



TAKUNI ANNUAL REPORT 2014





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Vision

To be one of the Energy Business Leader, to place importance on Quality and Security

Mission

1. To expand business through integration to increase organization potential
2. To offer professional services by continuously developing organization and human resource efficiency
3. To emphasize the use of modern, safe and eco-friendly technology





TAKUNI



Takuni First Day Trade on Market for Alternative Investment on 19 August 2014

Message from the Chairman of Director

During the year 2014, Thai economic faces many challenges from many stimulus government measures, political chaos, declining purchasing power which result from higher household debt and world economy volatility. From the reasons, business sector has to put a lot of effort to improve their competitive capacity.

LPG trading and transportation as well as LPG/CNG conversion kit installation and gas piping system construction business are affected by the stated economic condition. The sales volume of LPG decreased by 1.26% and revenue from LPG/CNG conversion kit installation and gas piping system construction & installation declined by 22%. The Board of Director realized the impact of all these negative factors and closely follow up on the situation as well as order the executive to find appropriate measure in order to lessen the stated impact. Also, executives are responsible for finding additional channel to increase the revenue and opportunity for the Company new related line as well as reduce unnecessary expense.

The Board of Director place importance on the business growth to add shareholders' value. Moreover, the Board has followed up on the policy as well as carefully and transparently oversaw the Company's performance in order to meet the expectation of all stakeholders.

On behalf of the Board of Directors, we would like to express our sincere thanks to all shareholders, partners and other parties who have been providing valuable supports and contribution to the Company's success at all time as well as our executives and employees for their hard working. All of us will try our best to take on all obstacles, and continue to the company move forward firmly.



Mr. Visit Akarawinak
Chairman of Director



Message from Managing Director



Mr. Prasert Treeveeranuwat

Executive Chairman / Managing Director

During the past year, the Company is severely affected by political unrest and many stimulus government measures. Its profit decrease from 2013 by 4.80% due to the decline of profit from LPG/CNG conversion kit installation business by 137%. However, other businesses still generate satisfying profit.

LPG Trading Business by Takuni Group Public Company Limited

During the past year, although the Company is affected by political unrest, government's LPG floating price policy and lost volume as 2014 sales drop from 56,092 tons to 55,385 tons, the Company still able to cope with these situations. The Company has changed its strategic in logistic cost management since May 2014. This resulted in the increase in 2014 net profit, from 10.59 Million Baht to 13.66 Million Baht, accounting for 29%.

The Company's objective in raising funds through Market for Alternative Investment (mai) is to invest in LPG station. However, due to the unclear energy policy in gas stations marketing margin, the Company has to slowdown in investment in all gas stations until the policy is clearer.

LPG transportation Business by G Gas Logistics Company Limited

The Company has strategy to expand its customer base and distribution channels which formerly emphasized on deliver to only its subsidiaries into other LPG trader under section 7 of Fuel Trade Act, B.E. 2543 and Republic of the Union of Myanmar. The proportion of delivering to third party increase from 16% in 2013 to 36% in 2014. However, the Company's transportation revenue (according to the Company's Financial Statements) slightly declined from 60.56 Million Baht to 59.43 Million Baht in 2014. However, net profit for 2014 increased from 4.46 Million Baht to 5.37 Million Baht, accounting for 20%. In future, the Company still continue expanding customer base and distribution channels into neighborhood country strategy as well as expand the business by delivering other products by both marine and land transportation.

LPG/CNG conversion kit installation for passenger cars and Gas piping system construction by Takuni (Thailand) Company Limited

The most severely affected business in the Group is LPG/CNG conversion kit installation for passenger cars. Due to the government's LPG and NGV floating price policy and rapid drop in global oil prices, there is a sharp decline in number of LPG/CNG conversion kit installation for cars. Sales (according to the Company's financial statements) decreased from 86.58 Million Baht to 67.54 Million Baht in 2014, accounting for 22% and predicted that it would continuously decrease until global oil prices increase. However, the Company has changed the business strategy by focusing more on gas piping system construction. In 3 and 4 quarter of 2014, the Company has signed the first LPG terminal construction contract, totaling 137 Million Baht, and started building and recognized revenue in 2014 for 17%. For the second LPG terminal construction contract, it worth 165 Million Baht. The construction began in the beginning of 2015 and would generate revenue and profit by leaps and bounds.

Non-Destructive Testing and Inspection by Rajchapluak Engineering Company Limited

Although political unrest has affected the performance, of first half of 2014 the Company still maintain a satisfying turnover. Net profit (according to the Company's financial statements) increased from 5.23 Million Baht in 2013 to 6.12 Million Baht in 2014, accounting for 17%, due to higher service price. In future, non-destructive testing business will grow larger according to the increasing in number of law concerning security as last year, the Company can generate higher revenue from having new group of customer that needed the Company services because of the new law on testing of gas station and gas tanker truck.

On behalf of the Executive Chairman and Managing Director, I would like to express many thanks to all shareholders who have been providing valuable supports and contribution to the Company's success. I am assure that function in the management areas will be transparent and concentrate. Everyone can be confident in our company and executive.



Board of Directors and Management



1 Mr.Visit Akaravinak

Independent Director /Chairman
of Director / Member of Audit
Committee

2 Mr.Charoen Prajuntan

Independent director /
Chairman of Audit Committee

3 Mr.Teerachai Arunruangsirilert

Independent director / Member
of Audit Committee

4 Mr.Chupong Tanasettakorn

Independent director

5 Mr.Prasert Treeveeranuwat

Executive Chairman /
Managing Director



6 Ms.Kanchana Rimpanichayakij

Director/ Deputy Managing
Director

7 Ms.Nita Treeweeranuwat

Director/ Deputy Managing
Director /Corporate Secretary

8 Ms.Chatprapa Chansri

Deputy Managing Director

9 Mr.Charoenchai Amnajsomboonsuk

Deputy Managing Director

10 Mrs.Thitima Tanapakit

Financial and Accounting
Manager



Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Takuni Group Public Company Limited consists of three independent directors who are neither executive directors nor employees nor consultants of the Company or its subsidiaries. The committee has performed the engagements independently under Audit Committee Charter to manage the Company efficiently and transparently. This is consistent with the rules and guidance for the Audit Committee specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2015, the Audit Committee held seven meetings, occasionally with the management, internal auditors, and auditors to discuss on relevant issues, as summarized below.

Review of the Financial Statements

The Audit Committee has reviewed quarterly, annual, and consolidated Financial Statements for the year 2014 of Takuni Group Public Company Limited. All of which were prepared and conducted according to Thai Financial Reporting Standards (TFRS) and Thai Accounting Standards (TASs) with accuracy and adequately information disclosed. In addition, the Audit Committee had held six independent meetings with the auditor in the absence of the management so as to freely discuss important issues in preparing the financial statements, adjusting entries materially affecting the statements, adequacy and suitable of accounting entry methods, auditing scope, disclosure in accordance with Financial Reporting and Accounting Standards, as well as the independence of auditors. This is to ensure that the financial statements were reliable, timely, and complied with the Company's legal compliance, financial reporting standard and generally accepted accounting principles. The Audit Committee has reviewed and approved that the Audited Financial Statements, with unqualified audit opinion, is free of material misstatements.

Review of the Risk Assessment

The Audit Committee has reviewed the risk management framework and quarterly followed up on the progress by considering internal and external risk, probability and impact and risk appetite to ensure that risk factors remain within acceptable levels. The Audit Committee agrees that the Company clearly emphasized and institutionalized the risk management process at every level of the organization. Through the culture, everyone in company understood that risk identification and management are both executive directors and employees' responsibility.

Review of the Internal Control and Audit System

The Audit Committee has reviewed the results of the internal control system, assessment prepared by internal auditor, and found that the existing systems are appropriate for the Company's operations - cover significant risk factors and effectively in business performance and a continuously development in both personnel and operation auditing make the system consistent with the standard. There is no material deficiencies impacting the financial reports, which corresponds to the independent auditors' opinion.

In addition, The Audit Committee has considered and approved the internal audit plan for the year 2015 which conducted according to the nature of business and risk exposures to cover all significant scope in necessary business transactions and operation.

Review of the Corporate Governance and Regulatory Compliance

The Audit Committee has reviewed the code of conduct and corporate governance and agreed that the Company has complied with all laws, regulations and requirements of The Stock Exchange of Thailand and law relating to its industry. In addition, the Company has strictly adhered to good governance practices and determined to operate in a sustainable manner. The Board of Directors always promotes each employee at every level with a focus on raising awareness and adhering to ethical framework. They also determined the policy of anti-corruption and made it in the written form.

Appointment of the Certified External Auditors

The Audit Committee was satisfied with the independence, professionalism and expertise of performance of the existing auditors. Thereby, the Audit Committee has presented to the Board of Directors, and the Board of Directors has passed the resolution to seek an approval by shareholders in the Shareholder Meeting for the appointment of Mr. Paiboon Tunkon, Certified Public Accountant No.4298; and/or Mr. Kajornkiet Aroonpirodkul , Certified Public Accountant No.3445 ;and/or Mrs. Nattaporn Phan-Udom, Certified Public Accountant No.3430 of PricewaterhouseCoopers ABAS Ltd. as the Company and its subsidiaries independent auditors for the fiscal year 2015.

Review of the Connected Transactions or Transactions with Potential Conflicts of Interest

The Audit Committee has considered the relevant transactions which may have conflicts of interest according to the conditions of fairness, transparency, and adequate disclosure for the greatest benefit of the Company specified by the Stock Exchange of Thailand. The Audit Committee concludes that the Company's connected transactions were fair, transparent and not led to conflicts of interest, strictly complying with the stipulated business conditions, and having reasonable price help maximizing the wealth of the shareholders.

In summary, the Audit Committee has performed their assigned duties as specified in the Board of Director approved charter and took action to carry out the responsibilities by using their knowledge, prudence, adequate independence to equally interests of stakeholders. The Audit Committee is of the opinion that the Financial Reports of the Company were accurate, reliable, sufficiently disclosed and prepared in conformity with generally accepted accounting principles. They also agree that the Company's risk management process is proper and the overall internal control system of the Company is effective and appropriate for the operations. The business has complied with all laws, regulations and obligation related to the business as well as sufficiently integrated the corporate governance with the work performance leading to transparency and reliability. Lastly, the Company is continuously developed efficiency of operation system to adapt to changes in business environment.



(Mr. Charoen Prajuntan)

Chairman of the Audit Committee

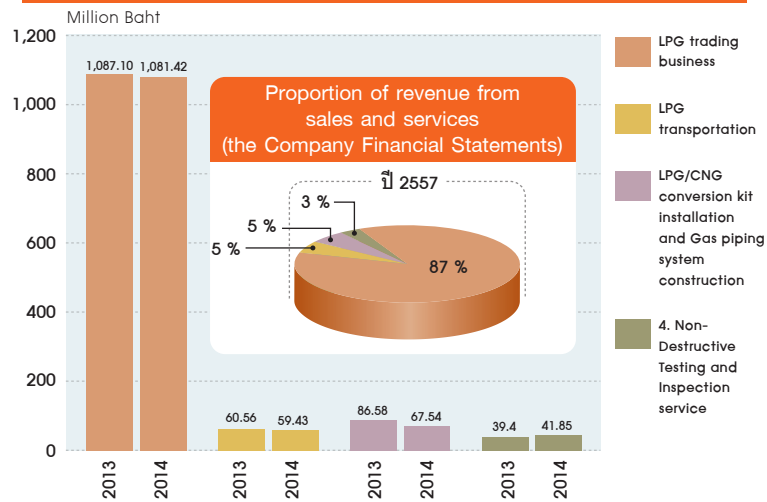


Company Information

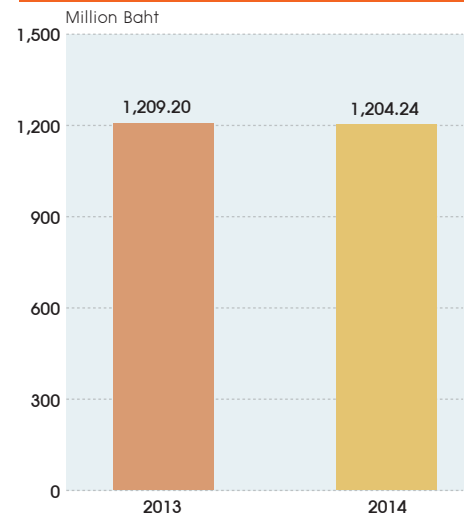
Initial	: TAKUNII
Name	: Takuni Group Public Company Limited
Head Quarter Address	: 140/1 Soi Naveechareonsap, Kanchanapisak rd, Bangkæ, Bangkok 10160
Major Business	: LPG transportation and gas piping system construction, installation, testing and inspection business
Website	: www.takunigroup.com
Registered Capital	: 200,000,000 baht
Paid-up Capital	: 200,000,000 baht
Common Shares	: 400,000,000 shares
Par Value	: 0.50 baht
Listing Date	: 19 August 2014
Telephone	: 02-455-2888
Fax	: 02-455-2763
Investor Relation	: 092-252-1277 nita@takuni.com
Corporate Secretary	: 02-455-2888 nita@takuni.com
Common Share Registrar	: Thailand Securities Depository Company Limited 62 Stock Exchange of Thailand Building Ratchdapisek Road, Klongtoey Bangkok 10110 Telephone 02-229-2800
Auditor	: Mr. Paiboon Tunkon Certified Public Accountant (Thailand) No. 4298 PricewaterhouseCoopers ABAS Limited 15th Floor Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Telephone 02-286-9999, 02-344-1000

