>58,863</b>	<b>360,050</b>	<b>169,174</b>	<b>3,948</b>	<b>1,103,606</b>

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	<b>Consolidated financial statements</b>						
	Land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Furniture, fixture and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<b><i>Depreciation and impairment losses</i></b>							
At 1 January 2019	-	26,006	17,982	79,773	98,695	-	222,456
Depreciation charge for the year	-	9,164	3,130	40,420	10,162	-	62,876
Impairment losses	-	6,399	15,760	316	-	-	22,475
Transfer to inventories	-	(791)	-	-	-	-	(791)
Disposals/written-off	-	-	-	(1,115)	(3,455)	-	(4,570)
<b>At 31 December 2019 and 1 January 2020</b>	<b>-</b>	<b>40,778</b>	<b>36,872</b>	<b>119,394</b>	<b>105,402</b>	<b>-</b>	<b>302,446</b>
Depreciation charge for the year	2,123	9,004	3,042	53,899	16,846	-	84,914
Disposals/written-off	(290)	(31)	-	(1,546)	(3,243)	-	(5,110)
Reclassification	-	-	(109)	-	109	-	-
<b>At 31 December 2020</b>	<b>1,833</b>	<b>49,751</b>	<b>39,805</b>	<b>171,747</b>	<b>119,114</b>	<b>-</b>	<b>382,250</b>
<b><i>Net book value</i></b>							
<b>At 31 December 2019</b>							
Owned assets	318,713	113,333	22,094	161,370	38,310	12,547	666,367
Assets under finance leases	-	-	-	14,137	11,520	-	25,657
	<b>318,713</b>	<b>113,333</b>	<b>22,094</b>	<b>175,507</b>	<b>49,830</b>	<b>12,547</b>	<b>692,024</b>
<b>At 31 December 2020</b>							
Owned assets	318,730	134,173	19,058	148,972	31,042	3,948	655,923
Right-of-use assets	7,084	-	-	39,331	19,018	-	65,433
	<b>325,814</b>	<b>134,173</b>	<b>19,058</b>	<b>188,303</b>	<b>50,060</b>	<b>3,948</b>	<b>721,356</b>

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	<b>Separate financial statements</b>						
	Land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Furniture, fixture and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2019	26,463	21,369	53,612	5,121	14,472	-	121,037
Additions	16	8	-	339	4,150	-	4,513
Disposals/written-off	-	-	-	(15)	(582)	-	(597)
<b>At 31 December 2019 and 1 January 2020</b>	<b>26,479</b>	<b>21,377</b>	<b>53,612</b>	<b>5,445</b>	<b>18,040</b>	<b>-</b>	<b>124,953</b>
Recognition of right-of-use assets on initial application of TFRS 16 <i>(see note 3(b))</i>	4,467	564	-	-	-	-	5,031
<b>At 1 January 2020 - as adjusted</b>	<b>30,946</b>	<b>21,941</b>	<b>53,612</b>	<b>5,445</b>	<b>18,040</b>	<b>-</b>	<b>129,984</b>
Additions	8	-	6	170	35	-	219
Disposals/written-off	-	(564)	-	(123)	(837)	-	(1,524)
Reclassification	-	-	(109)	-	109	-	-
<b>At 31 December 2020</b>	<b>30,954</b>	<b>21,377</b>	<b>53,509</b>	<b>5,492</b>	<b>17,347</b>	<b>-</b>	<b>128,679</b>
<b>Depreciation and impairment losses</b>							
At 1 January 2019	-	5,919	15,469	3,459	12,773	-	37,620
Depreciation charge for the year	-	1,088	3,065	454	1,647	-	6,254
Impairment losses	-	6,399	15,760	316	-	-	22,475
Disposals/written-off	-	-	-	(15)	(582)	-	(597)
<b>At 31 December 2019 and 1 January 2020</b>	<b>-</b>	<b>13,406</b>	<b>34,294</b>	<b>4,214</b>	<b>13,838</b>	<b>-</b>	<b>65,752</b>
Depreciation charge for the year	273	1,372	3,073	469	1,395	-	6,582
Disposals/written-off	-	(282)	-	(108)	(837)	-	(1,227)
Reclassification	-	-	(109)	-	109	-	-
<b>At 31 December 2020</b>	<b>273</b>	<b>14,496</b>	<b>37,258</b>	<b>4,575</b>	<b>14,505</b>	<b>-</b>	<b>71,107</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>						
	Land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Furniture, fixture and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<i>Net book value</i>							
<b>At 31 December 2019</b>							
Owned assets	26,479	7,971	19,318	1,231	-	-	54,999
Assets under finance leases	-	-	-	-	4,202	-	4,202
	<b>26,479</b>	<b>7,971</b>	<b>19,318</b>	<b>1,231</b>	<b>4,202</b>	<b>-</b>	<b>59,201</b>
<b>At 31 December 2020</b>							
Owned assets	26,487	6,881	16,251	917	32	-	50,568
Right-of-use assets	4,194	-	-	-	2,810	-	7,004
	<b>30,681</b>	<b>6,881</b>	<b>16,251</b>	<b>917</b>	<b>2,842</b>	<b>-</b>	<b>57,572</b>