Financial Highlights

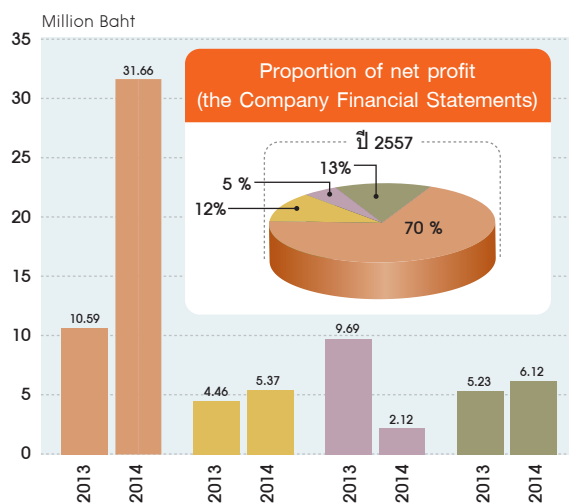
Revenue from sales and services
(the Company Financial Statements)



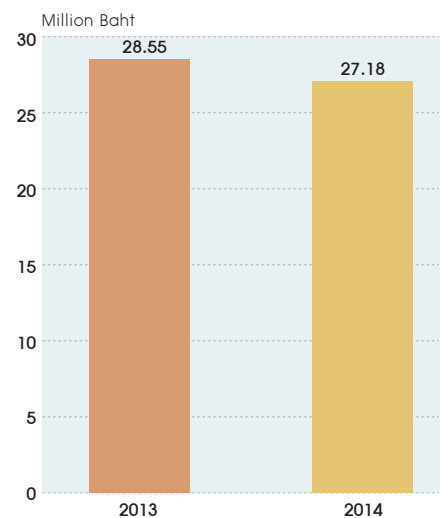
Revenue from sales and services
(Consolidated Financial Statements)



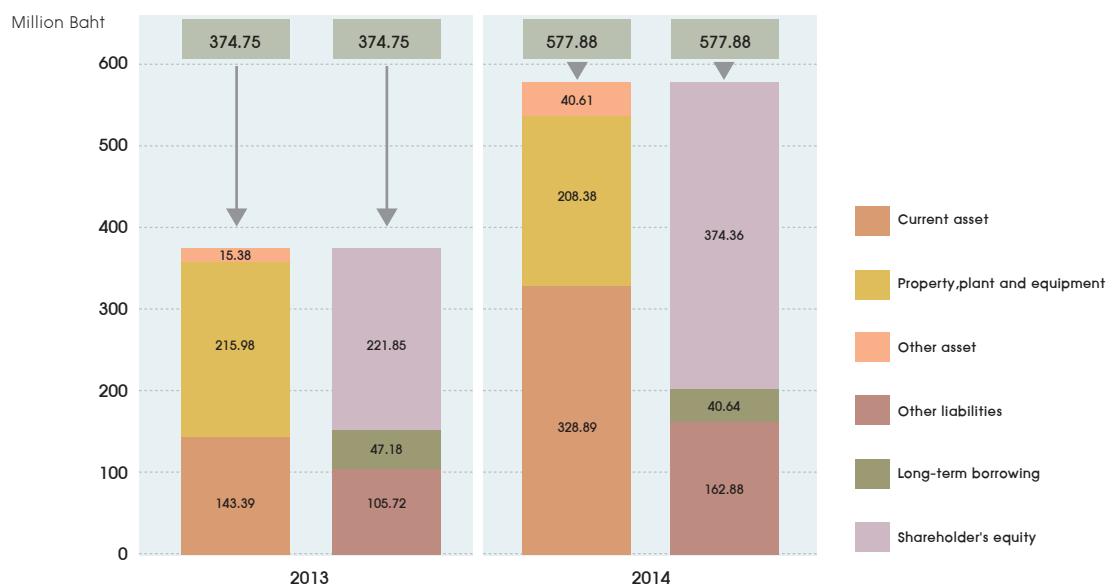
Net Profit (the Company Financial Statements)



Net Profit (Consolidated Financial Statements)



Statement of Financial Position



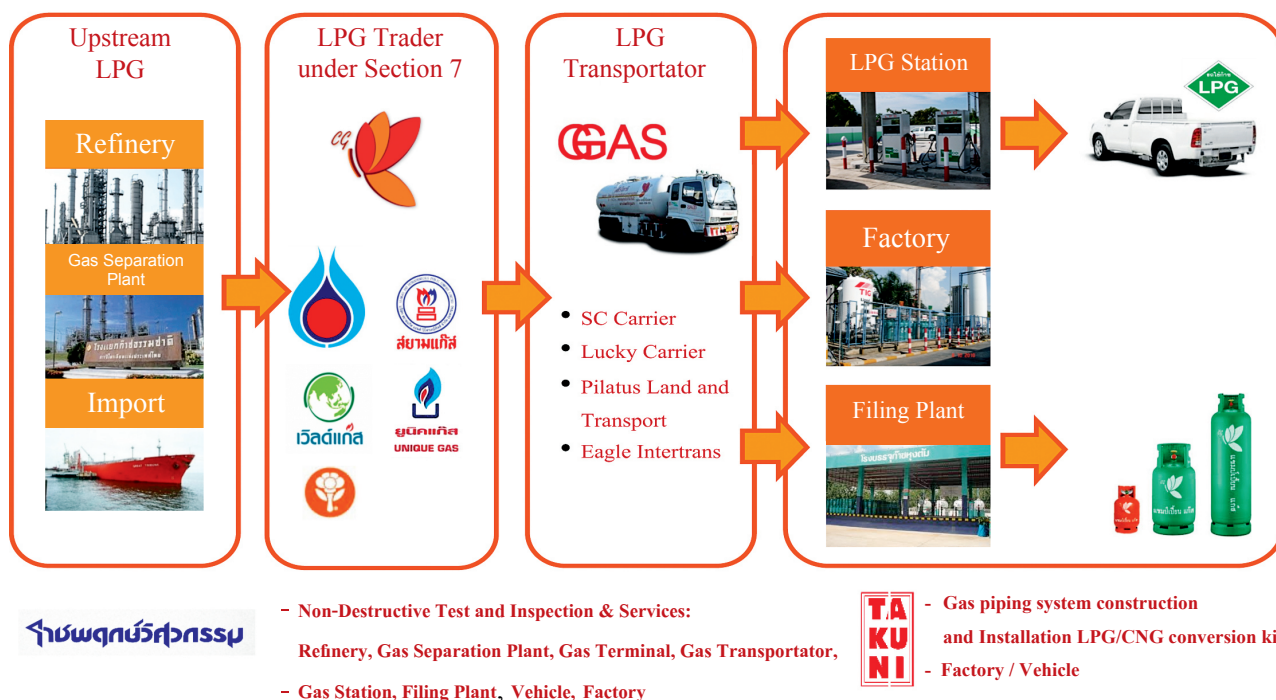


Business Operations

The Group business are Liquid Petroleum Gas (LPG) trading and energy related business as follows:

1. LPG trading business: Takuni Group Public Company Limited, LPG trader under section 7 of Fuel Trade Act, B.E. 2543, is responsible for LPG procurement and trading to business and other customers.
2. LPG transportation: G Gas Logistics Company Limited (GG), the Company's subsidiaries and LPG transporter under section 12 of Fuel Trade, B.E. 2543, is responsible for providing LPG transportation for the Company and other customers.
3. LPG/CNG conversion kit installation for passenger cars and Gas piping system construction Takuni (Thailand) Company Limited (TT), the Company's subsidiaries, is responsible for LPG/CNG conversion kit installation for passenger cars and gas piping system construction as well as LPG related equipment trading
4. Non-Destructive Testing and Inspection service Rajchapluek Engineering Company Limited ("RE") is responsible for providing non-destructive testing and inspection services for manufacturers, LPG stations and automobiles against international standards and regulations

Business overview of the Company and its subsidiaries in LPG industry is as follow:



LPG trading business

LPG trading business is the core business of the Group. The Company has a license for LPG trading under section 7 of Fuel Trade Act, B. E. 2543 (LPG trader under section 7) from Department of Energy Business, Ministry of Energy and allow to sell LPG to business and industry sector.

The Company procures LPG from PTT refinery and other traders under Section 7 to sell LPG under trademark of "Champion Gas" to LPG stations which are the Company's representative and industry sector. Revenue from selling to LPG stations is accounting for more than 90% of the total revenue. There are approximately 80 LPG stations throughout the country which are the Company customers. Most of them are located around Bangkok, central and east of Thailand. For other customers such as manufacturers, currently, they are accounting for a slight of revenue proportion due to bargaining power of customers and longer credit term. Therefore, the Company target mainly on LPG station.



Trademark
Champion Gas

Presently, the Company is allowed to sell LPG volume of 61,500 tons per year. LPG Terminal in Pichit Industrial Estate is served as LPG reserve terminal pursuant to the laws.

Presently, the Company has 2 LPG terminals used as LPG distribution and reserve point as follows:

Terminal	Location	Storage Capacity (Ton)
1. Pichit	Pichit Industrial Estate, Nakorn Sawan-Pittsanulok Road, Nong Lum Sub-district, Vachirabarami District, Pichit Province	1,000
2. Pathum Thani*	Ban Pathum District, Pathum Thani Province	400

Remark: * This LPG terminal has been completely constructed but it is now under permit requesting process.



Competition in the Industry

The increased demand of LPG usage, particularly LPG as fuel for vehicle, causes the increase in number of LPG station from 1,037 in 2011 to 1,860 operators in 2014.

Also, 17 LPG traders under Section 7 made business competition higher. However, in order to enter into LPG procurement and distribution business for LPG station, it is required to have license under section 7 of Fuel Trade Act B.E. 2543. Therefore, it is quite difficult for small operators to enter into this business. Besides, LPG business is not only about pricing competition but quality of service also plays important role. The Company has sales department which responsible for directly contacting customer in order to know customers' demand, stimulate sales and offer other services according to the Company strategy in providing fully integrated services which included transportation service, safety testing and gas piping maintenance.

LPG transportation service

All of land transportation of LPG is operated by G Gas Logistics Co., Ltd., the Company's subsidiary which is LPG transporter under Section 12 of Fuel Trade Act, B. E. 2543. LPG transportation to the Company and its subsidiaries LPG stations is accounting for 64% and other LPG trader and LPG station is accounting for 36% of the total proportion. Currently, number and detail of LPG trucks owned the Group is as follows:



Type of Truck	Number	Loading Capacity (Ton)
Semi - Trailer	11	15
10 - wheel truck	14	8
6 - wheel truck	8	4.3

All of the Group's trucks have licenses and their conditions including tanks mounted on them have been regularly inspected as per specified by the laws. The Company also installed GPS system in all of the trucks to track information of each truck as well as to monitor, control driving behavior of the drivers and prevent their misconduct. Result gained from using such GPS tracking system made the Company able to avoid severe accident and can always transport gas to the customers on timely manner.

Competition in the Industry

To operate LPG transportation service business, apart from having LPG transporter under Section 12 of Fuel Trade Act license and form from LPG trader under section 7 for each delivery truck, the business require huge investment capital to procure delivery truck and most of LPG trader under section 7 has its own LPG transportation provider for the cost management benefit and to transport gas to the customers on timely manner. Moreover, LPG transportation cost has its own standard cost and refer to the transportation cost of large trader under section 7. Therefore, it is quite difficult for small operators to enter into this business.

LPG/CNG conversion kit installation for passenger cars and Gas piping system construction

The Company engages in business of installation of LPG/CNG conversion kits in passenger cars, construction of gas piping system as well as supply of equipment through Takuni (Thailand) Co., Ltd. (TT). Services rendered by TT can be divided into 2 characteristics classified by type of customers and nature of work: installation of LPG conversion kits in passenger cars and construction of gas piping system for the manufacturers.



NGV supply control system

1. Service rendered on installation of conversion kits in vehicles business

TT provides service on installation of NGV and LPG conversion kits in general vehicles by using equipment branded Zavoli, a product from Italy. There are 2 installation service points — Head Office in Bangkok and Branch Office in Samut Prakarn Province which can provide service to approximately 200 vehicles per month. The Company's employees shall provide consultation on installation of gas conversion kits in passenger car which is most suitable for the customers' requirement as well as estimated cost for their consideration before installation which normally takes about 2 days. After such installation, the Company shall issue related certificates on conversion kit installation, so that the customer can use them to submit for application for a change of fuel system to the Department of Land Transportation.

2. Gas piping system construction business

TT renders business of industrial gas piping system construction, i.e. construction of gas piping system in LPG terminal, gas filling plant, LPG station, LPG transportation trucks as well as gas piping system in industrial plants, restaurant or department store which used LPG as fuel for cooking, under supervision, design, calculation of the expert and experienced teams of engineers. The Company has been certified for ISO 9001: 2008 Standard on manufacturing, installation and sales from UKAS Institute.



Gas Piping Construction



Gas Bulk for Transportation



Coupling



Gas Detector

Besides from providing services on gas piping system construction, TT also distributes equipment for gas filling plant, LPG stations and LPG transportation trucks to general customers. Equipment distributed also including those produced, developed or adjusted by TT. These equipment, in the past, are imported from foreign country and expensive.

Competition in the Industry

There are many operators, both large and small, who provide installation services of gas conversion kits for passenger cars. TT is regarded as a large operator for installation of NGV conversion kit in passenger car and a small operator for installation of LPG conversion kits. Most of operators who render service for LPG/CNG conversion kit are small traders and typically equipment used are imported from China.

For gas piping construction business, most of service providers are small operators who mostly render services to small-sized industrial plants. TT is regarded as medium to large operator whose business is directly involved in gas-related industry, so most of customers of TT are medium or large industrial plants that place importance on safety system. That's why they usually use construction services from credible medium to large operators. There are only a few companies in this category.

Non-destructive testing and inspection services

Non-Destructive Testing and Inspection Business are operated by the Company's subsidiary, Rajchapluek Engineering Co., Ltd. (RE). RE is like an independent third party engineering service provider. Services rendered including testing and giving engineering opinion as an independent third party expert to various the organizations for the purposes of safety inspection or condition assessment for maintenance, which may be the result from legal regulations or the customers' requirement. Service rendered by RE can be divided into 2 main characteristics: Non-Destructive Testing and Inspection & Certification.



Generally, period for RE service rendering is approximately 2-3 days, except for inspection of large gas storage system which require safety inspection of storage when the pressure is in the specified level for explosion protection. The period of service rendering is extend to more than 1 week.

Target customers of RE are operators related to LPG, i.e. LPG trader, LPG filling plant, LPG stations and etc. which have been specified by the law that they are required to be inspected and tested as per schedule, so most of customers use service continually.

Competition in the Industry

Testing and inspection service business of RE is an independent profession which does not have much large operators, so competition in this industry is not high. Each operator has different type of customers. Most of competition in industry is about creation of credibility. RE is regarded as medium operator and there are 12 operators which have business size closed with RE. Large operators who operate similar business with RE are Qualitech Public Co., Ltd., Siva Testing Inspection and Consulting Co., Ltd. and etc.

Risk Factors

Risks that could have a material effect on operational performance and financial status of the Company are summarized below.

1. Risks from the government's policy, regulations, rules and laws

- In case the government has restructured energy prices and removed LPG subsidy, it would led to an increase in price of LPG and changes in the growth rate of LPG consumption.

The executive believes that the changes in such regulations would significantly affect the Company's operation. However, since LPG is one of important energy source for transportation, residential and industry sector of Thailand, the executive firmly believe that the government sector has spent long time thinking and considered about the changes in these rules, regulations or conditions carefully as well as ensured the entrepreneur has sufficient time to adapt to the regulations. In addition, the Company has assigned a responsible person to contact with government sector and monitor law and regulatory changes closely.

- In case the government has changed minimum reserved balance, it would make the Company have to find additional gas reserve storage. Presently, the Company has one gas terminals in Phichit Province. Another Company's gas terminal in Pathum Thani Province is now under permit requesting process. Thus, the executive believes that the Company able to store the reserved gas at the level specified by the laws even the laws are changes.

2. Risks from relying on suppliers

To run LPG trading business, the Company plans to procure LPG from other traders under Section 7. Generally, the Company has entered into LPG purchase and sales agreements with the biggest LPG producer in Thailand, PTT Public Company Limited. Thus, there is risk from PTT distribution. PTT might not be able to procure and distribute LPG to the Company at the stated level and this would significantly affect the ability in generating Company's revenue.

However, the Company's executive strongly believes that there is a slight chance that the event above will occur since each traders under Section 7 has their own quotas in tradable LPG which allocated by Ministry of Energy. Moreover, the Company has grown alliance relationship with many traders under Section 7 and has their own gas reserve storage. This ensures that the Company is able to procure gas on timely manner. In addition, the Company never experienced source of supply problem from its biggest supplier.

3. Risk from Safety of Storage and Transportation of LPG

The executive place importance on two supervision issues: 1.) Accountability in the terminal - The Company has installed terminal efficient safety equipment and extinguisher to meet safety standard required by the government. In addition, the Company got the permit for liquefied petroleum gas terminal to constructing the terminal from Ministry of Energy as well as extended the permit every year. Thus, the Company is confident that the warehouse meet safety standard. 2.) Employee performance on storing and transporting gas - The Company has set up work rule for employee to test safety equipment daily as well as held the seminar to train all employees to understand how to perform their duties properly. Each employee must received employee card which certified by Ministry of Energy.

In addition, the Company has buy Industrial All Risks Insurance on LPG terminal and LPG transporting truck which have liability coverage for third party to lighten on the Company's load when accident occurred. With the stated risk management, the executive believe that the Company's risk management is sufficient and similar to other in the same industry.



4. Risks from relying on specialist

From providing engineering Inspection and Certification services for manufacturers by the subsidiaries, the Company has to rely on specialists who are certified especially in Non-Destructive Testing (NDT).

The Company has only one certified Non-Destructive Testing level III (the highest level of NDT) auditor which makes the Company in risk from relying on specialist. However, the works that required NDT level III auditor are works with high complexity which are not the type of work that the Company usually work on. In 2014, the revenue generate from the works which required NDT level III auditors was accounted for 1.64% of testing and inspection revenue. Apart from NDT level III auditor who has been working with the Company for so long, there are NDT level I and NDT level II auditors who can perform and interact well. The executive has a policy of encouraging NDT level II auditors to get promoted in the future.

5. Risks from having a major shareholder holding more than 50% shares

As of 31 December 2014, Mr. Prasert Treeveeranuwat family was the Company major shareholder holding 240,000,000 of shares which accounted for 60% of the outstanding shares. This made Mr. Prasert Treeveeranuwat family able to exert significant control over the board's decisions in appointing directors or influence on company decisions which required the consents from the shareholders' meeting, except for the regulations or the articles of association require the three fourths votes of from the shareholders' meeting. Therefore, the other shareholders have the risk of being unable to collect sufficient votes to check and balance the matters proposed for the shareholders' consideration by the major shareholders.

However, the Company realize the importance on keeping balance and set up the measure to avoid major shareholder having unlimited power. The Company has appointed 4 independent directors whose total holding 57.14% of total paid-up capital and appointed the Chairman from third party who is not otherwise employed by or engaged with the management in order to have check-and-balance power over the management and to consider the agenda proposed to the shareholders' meeting.

Internal Control

The Company emphasizes on internal control. The Board of Directors has designated the Audit Committee to review the Company's assessment of its internal control system and to regularly monitor internal control progress. The internal control system should be adequate and appropriate to the Company's risks to ensure effective and efficient operation and resource utilization. The Company has set the internal control committee, consists of executives at the manager level upward, to determine the appropriate scope of responsibility, operational plans, assessment of the adequacy, quality of risk management and internal control system, corporate governance as well as to ensure the compliance of all laws, regulations and requirements relating to business operation as referred in the internal control guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which devises five major compositions of internal control :

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication, and
- (5) Monitoring Activities.

In addition, the Company has determined that the outsourced internal auditor monitored the Company's internal control system. The outsourced internal auditor has performed its duties independently and reported directly to the Audit Committee. The Audit Committee reviewed the internal control system including the Company's operation and prepared report to present to the Board of Directors. The Board of Directors agreed to the same opinions regarding the Company's internal control system as that of the Audit Committee that the internal control system was adequate, appropriate and has preventive measure from improper deployment of the Company's assets. The Company has also provided enough employees to efficiency implement the system.



Corporate Governance

1. Corporate Governance Policy

The Board of directors recognizes the importance and necessity of good corporate governance in managing the Company efficiently and transparently and promoting the Company's business expansion continuously and stably. This is to build the confidence to all stakeholders as well as benefit in long term. Thus, the Committee established the Good Corporate Government policy of the Company in accordance with Good Corporate Government principle for the listed company in this Stock Exchange of Thailand to use in overseeing the Company operation and the good corporate governance policy was communicated to the chairman and employees at all levels by the Board of Directors for them to understand and follow. They have subdivided as follows:

Section 1 The Right of Shareholders

Shareholders as the owners of the Company are entitled to attend the shareholder's meeting to cast their vote and give opinion in about the strategic direction of the business. Apart from this, there are basic rights of shareholders in accordance with related regulations and law such as right to receive the adequate information of the Company, right to approve the Company's financial statements, right to receive their share of profits, right to propose agenda items, right to nominate qualified candidates as the board of directors and individual directors, right to approve the remuneration of Board of Directors, right to approve the appointment auditors and the remuneration of audit and right to approve the connected transactions.

In each shareholder's meeting, the Company will provide the meeting invitation with the information and opinion of the Board of Directors attached in the meeting book as in occasion for shareholders to receive advance notice before the meeting at least seven days unless otherwise specified by regulations, notice or command of the Stock Exchange of Thailand and Securities and Exchange Commission. The invitation letter along with meeting information was also posted in company website, www.takunigroup.com, 30 days prior to the meeting date for shareholders to read and understand about the information given in order to make appropriate decisions. In addition, there are accurate and complete recording question and important opinion in the meeting report for shareholders to check it out through the Company website after sending the meeting report to the Stock Exchange of Thailand.

Section 2 The Equality Treatment of Shareholders

The Company recognizes the importance of the shareholder's right and place importance on creating equality happen to all shareholders who are referred to as executive, non-executive, foreigner and minor as well as promote and protect shareholder's basic right. Thus, every shareholder has the equal right to buy, sell and transfer the securities, receive the equal proportion share of profits, receive adequate information, cast the vote to elects as well as removes directors, appoints auditors, question and give opinion to the meeting in matters that have impact to the Company such as allocating cash dividend, determining and amending the regulation and memorandum of association, increasing or decreasing capital and approving special transactions, etc. In addition, the company informed all rules and how to attend the meeting as well as process of casting the vote in shareholder's meeting in invitation letter.

The Company emphasizes the equal rights of to cast their vote at a shareholders' meeting by using one share - one vote principle. In the meeting, the Company also opens an opportunity to shareholders to propose agenda items and nominate qualified candidates as the Board of Directors in advance of one month before Annual Shareholders' General Meeting as well as invites the shareholders to submit opinion and questions in advance of meeting to company's secretary (Tel. 092-252-1277 or line ID: takuni2014 or E-mail: nita@takuni.com)

Furthermore, the Company facilitates and encourages shareholders to attend and vote at the shareholder's meeting by allowing shareholders to vote before the meeting at least one hour and so on until the meeting is over. In case the shareholders cannot attend the meeting by themselves, the Company opens an opportunity to the shareholders by providing proxy form that shareholder can express their views and cast their vote on. The forms are available on the Company website. Also, the shareholder must give authorize to at least one independent director to vote on their behalf.