The gross amount of the Group and the Company's fully depreciated buildings and equipment that was still in use as at 31 December 2020 amounted to Baht 111.97 million and Baht 15.68 million, respectively (2019: Baht 96.04 million and Baht 10.71 million, respectively).

As at 31 December 2020, the Group and the Company had pledged certain plots of land and buildings with net book value of Baht 296.63 million and Baht 33.48 million, respectively (2019: Baht 327.22 million and Baht 34.20 million, respectively) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts and long-term borrowings from financial institutions.

As at 31 December 2020, gas depot and related assets in LPG trading business have been impaired amounting to Baht 22.48 million (2562: Baht 22.48 million) which affected both consolidated and separate financial statements because the recoverable amount is less than the carrying amount. The recoverable amount of Cash Generate Unit (CGU) of LPG trading segment was determined based on value in use, which is calculated using pre-tax cash flow projections concerning forecasted operating plan for the entire useful life of the assets in CGU. This is management's best estimation of the recoverable amount. However, the recoverable amount may change due to the alteration of environment and related situations, which may affect to allowance for impairment losses in the future. Gas depot and related assets in LPG trading segment as at 31 December 2020 amounted to Baht 49.78 million (2019: Baht 54.07 million) in the consolidated and separate financial statements.

During the year 2020, the Group and the Company has entered into the lease agreements for land, machinery, supplies and equipment, and vehicle. The agreements periods are for 3 - 14 years with fixed payment for the entire leasing term. The Group and the Company recognised right-of-use assets amounting to Baht 57.85 million and Baht 5.03 million, respectively.

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<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets				
- Land	2,124	-	273	-
- Building	-	-	282	-
- Vehicle	4,068	-	-	-
Interest on lease liabilities	667	-	26	-
Expense relating to short-term leases	108,073	-	52	-
Expense relating to lease of low value assets	5,624	-	29	-
Lease expense	-	150,133	-	757

In 2020, total cash outflow for leases of the Group and the Company were Baht 143.67 million and Baht 2.17 million, respectively.

## 14 Goodwill

*Impairment testing for CGUs containing goodwill*

### *Construction services*

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>	
	2020	2019
	(%)	
Discount rate	8.36	10.32
Growth rate	1.00	1.00
Gross profit margin (average of next ten years)	9.10	8.37

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 3.98% at a market interest rate of 4.97%.