Section 3 The Role of Stakeholders

The Company commits to treating all stakeholders equally. The Company recognized that supporting from all stakeholders will help increasing the Company's potential in competing with other as well as generating profit for the Company. This will also advantage company in long term. Thus, the Company comply with the laws, regulations and mutual contract, efficiently disclose adequate information for stakeholders and operate in the way that not convene or cause the negative impact to interested groups under the following guideline.

- | | |
|----------------------------|--|
| Shareholder : | The Company is committed to better represent the shareholders in business to create maximum satisfaction for shareholders by taking into account of the growth of value of the Company in long-term and actions reveal information in a transparent and credible. |
| Employee : | The Company recognized the importance of employees as the supporter of the Company's work plans and the one who help drive the Company to the determined business objective. Thus, the Company treats all employees fairly and equally. The Company also encourages employees to participate in the atmosphere felling safe at work by setting clearly and concisely steps of working, choosing equipment that meet the safety standard, analyze safety risk to establish appropriate defensive control measures, communicate with employees to make them understand and work in the common direction, create good working atmosphere and team building. These help build team confidence and spirit in working as well as ensure employees' well-being. |
| Executive : | The Company recognizes the importance of the executives as the people who plays important roles in determining strategic directions and business plans as well as controlling the Company to move in the right direction to achieve the target determined by the board of directors. To show our awareness, the Company proposes appropriate and fair compensation to the executive in order to compensate and motivate the executive's intention and effort in management to achieve company's determined target. |
| Business Partners : | The Company recognizes the importance of the Company's business partners that help support and drive business to achieve its determined growth and target. Thus, the Company will treat all the partners equally and fairly on the basis of fair return to both parties and strictly comply with trading condition. |
| Customers : | The Company recognize the importance of customers by giving first priority to maintaining good and sustainable relationship with them, complying with contracts, agreements or conditions transparently, committing to meet and serve goods and services for satisfaction and confidence to customers and disclose customers secret information. |
| Trade Partners : | The Company conducts fair practice with all trade partners, strictly complies with trading conditions and not demand or receive any dishonest benefits from the trading partners. |



Creditors :	The Company complies with agreements between the Company and its creditors by paying creditors in a timely manner to creating trust and sincerity among each other.
Competitors :	The Company complies with competitor in a frame of fairly rule and emphasize on creating of business competitive edge by developing the Company's potential, not to seek confidential information of business competitors in an improper or dishonest manner or damage the reputation of our competitors either directly or by indications.
Environment :	The Company places important on environment preservation by preventing environmental impact which may incur and exceed legal limit as well as increase efficiency of resources usage and controlling its environmental impact in accordance with the laws and regulations.
Community/Society :	The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment.
Government Sectors and Related Units :	The Company recognizes the roles, duties and responsibilities of government sectors and related units and has a strong intention of cooperating with them to lighten their loads by complying with related rules, regulations, and laws. In addition, the secretary is assigned to responsible for inspecting and reviewing the compliance with related rules, regulations, and laws and the performance of internal auditors whether it in accordance with the manual and related standard or not before sending the report of review and inspection to the board of directors annually.

In case related parties or stakeholders have a complaint, suggestion or questions about illegal or unethical practices, incorrect financial reporting or insufficient internal control, they can report or ask the audit committee directly by contacting the secretary of the audit committee (auditcom@takuni.com) The Company will carry out the complaint justly and secretly in accordance with the petition process and result of the investigation will be reported to the board of directors.

Section 4 Disclosure and transparency

The Board of Directors recognized the important of sharing, including both financial and non-financial information in accurate and complete, reliable, transparent and time manner accordance with the rules of Securities and Exchange Commission and Stock Exchange of Thailand, which influence process in a decision making of investors and stakeholders of the Company. The Company has disclosed the information of company in both Thai and English via media and publishing information of the stock exchange of Thailand and the Company's website.

The Board of Directors passed the inspection from independent auditors is responsible for consolidated financial statements of the Company and its subsidiaries and financial information appearing in the annual report. Such financial statements prepared in accordance with general accepted accounting standard in Thailand by selection of appropriate accounting policies and compliance on a regular basis as well as disclosure adequate in the financial statement which in this audit committee will review the quality of reporting of financial and internal control systems and attach opinion of the Board of Directors in the Company's annual report. The Board of Directors also responsible for the Board of Directors report which has to be submitted along with the annual audit report.

Furthermore, the Company has disclosed the compensation of individual committee and executive, performance in review, the attendance of such meeting by each committee member and other information such as information about committee and executive's resume, training history, committee and executive's securities holding within three workdays from the day securities have sold, bought or transfer by the company's secretary.

Section 5 Responsibilities of the Board of Directors

Corporate Governance Policy

The Company has established corporate governance policies of the Company in written which cover the equitable treatment of shareholders guideline, vision to create long term value and the efficient and effective management guideline that is consistently acceptable and help maximize the wealth of investors and relevant parties. Transparency and sufficient disclosure of information to all related parties are also emphasized by the Company. About risks, the Company has assessed risks, formulated strategy and followed up with the management regularly. Internal control and audit are other important issues that the Company focuses on. The Board of Directors has assessed internal control performance annually as well as encourages all committee and the management team to attend Thai Institute of Directors Association (IOD) and other training programs continuously to gain knowledge on duties of committee and the management.

Business Ethics

The Company has set the ethical practices of the Board of Directors, executives and employees to all relevant guidance in the performance of its mission with integrity and equitable treatment to the Company and all groups of stakeholders. Also, the Company has announced and informed to all employees to know and practice strictly.

Internal Control System and Auditing

The Company places important on internal control system at both management and operational level. To ensure performance effectiveness and efficiency, the Company has determined roles and power of employees and executive in written. There is also the guideline in asset management as well as separation of duties between working employees and valuers stated. Furthermore, the Company has outsourcing internal auditor who investigate and assess internal control system and proposed the issue to the Audit Committee and the Board of Directors. Mr. Surapon Thanwanyavichajit from Multiplus Audit and Consulting Company Limited was the one who was appointed to be the Company's internal auditor in year 2013 and 2014 and reviewed of the Company's internal control system and auditing, financial and working performance. These are done to ensure that the system work suitably and effectively as well as operated in compliance with related laws and regulations. The result of review will be reported directly to the Audit Committee and senior executive.

Conflict of interest

The Board of Directors and Executive Board have intention to minimize conflict of interest and consider about the issue carefully with honest, reason, independence and under the framework of business ethics to maximize overall benefit of the Company. Thus, to manage the Company transparently and avoid the act of self-interest, the Company determined that the committee, executive, and related parties must disclose their gains and losses to the Audit Committee by contacting the company's secretary as well as informing about their securities holding to the Audit Committee to comply with regulation of Securities and Exchange Commission. Furthermore, in Executive and the Board of Directors meeting, interested person are not allow to cast his or her vote or approve that transaction.

To approve any connected transactions, the Company takes itself and shareholder's benefit in consideration and approve them in accordance with the fair market price. The processes are done without any special favors and the pricing are on an arms - length basis. All connected transactions must be approved by the Audit Committee members which are all independent directors and the Committee will propose both connected transactions and conflict of interest transaction to the Board of Directors after they carefully consider them and take the announcement of the Securities and Exchange Commission in to account. Furthermore, disclosure of connected transactions and conflict of interest transaction will be done every quarter.



2. Sub - Committee

Structure of Board of Directors consists of three sub - committee which are the Board of Directors, the Audit Committee and the Executive Board. There is the limit of duties and responsibilities of each sub - committee in written as follow:

The limit of duties and responsibilities of the Board of Directors

1. Operate and administrate the business as the laws, objectives, regulations and shareholder approvals.
2. Determine the important policy, consider and approve in the Company's budget and investment and Conduct business in accordance with the determined objective.
3. Provide the Company's general information and financial report for informing accurate information to shareholders and stakeholders in timely manner and in accordance with laws.
4. Acknowledge important audit results from the Audit Committee, Internal Audit team, auditors and consultants of the company as well as determine guideline for the improvement to fix the significant fault.
5. Review the Company's internal control and risk management appropriate and effective.
6. Provide the Company's senior executive succession plan.
7. Entitle to appoint the Audit Committee and approve the duties of the Audit Committee.
8. Manage the Company in accordance with the laws and announcement of Securities and Exchange Commission, regulation of Stock Exchange of Thailand or law relating to corporation business.

The limit of duties and responsibilities of the Audit Committee

1. Ensure the Company's financial reporting accuracy and adequacy by coordinating with external auditor and the Company's executive.
2. Review the Company's internal control and internal audit appropriate and effective by external and internal audit as well as to approve the appointment, transfer, termination of internal chief agencies or other organization responsible for internal audit.
3. Ensure compliance with law requirements of Securities and Exchange Commission, stock exchange regulation and the law relating to its business.
4. Take reliability, sufficient resources, work quantity and experience of the person who responsible for auditing into account to select and nominate which is to serve as independent auditors of the Company and remuneration of such person.
5. View the related transaction or translations that may have a conflict of interest to ensure that the items are such complete and accurate.
6. Provide report of audit committee about disclosure in financial report and opinion on the adequacy of its internal control system, conflict of interest transactions and compliance with laws in accordance with the rules of Securities and Exchange Commission and Stock Exchange of Thailand and reason about the appropriateness of auditors.
7. Any actions assigned by the Board of Directors appointed with approval from audit committee.

The limit of duties and responsibilities of the Executive Board

1. Responsible for decision making regarding performance by determining the scope, genre, firm size, objective, guideline and policy and overseeing operation, production, customer relationship : toward the Board of Directors.
2. Consider in expansion of investment and fixed asset sale and purchase before propose the agenda to the Board of Directors.
3. To act on behalf of the Company and contact for matter relating beneficial of the Company.

4. Consider in the Company's fundraising and propose the agenda with the Board of Directors.
5. Entitle to appoint consultants in a particular field that necessary for the Company's performance.
6. Any other matter related to the management of the Company.
7. Perform other duties related to the business.
8. Consider and approve action plans and requests that are out of the limit of the department's duties scope.

The limit of duties and responsibilities of Management

1. Associate with the performance control and/or general administrative function.
2. Operate and administrate the business as the policy of business plan and strategic of business that Board of Directors and management already approved.
3. To provide authorized budget range for procurement of goods and services for beneficial of the Company which the authority to approve the budget, each not exceeding 150 Million Baht for the procurement and each not exceeding 50 Million Baht for the investment.
4. Responsible for giving commands, rules and announcement for working performance to be in accordance with the policy in order to benefit the company as well as keep discipline consistent within the organization
5. To act on behalf of the Company and contact for matter relating beneficial of the Company.
6. Entitle to appoint consultants in a particular field that necessary for the Company's performance.
7. Represent with full authority to manage the business as the laws, objectives, regulations and shareholder/the Board of Directors and the Management approvals; Authorization does not involve the approval of conflict of interest transaction in accordance with the regulation of Securities and Exchange Commission.

3. Nomination and appointment of Director and top executives

The Company does not have the nomination committee to select person to hold position of director or top executive. However, it has nomination process for selection person to hold such position where the major shareholder, director as well as the independent director and executive of the Company shall jointly nominate the qualified, capable and experienced person. After that such person shall be proposed to the shareholders' meeting for consideration and selection pursuant to the Company's articles of associations as follows:

Audit Committee / Independent director

The Company does not have the nomination committee to select person to hold position of director or top executive. However, it has nomination process for selection person to hold such position where the major shareholder, director as well as the independent director and executive of the Company shall jointly nominate the qualified, capable and experienced person. After that such person shall be proposed to the shareholders' meeting for consideration and selection pursuant to the Company's articles of associations as follows:

1. Holding shares not more than one percent of total shares voting right of major company, subsidiaries, or entities that may conflict. The count of shareholding of relevant independent committee.
2. Not participate as directors who manage, employee, consultant has a regular salary or authority corporate control of major company, subsidiaries, and subsidiaries same order or the entity that may have conflict except being exempt from the above characteristics at least two years before submitting the permit to the Office.
3. A person who is not a blood relationship or by registration in law in type of father, mother, spouse, brother, sister or spouse of children of management or major shareholders who have authority to control or individual who will be offered to the management or control of company or subsidiaries.