The cash flow projections included specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual gross profit margin rate, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Baht 245.69 million (2019: Baht 203.49 million). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

**Takuni Group Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>	
	2020	2019
	(%)	
Discount rate	15.69	10.46
Growth rate	(1.39)	(2.39)
Gross profit margin	7.90	8.34

**15 Receivable from sale of land**

In December 2020, the subsidiaries entered into sale agreements with associate for land and buildings which are a part of inventories amounting to Baht 165 million. The subsidiaries collected partial payment in cash amounting to Baht 89 million. The remaining balance will be paid by installments within 3 years with interest rate at 4.58% per annum. The land ownership was transferred to the buyer in December 2020. In this regards, the cheque of associate and land of a related party of the associate has been pledged as collateral for the installments. As a result, at 31 December 2020, the Group recognised receivable from sale of land amounting to Baht 76 million and deferred income from unrealised profit on transaction with interest in associate amounting to Baht 14 million in the consolidated statement of financial position.

**16 Interest-bearing liabilities**

	<i>Note</i>	<b>Consolidated financial statements</b>					
		Secured	2020 Unsecured	Total <i>(in thousand Baht)</i>	Secured	2019 Unsecured	Total
Bank overdrafts		8	-	8	-	16,706	16,706
Short-term borrowings from financial institutions		509,104	-	509,104	222,247	-	222,247
Short-term borrowings from related party	5	-	-	-	-	2,500	2,500
Short-term borrowings from other party		20,000	-	20,000	-	-	-
Long-term borrowings from financial institutions		122,940	-	122,940	143,700	-	143,700
Lease liabilities <i>(2019: Finance lease liabilities)</i>		47,208	13,490	60,698	32,151	-	32,151
<b>Total interest-bearing liabilities</b>		<b>699,260</b>	<b>13,490</b>	<b>712,750</b>	<b>398,098</b>	<b>19,206</b>	<b>417,304</b>

	<b>Separate financial statements</b>					
	Secured	2020 Unsecured	Total <i>(in thousand Baht)</i>	Secured	2019 Unsecured	Total
Lease liabilities <i>(2019: Finance lease liabilities)</i>	1,888	4,033	5,921	3,119	-	3,119
<b>Total interest-bearing liabilities</b>	<b>1,888</b>	<b>4,033</b>	<b>5,921</b>	<b>3,119</b>	<b>-</b>	<b>3,119</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Investment properties		4,287	4,754	-	-
Property, plant and equipment	13	296,632	327,221	33,483	34,196
<b>Total</b>		<b>300,919</b>	<b>331,975</b>	<b>33,483</b>	<b>34,196</b>

As at 31 December 2020, the Group and the Company had unutilised credit facilities totaling Baht 528.60 million and Baht 77.20 million, respectively (2019: Baht 876.13 million and Baht 76.40 million, respectively). The unutilised credit facilities have pledged by assets and bank deposit of the Group and the Company and guaranteed by a director.

*Borrowings from financial institution*

In April 2020, the subsidiary amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institution will be due within February 2024 which is replaced the formal one in September 2023.

<i>Finance lease liabilities</i>	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Minimum lease payments	Interest	Present value of minimum lease payments
<i>At 31 December 2019</i>						
Within 1 year	11,030	1,455	9,575	1,343	112	1,231
1 - 5 years	24,155	1,579	22,576	1,994	106	1,888
<b>Total</b>	<b>35,185</b>	<b>3,034</b>	<b>32,151</b>	<b>3,337</b>	<b>218</b>	<b>3,119</b>

**17 Reserves**

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**18 Segment information and disaggregation of revenue**

Management determined that the Group has six reportable segments which are the Group's strategic divisions for different products and services, and are managed separately. The following summary describes the operations in each of the Group's reportable segments.

- *Segment Liquid Petroleum Gas trading* Petroleum gas trading for household cooking, industry and transportation
- *Segment equipment trading and gas system installation* Equipment trading and gas systems installation in automobile and industry
- *Segment transportation services* Hazardous substances and construction materials transportation services by land
- *Segment construction services* Construction services
- *Segment NDT and inspection services* Non-destructive testing and certify service under safety standards and regulations inspection service
- *Others* Property development

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

***Geographical segments***

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

***Major customers***

Revenues from 3 customers of the construction services segment of the Group's represents approximately Baht 1,739.92 million for the year 2020 (2019: Baht 1,513.13 million) of the Group's total revenue.