4. No business relationship with company or subsidiaries or individual whom might be conflict in manner that may obstruct freedom to use their discretion and not as a major shareholder, the directors who is not as independent directors or executives of those with business relationship with major corporation, subsidiaries, or entities that may conflict except being exempt from the above characteristics at least two years before submitting the permit to the Office.
5. The business relationship according to clause 4, including normal trade transactions for business operation, rental or properties rental, assets or service transactions, financial assistant givers or receivers through loan, collateral, performance bond guarantee and other similar behaviors which cause the bank or parties debts burden to the other party from 3% of the bank's net tangible asset or from 20 Million Baht, considering the lowest. The debts must be calculated according to transaction values of the Exchange Commission's notice on deferral associated transaction rules. The debts consideration must be counted from 1 year before the business relationship occurred with the same person.
6. Not being an auditor of a major company, subsidiaries, affiliate or individual that may have conflict and not being major shareholders, non-independent directors, executives or partnership manager of audit company which having auditors of company, subsidiaries, joint venture or entities that may be under the conflict except being exempt from the above characteristics at least two years before submitting the permit to the Office.
7. Not being a professional in any service, including providing service as a legal consultant or financial consultant who received service charge more than 2 Million Baht a year from the Company, subsidiaries, entities who might have conflict. In the case of professional service is legal entity including major shareholder who are not independent executive or partnership of that professional service except being exempt from the above characteristics at least two years before submitting the permit to the Office.
8. Being independent from the major shareholders of the Company or other shareholders who are related to the Company's majority shareholders.
9. Not operate the same business and a significant competitive business with the bank or subsidiary or not a significant partner in partnership or an executive director of such business, employees who earn fixed salary or hold more than 1% of the overall ordinary share of another company which operates the same business and be a significant competitor with the bank or subsidiary.
10. No other feature that could not be commented freely about the Company's operation.
11. Not being a director who has been assigned by the Board of Directors to decide on the operation of the company, subsidiaries, joint venture, subsidiary, company in the same order or entities that may conflict and not directors of listed company which is a big company, subsidiaries, joint venture, subsidiaries in the same order.

Independent directors with qualifications 1 - 11 mentioned above may be assigned by the Board to decide on business matter of a the Company, subsidiaries, joint venture, subsidiaries in the same order or entities that may be under the conflict in Collective Decision form as follow:

- (1) Must not be the director who has been authorized by the Board of Directors to make decision on business operations of the Company, subsidiary, subsidiary in the same level, or entities that maybe under the conflict.
- (2) Must not be the director of subsidiary in the same level of the listed company only.
- (3) Must possess adequate knowledge to be able to perform duties as the audit committee, in addition, at least one member of the audit committee must have adequate knowledge and experiences to audit credibility of financial statement.

The Audit Committee or the Board of Directors entitled to select one of the Audit Committee members to hold position of Chairman of the Audit Committee and the Audit Committee may select one or more of the members to hold position of Vice Chairman of the Audit Committee and appoint someone to hold position of the director in charge of the Internal Control System or Accounting and Finance and act as the Audit Committee's Secretary. However, the secretary is not the Audit Committee member so he or she doesn't have right to casting vote.

Any audit committee who will resign from the position, they might submit the registration letter in written to the company in advance of one month except in case of force majeure. If necessary, the Audit Committee may have to explain the reason of resigning or removing from the position and submit the reason form to the Stock Exchange of Thailand. Then, the Audit Committee has to appoint new member to fill a vacant position within three months from the day such committee retire from the position and may submit the reason form to the Stock Exchange of Thailand.

The Office Term

The Audit Committee has an office term of three years but may appointed by the Board of Directors or the Shareholders' Meeting and continue holding the position for not more than the total of nine years.

Board of Directors

1. The Board of Directors consists of at least 5 directors and more than half of directors must be resident in the Kingdom.
2. Directors shall be natural persons and:
 - (1) Have come of age
 - (2) Shall not be declared bankrupt, incapacitated or disabled
 - (3) Have not been sentenced to imprisonment by a final judgment relating to offences against properties, and
 - (4) Have not been dismissed or removed from civil service or organizations or government agencies on charge of corruption.
3. Election of directors shall be effected in accordance with the following rules and procedures:
 - (1) Each shareholder shall have one vote for each share held.
 - (2) Each shareholder shall cast all the votes he has in accordance with (1) to elect one or several directors as deemed proper by the meeting but each shareholder may not divide his votes into portions and give them to various candidates.
 - (3) The candidates who receive the highest number of votes in their respective order of votes shall be elected as directors in the number equal to the number of the directors of the Company.
4. At every annual ordinary general meeting of shareholders, one-third of the total number of the directors of the Company shall retire. If the number of directors cannot be equally divided into three parts, the number of directors closest to one-third shall retire. The directors to retire from their office in the first and second years following the registration of the Company shall, unless otherwise agreed, be determined by drawing lots. In any subsequent years, the directors who have been in office the longest shall retire. Retired directors may be re-elected.
5. Any director wishing to resign from his office shall submit his resignation letter to the Company. Such resignation shall be effective on the date the resignation letter reaches the Company.
6. In case any vacancy occurs in the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall elect a person who has the qualifications and who does not have any prohibited characteristics under item 2 mentioned above as a replacement at the following meeting of the Board of Directors, unless the remaining duration of the director's term of office is less than two months. The resolution of the Board of Directors under the first paragraph shall be supported by a vote of not less than three-fourths of the number of the remaining directors. The replacing director shall hold office only for the remaining term of office of the director whom he has replaced.
7. The shareholders' meeting may resolve to remove any director from office before the expiration of his/her term of office by rotation with the vote of no less than three-fourths of the number of shareholders who attend the meeting and are eligible for the voting and their shares, in total, are no less than a half of the shares held by the shareholders who attend the meeting and are eligible for the voting.



Executive

The Board of Directors or person who is assigned from the Board of Directors will be the one who consider and appoint the Executive by selecting from experience, ability and management knowledge in relevant fields.

4. Supervision on Operations of the Subsidiary and the Associate Company

The Company has a policy in the investment that can give advantages to company and increase the Company's competitiveness. For investment in associate companies, the Company must have the power to control and determine the policy for management. Moreover, the appointment of director to be the representative in such subsidiary or associate company must be pursuant to shareholding proportion of the Company.

5. Supervision on Usage of Inside Information

The Company supervises on usage of inside and stockbroking information that have not been publicly disclosed for self-seeking by stating in the regulation that the director, executive, staff and employee must keep confidential news or inside information of the Company and its subsidiaries a secret and not exploit the information directly or indirectly for personal or other gain except the information has been publicly disclosed. Company's director, executive, staff and employee who acknowledge the financial and/or important inside information that may has effect on the price of securities should avoid buying and selling company's securities a month before the financial statement and inside information publicly disclosed. Furthermore, these people must not disclose the significant information to other included their spouse and minor children as well as company's executive, staff and employee. Anyone infringe the regulation, they considered committed serious offence and will be fired as well as receive no compensation.

6. Audit Fee

Total audit fee paid in 2014 to PricewaterhouseCoopers ABAS Company Limited, the auditor of the Company and the subsidiaries, was 2.33 million baht and can be separate to the audit fee of 2.27 million baht and other compensation of 0.06 million baht.

7. Corporate Governance Practice of the other matter

Policies of the Connected Transaction

The Company has established connected transaction policies. In case the company necessary needs to make any connected transaction with entities that may be under the conflict, the Audit Committee will give the opinion on necessity and appropriateness of such transactions and in the case that the Audit Committee is not expert in considering connected transaction that may occur, the Company will invite independent expert or the auditor to give the opinion on such transactions to support the Board of Directors or shareholder's decision making.

Policies of the Connected Transaction classified by genre of transaction as follow:

- For normal business transaction and the transactions that support the normal business which included buy-sell transaction, the company has established policies and appointed the Audit Committee to consider and give opinion on reason and necessity of making such transactions, the fairness of trading condition and how to avoid benefit transfer by comparing three cases: Company-Public transaction, Entities that may be under the conflict - Public transaction and Entrepreneurial Transactions. The policies stated that the Audit Committee is the one who consider and give opinion on reason and necessity of making such transactions in every quarter and will perform their duties in accordance with the law of Securities and Exchange Commission, announcement, command or regulation of the Stock Exchange of Thailand as well as the regulation in disclosure of connected transaction.

- For other transaction beyond normal business transaction and the transactions that support the normal business which included other asset or services transaction and financial support transaction, the Company has established policies and appointed the Audit Committee to consider and give opinion on reason and necessity of making such transactions. The committee will perform their duties in accordance with the law of Securities and Exchange Commission, announcement, command or regulation of the Stock Exchange of Thailand as well as the regulation in disclosure of connected transaction and selling of the companies and its subsidiaries important asset.

The Board of Directors will perform in accordance with the Securities and Exchange Commission's laws, the Stock Exchange of Thailand's announcement, command or regulation as well as connected transaction and selling of the companies and its subsidiaries important asset regulation to avoid the conflict of interest and maximize benefit of every shareholder.



Social Responsibility

Overview of policy

The Group has set vision for overall picture of the organization that all of us are going to expand business and grow at the same time to support each other. Also, the Group is committed to be an organization with social and environmental responsibility for a sustainable growth of the business. So far, the Company adopted the following corporate governance and social responsibility guideline:

Company “Social Responsibility” Guideline

1. Fair Operating Practices

The Company commits to do business on a fair and ethical basis as well as against corruption. It also have a policy to treat business competitors under the best practices on competition along with responsible to society, respect right of property and build relationship between the business and all stakeholders e.g. Government sector, related parties, shareholders, suppliers, partner of contract, customer, competitors and federation.

2. The Fight against Corruption

The Company has currently working on another important guidelines which is to provide guidance for ratified activities such as determine the Anti-Corruption policy, enact the “Code of conduct” which emphasize on zero fraud and set up the training and development activities on morals and ethics to promote and develop mind in fairness to maintain a good conscience that lead to the honest practice.

Furthermore, the Company has managed the risk of business and internal control system for both physical and mind, to avoid misbehave, by using KPI evaluation as a tool to assess and improve performance quality. Communication channel for giving a clue on such misbehave and a legal measure on whistle blower protection are also provided along with fair inspection procedure.

3. Respect for Human Rights

The Company has performed and managed prudently as well as always realized the effect that could violate employee, community and environment right. Measurement on corporate governance are provided to avoid getting into these trouble that may violate community or construction area right. The Company also has created mechanism to appropriately deal with complaints received from people who believe their right has been violated or has unfair treatment.

4. Fair Labor Practices

The Company considers that employees are the most valuable resources that make us strong and enjoy secure and sustainable growth. Also, the Company has prescribed policies and guidelines for managing human resources systematically. Processes and methods have been developed to promote good working environment. For example, the Company boost the development of potential and knowledge of its employees to make them good people with morals. It also cultivate good environmental awareness and place important on the organizational issue that relate to the employee.

5. Consumer Responsibility

The Company promotes fair market practices by offering safe products of good quality and excellent services. It is ready to respond to its clients’ needs and suggestion in regard to products use. It provide advice and solutions as well as welcome any complaints to maximize customers’ satisfaction. The Company efforts are for sustainable consumption.

Moreover, the Company has training program for customer on “Filling plant staff” and “specific responsible person for supervising LPG station” to stimulate safety practice in using LPG.

6. Environmental Conservation

The Company places emphasis on the environment and minimizes environmental impacts by maintaining equivalent international standards in practices. It is determined to develop modern and clean technology for the utmost efficiency. Also, it make use of resources in a sustainable way by following the Principles of 3R, i.e. Reduce, Reuse/Recycle and Replenish as well as set up the policy of Zero Emission which prescribing that no pollution be released to the environment.

7. Contribution to Community and Society

The Company considers itself as part of communities and society. Therefore, it retain its responsibility to help and support public activities that are useful for our communities. The Company develops the environment, communities and society for the better by means of creating jobs and doing diverse economic activities to strengthen organizations and communities.

8. Implement innovation about responsibilities for social, environmental and stakeholders, and disseminate innovation

The Company truly understand the benefit and value of being an organization with social responsibility. It has created idea and search for new knowledge which covered business, economic, technology and environment topics. Moreover, Creation or development on new knowledge which added value to the Company will be opened for every parties, both inside and outside.