**Takuni Group Public Company Limited and its Subsidiaries**  
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		<b>Consolidated financial statements</b>													
		Liquid Petroleum Gas trading		Equipment trading and gas system installation		Transportation services		Construction services		NDT and inspection services		Others		Total	
<i>For the year ended 31 December</i>		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		<i>(in thousand Baht)</i>													
<b>Information about reportable segments</b>															
Total revenues		509,917	742,389	5,138	2,947	41,473	45,691	2,339,893	2,419,323	122,612	110,374	198,691	-	3,217,724	3,320,724
Inter-segment revenue		-	-	(1,433)	(886)	(23,878)	(30,116)	(13,354)	(190,988)	(21,245)	(21,847)	(79,476)	-	(139,386)	(243,837)
<b>External revenues</b>		<b><u>509,917</u></b>	<b><u>742,389</u></b>	<b><u>3,705</u></b>	<b><u>2,061</u></b>	<b><u>17,595</u></b>	<b><u>15,575</u></b>	<b><u>2,326,539</u></b>	<b><u>2,228,335</u></b>	<b><u>101,367</u></b>	<b><u>88,527</u></b>	<b><u>119,215</u></b>	<b><u>-</u></b>	<b><u>3,078,338</u></b>	<b><u>3,076,887</u></b>
<b>Timing of revenue recognition</b>															
At a point in time		509,917	742,389	3,705	2,061	-	-	-	-	-	-	119,215	-	632,837	744,450
Over time		-	-	-	-	17,595	15,575	2,326,539	2,228,335	101,367	88,527	-	-	2,445,501	2,332,437
<b>Total revenues</b>		<b><u>509,917</u></b>	<b><u>742,389</u></b>	<b><u>3,705</u></b>	<b><u>2,061</u></b>	<b><u>17,595</u></b>	<b><u>15,575</u></b>	<b><u>2,326,539</u></b>	<b><u>2,228,335</u></b>	<b><u>101,367</u></b>	<b><u>88,527</u></b>	<b><u>119,215</u></b>	<b><u>-</u></b>	<b><u>3,078,338</u></b>	<b><u>3,076,887</u></b>
Segment profit (loss) before income tax		(11,884)	(34,108)	(2,433)	(1,816)	2,097	5,134	86,573	134,826	1,128	(1,858)	19,783	2,324	95,264	104,502

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	<b>Separate financial statements</b>					
	Liquid Petroleum Gas trading		Construction services		Total	
	<i>(in thousand Baht)</i>					
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019
<b>Information about reportable segments</b>						
External revenues	509,917	742,389	103,404	379,210	613,321	1,121,599
<b>Total revenues</b>	<b><u>509,917</u></b>	<b><u>742,389</u></b>	<b><u>103,404</u></b>	<b><u>379,210</u></b>	<b><u>613,321</u></b>	<b><u>1,121,599</u></b>
<b>Timing of revenue recognition</b>						
At a point in time	509,917	742,389	-	-	509,917	742,389
Over time	-	-	103,404	379,210	103,404	379,210
<b>Total revenues</b>	<b><u>509,917</u></b>	<b><u>742,389</u></b>	<b><u>103,404</u></b>	<b><u>379,210</u></b>	<b><u>613,321</u></b>	<b><u>1,121,599</u></b>
Segment profit (loss) before income tax	22,966	(10,903)	9,270	44,014	32,236	33,111

## 19 Warrants

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

Warrant type	:	To be issued under the names of respective holders and transferable
Warrant term	:	5 years from the issuance and offering date
Number of warrants	:	399,999,874 units
Offering ratio	:	2 existing ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1.12 ordinary shares (2019: 1 warrant per 1.07 ordinary shares)
Exercise price	:	Baht 1.79 per share (2019: Baht 1.88 per share)
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

On 11 March 2020, the Company adjusted exercise price and exercise ratio of warrants during the term of the warrants since dividend payout is higher than dividend payout policy.

During the year ended 31 December 2020, there was no movement of warrants.

On the 28 January 2021, warrants of 211 units were exercised to 236 ordinary shares with the exercise price at Baht 1.79, resulting in the Company's authorised share capital amounted to Baht 400,000,118 with a total of 800,000,236 ordinary shares.

Warrants were terminated from being listed warrants on 29 January 2021.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**20 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salaries, bonus and wages	1,100,151	755,155	22,696	26,560
Defined benefit plan	3,356	3,855	414	1,805
Defined contribution plan	1,760	1,580	282	348
Termination benefits	40,282	6,905	1,858	-
<b>Total</b>	<b><u>1,145,549</u></b>	<b><u>767,495</u></b>	<b><u>25,250</u></b>	<b><u>28,713</u></b>

*Defined contribution plan*

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

**21 Expenses by nature**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Cost of sales - gas		465,287	676,537	465,287	676,537
Material cost		465,774	627,918	-	-
Subcontract cost		313,595	595,529	92,383	332,579
Depreciation and amortisation		87,472	65,345	6,877	6,316
Employee benefit expenses	20	1,145,549	767,495	25,250	28,713
Gas transportation expenses		24,569	35,963	29,154	39,706
Gas storage expenses		1,382	3,009	1,382	3,009
Impairment losses of property, plant and equipment	13	-	22,478	-	22,478
Lease-related expenses <i>(2019: Lease payment)</i>	13	113,697	150,133	81	757

**22 Income tax**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	23,674	31,307	-	8,887
<b>Deferred tax</b>				
Change in temporary different	(2,076)	(555)	179	(203)
<b>Total income tax expense</b>	<b><u>21,598</u></b>	<b><u>30,752</u></b>	<b><u>179</u></b>	<b><u>8,684</u></b>

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<b>Consolidated financial statements</b>						
	Before tax	2020 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax expense	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	-	-	-	5,366	(1,073)	4,293
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,366</b>	<b>(1,073)</b>	<b>4,293</b>

<b>Separate financial statements</b>						
	Before tax	2020 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax expense	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	-	-	-	3,554	(711)	2,843
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,554</b>	<b>(711)</b>	<b>2,843</b>

<b>Reconciliation of effective tax rate</b>	<b>Consolidated financial statements</b>				
		2020 Rate (%)	2020 <i>(in thousand Baht)</i>	2019 Rate (%)	2019 <i>(in thousand Baht)</i>
Profit before income tax expense			95,264		104,503
Income tax using the Thai corporation tax rate	20.00		19,053	20.00	20,901
Income not subject to tax			(9,777)		(6,181)
Income subject to tax			2,431		895
Expenses not deductible for tax purposes			741		5,329
Expenses deductible at a greater amount			(83)		(11)
Current year losses for which no deferred tax asset was recognised			249		2,663
Unrealised gains from intercompany transactions			13,935		7,156
Utilisation of previously unrecognized tax losses			(4,951)		-
<b>Total</b>		<b>22.67</b>	<b>21,598</b>	<b>29.43</b>	<b>30,752</b>

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*Reconciliation of effective tax rate*

	<b>Separate financial statements</b>			
		2020		2019
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		32,236		33,111
Income tax using the Thai corporation tax rate	20.00	6,447	20.00	6,622
Income not subject to tax		(7,579)		(4,000)
Income subject to tax		887		895
Expenses not deductible for tax purposes		203		5,178
Expenses deductible at a greater amount		(15)		(11)
Current year losses for which no deferred tax asset was recognised		236		-
<b>Total</b>	<b>0.56</b>	<b>179</b>	<b>26.23</b>	<b>8,684</b>