Example of the Company activities

- The Group personnel development in "Service Mind" topic on 21st January 2014 at Meeting Room TG2, Takuni Building



- Lecture on Code of conduct and business ethics on 1st February 2014 at Meeting Room TG2, Takuni Building
- Lecture on KPI (Key Performance Indicator) on 8th March 2014 at Meeting Room TG1, Takuni Building
- The Group personnel development in "Motorcycle Road Safety" - The Company has invited speaker, Mr. Sompob Vichitranonda from Rama II Claim Service Center of the Viriyah Insurance public company limited who is specialized in car using to give lecture to company's employee on Motorcycle Road Safety. The lecture was on 25th April 2014 at Meeting Room TG2, Takuni Building





- Lecture on LPG property, how to use LPG safely, fire protection for LPG and loading and unloading LPG procedure within gas terminal on 10th April 2014 at meeting room in LPG terminal, Phichit



- Lecture on Provident fund on 9th and 16th June 2014 at Meeting Room TG2, Takuni Building



- Lecture on how to use LPG safely and practice on fire protection for interested people in or near the area of Phichit LPG terminal has drawn a lot of attention. The lecture & practice hold on 4th July 2014 at Amarin Lagoon hotel, Phitsanolk



- Training for responsible person of LPG storage of companies in Takuni group. Company provided this type of training 3-4 times per year. Lately, on 26th - 27th November 2014 at Meeting Room TG2, Takuni Building



- 2014 Sport day and New year party - enhancing good relationships and collaborations - on 20th December 2014 at Takuni building



- Annual Fire Drill & Emergency Response Practices 2014 of Takuni building. The Group has conducted Annual Fire Drill & Emergency Response Practices 2014 to create positive attitude in fire protection. The activity was conducted annually according to the law specify in ministry of interior announcement.



- The Company made a donation to many organizations such as support activity setting up by community near Ban Rong Po LPG Terminal, donate to fund Nidhikunakorn foundation, support charity golf tournament, donate to Bangkhæ Home Foundation





Shareholders & Management Structure

Shareholders Structure

As of December 31, 2014, Takuni Group PLC. had registered and paid-up capital of 200,000,000 baht consisting of 400,000,000 common shares at 0.5 baht per share.

Top Fifteen of The Shareholders As of December 31, 2014 are as follow:

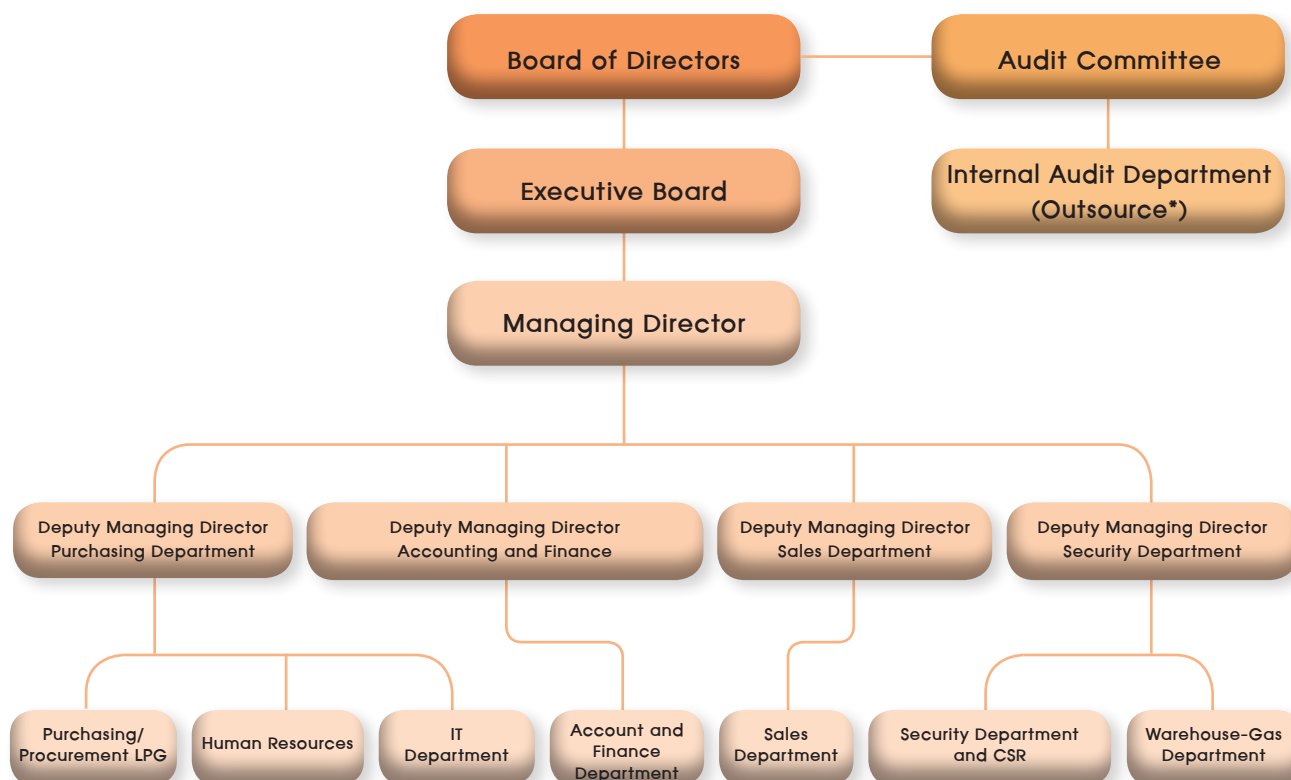
	Shareholders		No. of Shares	%
1	Mr. Takool	Treeveeranuwat	88,200,400	22.05
2	Mr. Prasert	Treeveeranuwat	75,616,000	18.90
3	Ms. Nita	Treeveeranuwat	50,615,600	12.65
4	Ms. Kanchana	Rimpanichayakij	25,568,000	6.40
5	Mr. Vichien	Rimpanichayakij	18,000,000	4.50
6	Mrs. Pranee	Treeveeranuwat	14,000,000	3.50
7	Mrs. Pornsinee	Treeveeranuwat	8,180,000	2.05
8	Mr. Vichit	Rimpanichayakij	6,000,000	1.50
9	Mr. Chaowarat	Vejpinyo	5,026,700	1.26
10	Mrs. Luckkana	Tangsukan	4,000,000	1.00
11	Mr. Chairat	Treeveeranuwat	4,000,000	1.00
12	Mr. Peerapan	Tanongsak	4,000,000	1.00
13	Mr. Prasert	Jirawansatit	3,500,000	0.88
14	Mr. Preecha	Nobnob	2,311,100	0.58
15	Mr. Surin	Chaowarit	2,240,000	0.56
Total			311,257,800	77.83

Dividend Policy

The Company and its subsidiaries has the policy of paying dividend to shareholders at no less than 40% of net profit according to the Company's separate financial statements after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than the above rate, depending on the necessity of working capital use for business expansion. A resolution of the Company's Board of Directors regarding the dividend payment must be proposed to the Shareholder Meeting for approval, except for an interim dividend payment, which the Board of Directors may approve and then report to the next Shareholder Meeting.

Management Structure

Takuni's Management Structure as of December 31, 2014



*Multiplus Audit & Consulting Co.,Ltd

Management structure of the Company as of December 31, 2014 consists of Board of Director, Audit Committee and Executive Board. Currently, the Board of Director consists of 4 non-executive directors out of all total 7 company's directors in order to have check-and-balance power over the management for maximizing benefit to the Company.

Board of Directors

The Board of the Company consists of 7 directors as follows:

First Name - Surname	Position
1. Mr. Visit Akaravinak	Independent Director /Chairman of Director / Member of Audit Committee
2. Mr. Charoen Prajumtan	Independent director / Chairman of Audit Committee
3. Mr. Teerachai Arunruangsirilert ¹	Independent director / Member of Audit Committee
4. Mr. Chupong Tanasettakorn ²	Independent director
5. Mr. Prasert Treeveeranuwat	Director/ Executive Chairman / Managing Director
6. Ms. Kanchana Rimpanichayakij	Director/ Deputy Managing Director
7. Ms. Nita Treeweeranuwat	Director/ Deputy Managing Director /Corporate Secretary

Remark : * Mr. Teerachai Arunruangsirilert is knowledgeable member of Audit Committee

** Mr. Chupong Tanasettakorn has resigned from his position as member of Audit Committee on March 4, 2014

Mrs. Thitima Tanapakit, Financial and Accounting Manager, is the secretary of Audit Committee.



The Company's authorized signatories

The Company's authorized signatories are any two of Mr. Prasert Treeveeranuwat, Ms. Kanchana Rimpanichayakij, Ms. Nita Treeweeranuwat jointly signed and affix the Company's seal.

Board of Directors' Meeting

First Name - Surname			Total number of meeting attends/Total number of meeting	
			Board of Directors' Meeting	Audit Committee's Meeting
1.	Mr. Visit	Akaravinak	7/7	6/7
2.	Mr. Charoen	Prajumtan	7/7	7/7
3.	Mr. Teerachai	Arunruangsirilert ¹	6/6	6/6
4.	Mr. Chupong	Tanasettakorn ²	5/7	1/1
5.	Mr. Prasert	Treeveeranuwat ³	7/7	1/7
6.	Ms. Kanchana	Rimpanichayakij ³	7/7	1/7
7.	Ms. Nita	Treeweeranuwat ³	7/7	1/7

Remark: ^{1/} The 2014 Annual General Meeting of Shareholders on March 19, 2014 has a resolution to appoint Mr. Teerachai Arunruangsirilert as Independent director and Member of Audit Committee.

^{2/} Since Country Group Securities PLC. has been appointed as the selling agent to publicly offer company's ordinary share on August 4, 2014, it may affect the performance and opinion as Independent director of Mr. Chupong Tanasettakorn who take a position of deputy managing director, sales department, at Country Group Securities PLC. Therefore, he didn't attend the meeting during the company's registration to avoid the conflict of interest that might happen.

^{3/} Mr. Prasert Treeveeranuwat Ms. Kanchana Rimpanichayakij and Ms. Nita Treeweeranuwat attend Audit Committee's Meeting for clarify the Company performance

Management

Management of the Company consists of 6 members as follow:

First Name - Surname			Position
1.	Mr. Prasert	Treeveeranuwat	Executive Chairman / Managing Director
2.	Ms. Kanchana	Rimpanichayakij	Deputy Managing Director / Deputy Managing Director, Finance & Accounting Department
3.	Ms. Nita	Treeweeranuwat	Executive Director / Deputy Managing Director, Purchasing Department
4.	Ms. Chatprapa	Chansri	Executive Director / Deputy Managing Director, Sales Department
5.	Mr. Charoenchai	Amnajsomboonsuk	Executive Director / Deputy Managing Director, Security Department
6	Mrs. Thitima	Tanapakit	Financial and Accounting Manager

Corporate Secretary

The Board of Directors has resolution to appoint Ms. Nita Treeweeranuwat as the Corporate Secretary to comply with the Article of Security Exchange Commission Act (B.E. 2535). The Scope of Duties of the Corporate's Secretary are as follow:

1. Prepare and maintain following documents:
 - 1.1 The Board's Registration
 - 1.2 The Board's meeting initiation letter and meeting reports as well as the Company's annual report
 - 1.3 The Shareholder's meeting initiation letter and meeting reports
2. Keep a report on stakeholder as reported by the Company's Board or management
3. Carry out other activities defined by the Capital Market Commission.

Director and Management Remuneration

Director remuneration has been passed the carefully consideration of the Board of Directors' meeting and the remuneration amounts are as follow:

Financial Remuneration

Meeting Allowance

The following remuneration for the Board of Director and Audit Committee was approved at the 2014 Annual General Meeting of Shareholders on March 19, 2014 as follow:

Meeting Allowance (Baht)

Board of Directors' Meeting

- Chairman of Director	15,000
- Director	12,000

Audit Committee's Meeting

- Chairman of Audit Committee	12,500
- Member of Audit Committee	10,000

Total amount of meeting allowance for the whole year is not exceed 500,000 Baht.

In 2014, remuneration has been paid out to the Board of Director and Audit Committee in form of meeting fee as follow:

Name	Position	Meeting Fee (Baht)		
		Board of Director	Audit Committee	Total
1. Mr. Visit Akaravinak	Independent Director /Chairman of Director / Member of Audit Committee	101,570	49,570	151,140
2. Mr. Charoen Prajuntan	Independent director / Chairman of Audit Committee	83,570	74,570	158,140
3. Mr. Teerachai Arunruangsirilert	Independent director / Member of Audit Committee	71,570	49,570	121,140
4. Mr. Chupong Tanasettakorn	Independent director	59,570	10,000	69,570
5. Mr. Prasert Treeveeranuwat	Director/ Executive Chairman / Managing Director			
6. Ms. Kanchana Rimpanichayakij	Director/ Deputy Managing Director			
7. Ms. Nita Treeweeranuwat	Director/ Deputy Managing Director/ Corporate Secretary			
Total		316,280	183,710	499,990

Remark: Member of the board who take a position of the company's executive does not receive the meeting allowance.



Executive

As of December 31, 2014, the Company consist of 6 executives and paid out the 2014 remuneration in the form of salary, bonus and contribution fund as follow:

First Name - Surname	The Return Premium (Baht)			
	Salary	Bonus	Contribution Fund	Total
1. Mr. Prasert Treeveeranuwat	1,526,304	369,492	17,808	1,913,604
2. Ms. Kanchana Rimpanichayakij	1,526,304	369,492	17,808	1,913,604
3. Ms. Nita Treeweeranuwat	1,032,600	249,210	12,047	1,293,857
Total	4,085,208	988,194	47,663	5,121,065

Total amount of remuneration that executives received from company in form of salary, bonus and contribution fund in 2014 is 9,653,267 Baht

Other Compensation

- None -

Staff

As of December 31, 2014 and 2013, the number of the Company and its subsidiaries' staff (not include executive) are as follow:

Takuni Group Public Company Limited

Division	Number of Staff	
	31 December 2557	31 December 2556
Sales	7	7
Human Resources	5	6
Finance and Accounting	16	13
Purchasing	3	3
IT	4	4
Warehouse-Gas	5	4
Total	40	38

Takuni Thailand Company Limited

Division	Number of Staff	
	31 December 2557	31 December 2556
General Services	11	20
Engineering	11	15
Warehouse	6	7
Human Resources	9	10
Total	37	52

Rajchapluek Engineering Company Limited

Division	Number of Staff	
	31 December 2557	31 December 2556
Management	1	1
Test and Inspect	104	55
Sales	2	-
Total	107	56

G Gas Logistics Company Limited

Division	Number of Staff	
	31 December 2557	31 December 2556
Transportation	39	39
Purchasing	0	1
Total	39	40

As of December 31, 2014 and 2013, the total number of the Company's employees (not include executive) is 223 employees and 186 employees, respectively. Total amount of compensation which is in cash form (salary, bonus, contribution fund, and social insurance and overtime fee) is 45.10 Million Baht for 2014 and 45.18 Million Baht for 2013. In addition, employer contributions are required to be paid to a Bualuang Mutual Fund since June 2014 with objectives to build morale and encouraging to the employees and to motivate them to work with the Company for a long term.

Labor Dispute within past 3 years

- None -

Human resource development policy

The Company realized the important of building the employee skill and experience. Therefore, the Company regularly sets up training program and creates annual training roadmap for both in house training such as set up orientation for new employee and invite outside speaker to create the training program for staff in different departments.



Board of Directors, and Executives

Name Position	Age (Years)	Educational Credential / Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
1 Mr. Visit Akaravinak - Independent Director/ Chairman of Director/ Member of Audit Committee	67	Master Degree : - Sasin Graduate Institute of Business Administration Bachelor Degree : - Engineering (Electrical) faculty, Chulalongkorn University Training Experience - DCP 49/2004, RCP 12/2005 - Finance for non-finance director Thai Institute of Directors Association	2012 - Present	Chairman of Director Member of Audit Committee	Takuni Group PLC.
			Present	Specialized Committee Member for National Standard	Ministry of Industry
			Present	Senior Engineer Expert Committee	Engineering Institute of Thailand
			2005- 2008	Chief Executive Officer	Electricity Generating Public Company Limited
2 Mr. Charoen Prajuntan - Independent director/ Chairman of Audit Committee	67	Master Degree : - Faculty of Political Science, Thammasat University Bachelor Degree : - Faculty of Engineering, KMUTT - School of Law, Sukhothai Thammathirat Open University Training Experience - DCP 88/2007, ACP 14/2006, DAP 56/2006, QSR 4/2006 Thai Institute of Directors Association	2012 - Present	Chairman of Audit Committee	Takuni Group PLC.
			2012 - Present	Sub-Committee of Energy Fund	Office of Energy Regulatory Commission
			2012 - Present	Audit Committee of Integration inspecting	Office of the Permanent Secretary, Prime Minister Office
			2010 - Present	Audit Committee	Ministry of Energy
			2006 - 2007	Inspector	Ministry of Energy
3 Mr. Teerachai Arunruangsirilert - Independent director/ Member of Audit Committee	37	Master Degree : - Faculty of Commerce and Accountancy, Chulalongkorn University Bachelor Degree : - Faculty of Commerce and Accountancy, Thammasat University Training Experience - DAP 113/2014, DCP 199/2015 Thai Institute of Directors Association	2014 - Present	Member of Audit Committee	Takuni Group PLC.
			2010 - Present	Full Time Faculty	Faculty of Commerce and Accountancy of Thammasat University
			2011 - Present	Member of the Federation of Accounting Professions of Representative	Federation of Accounting Professions
			2009 - 2010	Accounting Course Inspector	ARUN CONSULTING GROUP CO., LTD.

Name Position	Age (Years)	Educational Credential / Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
4 Mr. Chupong Tanasettakorn - Independent director	57	Master Degree : - MBA University of Detroit, USA Bachelor Degree : - Faculty of Science, Chulalongkorn University Training Experience - DCP 19/2002, ACP 21/2008, MFR 6/2008, MIR 3/2008 Thai Institute of Directors Association	2012 - Present 2004 - Present 2008 -Present	Independent director Independent director/ Member of Audit Committee Managing Director	Takuni Group PLC. EMC Co., Ltd Country Group Securities PLC.
5 Mr. Prasert Treeveeranuwat - Director/ Executive Chairman / Managing Director Husband of Ms. Kanchana Rimpanichayakij Father of Miss Nita Treeweeranuwat	53	High School : Bodindecha (Sing Singhaseni) School Training Experience - DAP 103/2013 Thai Institute of Directors Association	2007 - Present 2002 - Present 2000 - Present 1995 - Present	Managing Director Managing Director Director Executive	Takuni Group PLC. Takuni (Thailand) Co., Ltd G-Gas Logistics Co., Ltd. Rajchapluak Engineering Co., Ltd.
6 Ms. Kanchana Rimpanichayakij - Director/ Deputy Managing Director, Financial and Accounting Department Wife of Mr. Prasert Treeveeranuwat Mother of Miss Nita Treeweeranuwat	55	Bachelor Degree : Business Administration College, Assumption University Training Experience - DAP 103/2013 Thai Institute of Directors Association	2012 - Present 1995 - Present	Deputy Managing Director Director	Takuni Group PLC. Rajchapluak Engineering Co., Ltd.
7 Ms. Nita Treeweeranuwat - Director/ Deputy Managing Director, Purchasing and Administrative Department /Corporate Secretary Child of Mr. Prasert Treeveeranuwat and Ms. Kanchana Rimpanichayakij	28	Master Degree : - MSc International Financial Management, Queen Mary University of London Bachelor Degree : - BEng Mechanical Engineering, University of Nottingham - Mechanical Engineering Department, Thammasat University Training Experience - DAP 100/2013, CSP 52/2013 Thai Institute of Directors Association	2011 - Present 2012 - Present 2010 - 2011	Deputy Managing Director Director Engineer	Takuni Group PLC. Takuni (Thailand) Co., Ltd. Rajchapluak Engineering Co., Ltd.



Name Position	Age (Years)	Educational Credential / Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
8 Ms. Chatprapa Chansri - Deputy Managing Director, Sales Department	48	Bachelor Degree : - Human Resource Management, Rajabhat Institute Bansomdej Chao Phraya	2013 - Present 2010 - Present	Deputy Managing Director Managing Director	Takuni Group PLC. G-Gas Logistics Co., Ltd.
9 Mr. Charoenchai Amnajsomboonsuk - Deputy Managing Director, Security Department	56	Bachelor Degree : - Engineering (Mechanical) faculty, Chulalongkorn University	2013 - Present 2001 - Present	Deputy Managing Director Managing Director	Takuni Group PLC. Rajchapluek Engineering Co., Ltd.
10 Mrs. Thitima Tanapakit - Financial and Accounting Manager	34	Master Degree : - Graduate Business, Thammasat University Bachelor Degree : - Faculty of Commerce and Accountancy, Thammasat University	2013 - Present 2011 - 2013 2004 - 2008	Financial and Accounting Manager Internal Audit Manager Senior Auditor	Takuni Group PCL. Baker Tilly Risk and Management Services Pricewaterhouse Coopers ABAS

Board of Directors and Executives Shareholding

Name			Common Stock		
			31 December 2014	31 December 2013	Increase from 2013
1.	Mr. Visit	Akaravinak	-	-	-
2.	Mr. Charoen	Prajumtan	-	-	-
3.	Mr. Teerachai	Arunruangsirilert	-	-	-
4.	Mr. Chupong	Tanasettakorn	-	-	-
5.	Mr. Prasert	Treeveeranuwat	75,616,000	5,780,800	-
6.	Ms. Kanchana	Rimpanichayakij	25,568,000	1,278,400	-
7.	Ms. Nita	Treeweeranuwat	50,615,600	3,530,780	-
8.	Ms. Chatprapa	Chansri	-	-	-
9.	Mr. Charoenchai	Amnajsomboonsuk	-	-	-
10.	Mrs. Thitima	Tanapakit	-	-	-

Connected Transactions

Summary of person or juristic person who might have conflict of interest are as follows:

Connected Person	Relationship
Mr. Prasert Treeveeranuwat	As of December 31, 2014, Mr. Prasert Treeveeranuwat, his wife and daughter holds 60 percent of paid-up capital of company and Mr. Prasert take a position of company's Managing Director and Executive Chairman
Ms. Kanchana Rimpanichayakij	As of December 31, 2014, Ms. Kanchana Rimpanichayakij, her husband and daughter holds 60 percent of paid-up capital of company and Ms. Kanchana took a position of company's Deputy Managing Director
Middle G Co, .Ltd. (Gas Station)	In the past, Ms. Nita Treeweeranuwat and Mr. Takool Treeveeranuwat holds 50 percent of paid-up capital of the stated company and Ms. Nita Treeweeranuwat take a position of director in that company As of March 19, 2013, these two person who might have conflict of interest have sold all their shares to third party and resigned from the director position at Middle G Co, .Ltd.
Vera Ltd., Part. (Gas Station) Pranee Petroleum Co, .Ltd. (Gas Station)	Mr.Prasit Treeveeranuwat, a managing partner, is brother of Mr. Prasert Treeveeranuwat who is the Company's shareholder and Managing Director.
SVP Sampran Petroleum Co.,. Ltd. (change to Dragon Petroleum Co, .Ltd. (Gas Station)) SVP Kalpapluek Petroleum Co, .Ltd. (Gas Station)	Ms. Prapat Treeveeranuwat, a shareholder, is a younger brother of Mr. Prasert Treeveeranuwat who is the Company's shareholder and Managing Director.



Related Party Transactions

Transactions	Related Party	Descriptions	Transaction (Million Baht)		Audit Committee's Opinion
			FY2013	FY2014	
Revenue from LPG Trading	- Middle G - Vera - SVP Sampran Petroleum - Pranee Petroleum - SVP Kanlapapluak Petroleum	TAKUNI provides LPG to this related party.	19.06 8.63 1.30 6.18 -	15.23 0.34 4.31 11.06 7.18	These are considered as normal business transactions. The selling price is comprised of fuel price and transportation fee in which calculated from same basis as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Revenue from LPG Transportation	- Vera - Sampran Petroleum - SVP Kanlapapluak Petroleum	GG provides LPG trans- portation service to this related party.	0.38 - -	0.25 0.12 0.26	This is considered as normal business trans- action. The service fee and condition are the same as other customers The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Revenue from sell and services	- Middle G - Pranee Petroleum	TT sells spare parts of gas piping system to these related party.	0.16 -	0.03 0.03	This is considered as normal business trans- actions. All selling price and sales condi- tion are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
	- Middle G - Vera - Pranee Petroleum - SVP Sampran Petroleum - SVP Kanlapapluak Petroleum	RE provides testing and inspection service to these related parties.	- 0.006 0.006 - -	0.005 - 0.102 0.080 0.120	These are considered as normal business transactions. All service rate and condi- tion are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.