<i>Deferred tax</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>				<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>		<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
<b>Net deferred tax assets</b>	<b>7,684</b>	<b>5,608</b>	<b>-</b>	<b>-</b>	<b>1,989</b>	<b>2,168</b>	<b>-</b>	<b>-</b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b>			
	<b>At 1 January</b>	<b>(Charged) / Credited to</b>		<b>At 31 December</b>
		<b>Profit or loss</b>	<b>Other comprehensive income</b>	
		<i>(in thousand Baht)</i>		
<b>2020</b>				
<i>Deferred tax assets</i>				
Trade receivables	1,459	677	-	2,136
Inventories	1,795	80	-	1,875
Provision for warranty	70	1,536	-	1,606
Non-current provisions for employee benefits	3,282	(373)	-	2,909
<b>Total</b>	<b>6,606</b>	<b>1,920</b>	<b>-</b>	<b>8,526</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(998)	156	-	(842)
<b>Total</b>	<b>(998)</b>	<b>156</b>	<b>-</b>	<b>(842)</b>
<b>Net</b>	<b>5,608</b>	<b>2,076</b>	<b>-</b>	<b>7,684</b>

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	<b>Consolidated financial statements</b>			<b>At 31 December</b>
	<b>At 1 January</b>	<u>(Charged) / Credited to</u>		
<i>Deferred tax</i>		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<b>2019</b>				
<i>Deferred tax assets</i>				
Trade receivables	986	473	-	1,459
Inventories	2,080	(285)	-	1,795
Provision for warranty	40	31	-	71
Non-current provisions for employee benefits	1,540	669	1,073	3,282
<b>Total</b>	<b>4,646</b>	<b>888</b>	<b>1,073</b>	<b>6,607</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(666)	(333)	-	(999)
<b>Total</b>	<b>(666)</b>	<b>(333)</b>	<b>-</b>	<b>(999)</b>
<b>Net</b>	<b>3,980</b>	<b>555</b>	<b>1,073</b>	<b>5,608</b>
<b>Separate financial statements</b>				
	<u>(Charged) / Credited to</u>			<b>At 31 December</b>
	<b>At 1 January</b>	Profit or loss	Other comprehensive income	
<i>Deferred tax</i>		<i>(in thousand Baht)</i>		
<b>2020</b>				
<i>Deferred tax assets</i>				
Trade receivables	1,029	65	-	1,094
Provision for warranty	67	369	-	436
Non-current provisions for employee benefits	1,767	(812)	-	955
<b>Total</b>	<b>2,863</b>	<b>(378)</b>	<b>-</b>	<b>2,485</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(695)	199	-	(496)
<b>Total</b>	<b>(695)</b>	<b>199</b>	<b>-</b>	<b>(496)</b>
<b>Net</b>	<b>2,168</b>	<b>(179)</b>	<b>-</b>	<b>1,989</b>
<b>2019</b>				
<i>Deferred tax assets</i>				
Trade receivables	760	269	-	1,029
Provision for warranty	36	31	-	67
Non-current provisions for employee benefits	695	361	711	1,767
<b>Total</b>	<b>1,491</b>	<b>661</b>	<b>711</b>	<b>2,863</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(237)	(458)	-	(695)
<b>Total</b>	<b>(237)</b>	<b>(458)</b>	<b>-</b>	<b>(695)</b>
<b>Net</b>	<b>1,254</b>	<b>203</b>	<b>711</b>	<b>2,168</b>

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<i>Unrecognised deferred tax assets</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Property, plant and equipment	-	4,496	-	4,496
Tax losses	523	7,607	236	-
<b>Total</b>	<b>523</b>	<b>12,103</b>	<b>236</b>	<b>4,496</b>

The tax losses expire in 2024. The deductible temporary differences do not expire under current tax legislation. The Group and the Company have not recognised these items as deferred tax assets because it is not probable that the Group and the Company will have sufficient future taxable profit to utilise the benefits therefrom.

### 23 Basic earnings per share

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>32,256</b>	<b>27,159</b>	<b>32,057</b>	<b>24,428</b>
<b>Number of ordinary shares outstanding</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<b>0.04</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>

### 24 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
<i>2020</i>				
Interim dividend	6 April 2020	5 May 2020	0.0274	21.92
<i>2019</i>				
Annual dividend	25 April 2019	24 May 2019	0.0375	30.00

### 25 Financial instruments

#### (a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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	<b>Consolidated financial statements</b>				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
<b><i>At 31 December 2020</i></b>					
Long-term borrowings from financial institutions	122,940	-	-	123,635	123,635
<b><i>At 31 December 2019</i></b>					
Long-term borrowings from financial institutions	143,700	-	-	143,520	143,520

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

***Financial instruments measured at fair value***

<b>Type</b>	<b>Valuation technique</b>
Long-term borrowings from financial institutions	<i>Discounted cash flows:</i> The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

**(b) *Financial risk management policies***

***Risk management framework***

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

***(b.1) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

***(b.1.1) Trade accounts receivable and contract assets***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.





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**(b.2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows through an adequate amount of committed credit facilities.

The following table are the remaining contractual maturities of financial liabilities as at 31 December 2020. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<b>Consolidated financial statements</b>						
Contractual cash flows						
<b>At 31 December 2020</b>	Carrying amount	1 year or less	More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Bank overdrafts	8	8	-	-	-	8
Trade and other current payables	277,024	277,024	-	-	-	277,024
Borrowings from financial institutions	632,044	555,577	41,752	47,081	-	644,410
Short-term borrowings from other party	20,000	20,284	-	-	-	20,284
Lease liabilities	60,698	26,741	24,752	11,654	3,905	67,052
	<b><u>989,774</u></b>	<b><u>879,634</u></b>	<b><u>66,504</u></b>	<b><u>58,735</u></b>	<b><u>3,905</u></b>	<b><u>1,008,778</u></b>
<b>Separate financial statements</b>						
Contractual cash flows						
<b>At 31 December 2020</b>	Carrying amount	1 year or less	More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Trade and other current payables	24,787	24,787	-	-	-	24,787
Lease liabilities	5,921	1,288	1,288	1,587	3,905	8,068
	<b><u>30,708</u></b>	<b><u>26,075</u></b>	<b><u>1,288</u></b>	<b><u>1,587</u></b>	<b><u>3,905</u></b>	<b><u>32,855</u></b>

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The following table are the remaining contractual maturities of financial assets and financial liabilities as at 31 December 2019 which is an accounting policy applicable before 1 January 2020.

<b>Consolidated financial statements</b>				
	Effective interest rate (% per annum)	Maturity period		
		Within 1 year	After 1 year but within 5 years	Total
<i>At 31 December 2019</i>				
<b>Financial assets</b>				
Loans to related parties	0 - 3	320	-	320
<b>Total</b>		<b>320</b>	<b>-</b>	<b>320</b>
<b>Financial liabilities</b>				
Bank overdrafts	4.65 - 5.85	16,706	-	16,706
Borrowings from financial institutions	4.00 - 6.87	260,887	105,060	365,947
Borrowings from related party	5.25	2,500	-	2,500
Finance lease liabilities	4.00 - 7.34	9,575	22,576	32,151
<b>Total</b>		<b>289,668</b>	<b>127,636</b>	<b>417,304</b>
<b>Separate financial statements</b>				
	Effective interest rate (% per annum)	Maturity period		
		Within 1 year	After 1 year but within 5 years	Total
<i>At 31 December 2019</i>				
<b>Financial assets</b>				
Loans to related parties	0 - 3	256,304	30,490	286,794
<b>Total</b>		<b>256,304</b>	<b>30,490</b>	<b>286,794</b>
<b>Financial liabilities</b>				
Finance lease liabilities	4.57 and 5.37	1,231	1,888	3,119
<b>Total</b>		<b>1,231</b>	<b>1,888</b>	<b>3,119</b>

**(b.3) Market risk**

The Group is exposed to normal business risks from changes in market interest rates, currency exchange rates and from non-performance of contractual obligations by counterparties.

**(b.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. However, the purchases is no material during the year so the Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

**(b.3.2) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Loans bear fixed and variable interest rates. As a result, the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's operations in the current reporting period and in future years. The management dose not use any financial instruments to manage interest rate risk.

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<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Financial instruments with fixed interest rates</b>				
Financial assets	-	-	174,000	286,794
Financial liabilities	593,330	278,564	5,921	3,119
<b>Financial instruments with variable interest rates</b>				
Financial liabilities	119,420	138,740	-	-

*Fair value sensitivity analysis for fixed-rate instruments*

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1 % in interest rates at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>At 31 December 2020</i>	<b>Consolidated financial statements</b>			
	Profit or loss		Equity net of tax	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rate	(1,035)	1,035	(828)	828
Interest rate swaps	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>(1,035)</b>	<b>1,035</b>	<b>(828)</b>	<b>828</b>

## 26 Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and monitors the level of dividends to ordinary shareholders.

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**27 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
Property, plant and equipment	275	415	-	-
<b><i>Leases relating to lease of low value assets or short-term leases</i></b>				
Within 1 year	1,507	7,820	1,237	817
1 - 5 years	255	9,536	-	1,755
After 5 years	-	4,231	-	4,231
<b>Total</b>	<b>1,762</b>	<b>21,587</b>	<b>1,237</b>	<b>6,803</b>
<b><i>Other commitments</i></b>				
Purchase orders for construction materials	9,556	20,167	-	-
Bank guarantees	1,283,582	975,023	103,493	103,295
<b>Total</b>	<b>1,293,138</b>	<b>995,190</b>	<b>103,493</b>	<b>103,295</b>

**28 Contingent liabilities**

The subsidiary has been sued for a damage case by a company (“plaintiff”) for breach of service contract in amount of Baht 18.31 million. The subsidiary received a subpoena from the Civil Court on 30 November 2019. In this regard, the subsidiary submitted a petition requesting and counterclaims on 27 January 2020. The subsidiary sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance’s judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The subsidiary has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the plaintiff has to return advance payment to the subsidiary. The remaining liability that the subsidiary has to pay to plaintiff amounting to Baht 3.12 million. As a result, the subsidiary has recorded the provision followed by the Court of the First Instance’s judgement.

Subsequently, on 22 February 2021, the subsidiary submitted an appeal. Currently, the appeal is in consideration of the Appeal Court. Including, the subsidiary submitted the petition to stay the execution in order to be executed by the judgement during the process of the appeal.

**29 Event after the reporting period**

On the Board of Director’s meeting held on 23 February 2021, the Board approved the dividend payment from the operating results for the year ended 31 December 2020 for 800,000,236 shares at the rate of Baht 0.0375 per share, amounting to Baht 30 million.

The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2021.

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**30 Reclassification of accounts**

Certain accounts in statement of financial position as at 31 December 2019 and the statement of comprehensive income for the year then ended have been reclassified to conform to the presentation in the 2020 financial statements:

	<b>Consolidated financial statements</b>		
	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>		
<b><i>Statement of financial position</i></b>			
<b><i>Current assets</i></b>			
Trade and other current receivables	320,571	(14,988)	305,583
Contract assets	692,304	14,988	707,292
Inventories	201,506	20,664	222,170
Other current assets	43,010	(27,437)	15,573
Non-current assets held-for-sale	20,664	(20,664)	-
<b><i>Non-current assets</i></b>			
Other non-current assets	106,393	(102,737)	3,656
Retention receivables	-	11,617	11,617
Withholding tax deducted at source	-	118,557	118,557
<b><i>Other current liabilities</i></b>			
Trade and other current payables	399,226	(1,852)	397,374
Contract liabilities	241,895	1,852	243,747
<b><i>Statement of comprehensive income</i></b>			
Other income	18,781	(936)	17,845
Administrative expenses	(191,145)	936	(190,209)
	<b>Separate financial statements</b>		
	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>		
<b><i>Statement of financial position</i></b>			
<b><i>Current assets</i></b>			
Trade and other current receivables	132,419	(1,979)	130,440
<b><i>Non-current assets</i></b>			
Other non-current assets	3,914	(945)	2,969
Retention receivables	-	799	799
Withholding tax deducted at source	-	2,125	2,125
<b><i>Statement of comprehensive income</i></b>			
Other income	40,669	(1,689)	38,980
Administrative expenses	(74,387)	1,689	(72,698)