Transactions	Related Party	Descriptions	Transaction (Million Baht)		Audit Committee's Opinion
			FY2013	FY2014	
Other income	- Middle G - Pranee Petroleum - SVP Kanlapapluek Petroleum	TAKUNI provides training service to these related parties	- - -	0.005 0.003 0.005	These are considered as normal business transactions. All service rate and condition are the same as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Purchase of goods	Vera	The Group purchased Diesel from this related party, especially GG until 15 July 2013. The Group also rent some area for parking LPG transportation trucks Details of oil purchased for the Company and its subsidiaries are as follows; TG GG TT RE	 0.02 12.22 0.19 0.67	 - 0.05 - -	These are considered as normal business transactions. All fuel purchased are the same price as other customers. The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
Loan	Treeveranuwat family	TT Opening Balance Repayments Ending Balance RE Opening Balance Repayments Ending Balance	28.50 (16.00) (12.50) - 3.72 (3.72) -	- - 	Director of TT and RE provided loan without interest charge for its working capital needs. However, as of December 31, 2013, loan from directors were repaid in full to the Company. The Audit Committee has considered and viewed that the above transaction took place prior to the filing and was aimed to enable the Company to manage its excess liquidity for optimum benefits at that time.



The Policies of the connected transactions in the future

The Company's policies of the connected transactions would be classified as follows:

- For normal business transactions and the transactions that support the normal business like purchasing and selling goods, offering services, etc., Audit Committee will consider and give opinion on the reason and necessity of recording stated transaction as well as normal trading policy of price mechanism. The transactions must be fair and irrelevant when the transfer of interests between the Company and person used to compare with the transfer of interests between the persons who might have conflict of interest and public or other relevant. Also, the consideration and opinion on the reason and necessity of recording stated transaction are quarterly given and perform according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of connected transactions.
- Apart from normal business transactions and the transactions that support the normal business such as other asset or services transaction, revenue transaction, financial assistance transaction, etc. the Company assigned Audit Committee to consider and give opinion on the reason and necessity of recording stated transaction according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of the Company and its subsidiaries connected transactions. Moreover, the Company does not have policy for giving loans to person who might have conflict of interest to run a business or perform instead of the Company.

With the purpose to perform transparently and accord to governance principle, in case the Company makes connected transaction with the person who might have interest of conflict, directors with gain and loss are not being entitled to vote and would not participated in that meeting.

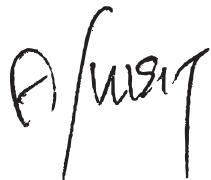
In addition, the Board of Director will perform in compliance with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on recording connected and purchase or sell of the Company and its subsidiaries asset transactions to avoid conflict of interest and maximize all shareholders benefit.

Report on the Board of Directors' Responsibilities for Financial Statements

Board of Directors is responsible for consolidated financial statements of Takuni Group Public Company Limited and its subsidiaries which prepared in accordance with generally accepted accounting principles, under Accounting Act, B.E. 2543 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act, B.E. 2535. The board has thoroughly selected appropriate accounting policies and exercised it in a consistent manner as well as disclosed adequate information in notes to financial statements. In addition, auditor has audited the consolidated financial statements and independently give an opinion in the auditor's report.

Board of Directors is responsible for supervising, establishing and maintaining risk management and internal control system. This is to ensure that transaction records are such accurate, complete, timely and adequate for maintaining the The Company's assets and preventing corruption or materially abnormal underway. The board also has appointed the Audit Committee which consisted of independent directors who are responsible for supervising the consolidated financial statements, evaluating and reviewing the internal control system to ensure the system's efficient and effective. For the auditor's opinion in auditor's report, it can be found in this year annual report.

Board of Directors is of the opinion that the Company's internal control system and audit can build the confidence to all stakeholders that Takuni Group Public Company Limited and its subsidiaries consolidated financial statements, operational performance and cash flow are materially accurate.



(Mr. Visit Akaravinak)
Chairman of Director



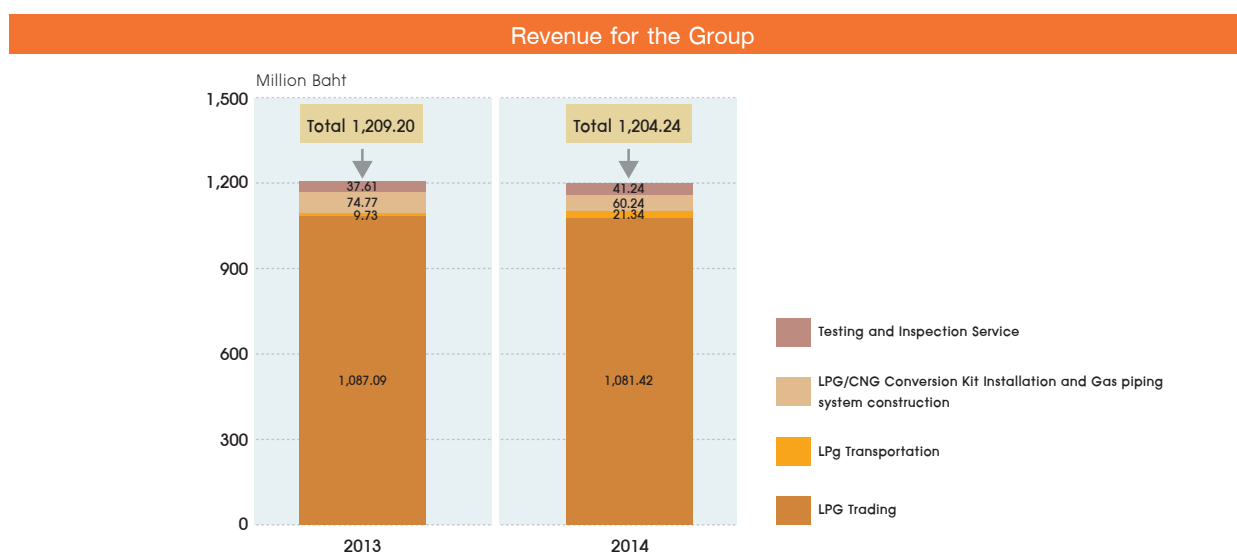
(Mr. Prasert Treeveeranuwat)
Executive Chairman / Managing Director



Financial Status and Operational Results

Operational Results

The Company and its subsidiaries business are Liquid Petroleum Gas (LPG) trading and energy related business. Type of their business can be classified into 4 groups: LPG trading business, LPG transportation service, LPG/CNG conversion kit installation for passenger cars and Gas piping system construction and Non-Destructive Testing and Inspection service. The Company's revenue structure by business unit are as follow:



Total revenue of the Company and its subsidiaries slightly decreased from 1,209.20 Million Baht in 2013 to 1,204.04 Million Baht in 2014 due to decrease in LPG sales volume which resulted from political unrest and policy on floating price of LPG. This also caused the decrease in this year revenue from LPG/CNG conversion kit installation for passenger cars. However, from the Company's revenue by business unit, LPG trading was still the largest portion or 90% of total revenue.

1. Revenue

Revenue from LPG Trading

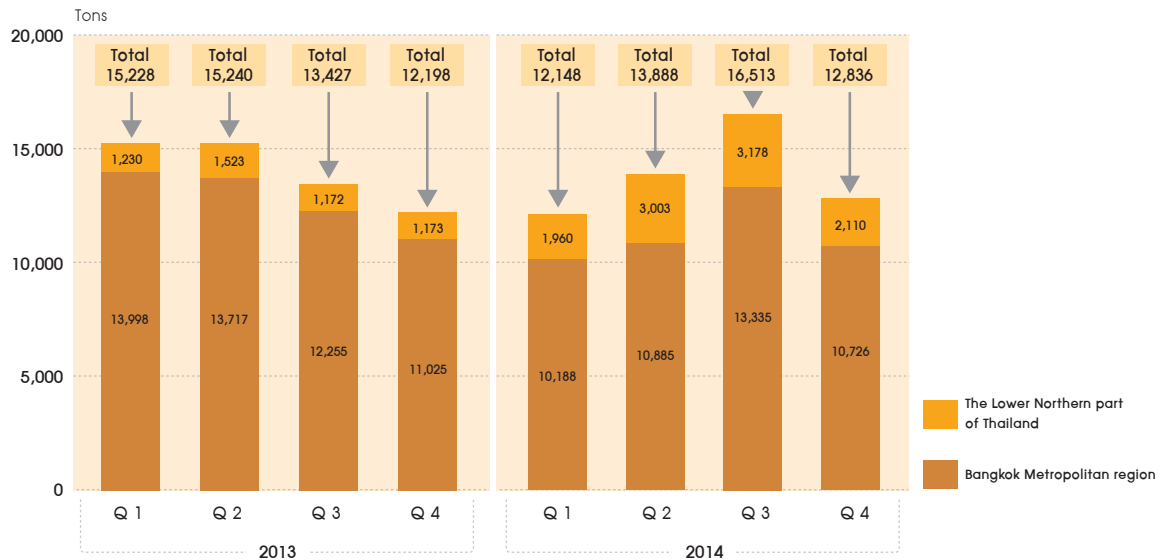
Revenue from sales of LPG of the Group was considered as the major portion, focused mainly on selling to LPG stations which accounting for more than 90% of the total revenue from LPG trading. Structure of Revenue from sales of LPG in 2013 and 2014 are as follow:

Unit : Ton	2013	2014
LPG sales volume	56,093	55,385
Selling Price per ton	19,380	19,525

Between 2013 and 2014, the board of National Energy Policy office has increase the returned rate for government oil fund which cause a continuously increase in LPG price and LPG average sales price. Furthermore, political situation at the end of 2013 until the first quarter of 2014 which was instability cause the slowdown in Bangkok metropolitan region's

LPG consumption. The decreased sales volume by Bangkok metropolitan region can be clearly seen through the graph. However, sales volume in northern south region which close to Phichit terminal has been increased from last year by 101% due to the increased demand of LPG usage. This is in line with market growth as well as company's promotion strategy which has been use to increase sales revenue from the mid-year of 2014.

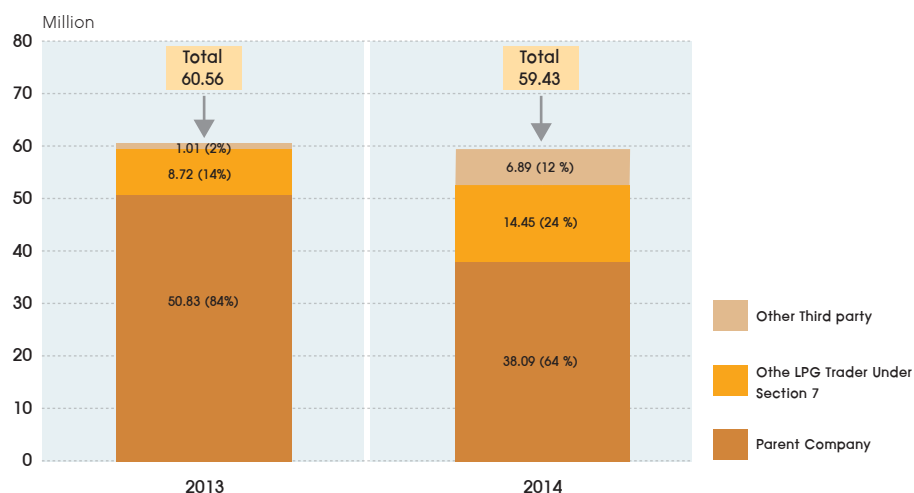
LPG Sales Volume in Bangkok Metropolitan and The Lower Northern part of Thailand



Revenue from LPG Transportation

Currently, the Company provides LPG transportation service mainly its subsidiaries. Revenue from LPG transportation in 2014 is 59.43 Million Baht, decreased from last year revenue - 1.87 Million Baht - by 1.87% due to decreased in LPG sales volume by the Company.

LPG Transportation Income



Revenue from LPG transportation to others which present in 2014 consolidated financial statement, 21.34 Million Baht, has been sharply increased from last year amount, 9.73 Million Baht, by 119% due to increased transportation to PTT.



Revenue from LPG/CNG conversion kit installation for passenger cars and Gas piping system construction

Revenue from LPG/CNG conversion kit installation and gas piping system construction can be divided into 2 groups:

1.) Installation of LPG conversion kits in passenger cars - recognized as sales revenue 2.) Construction of gas piping system for the manufacturers - recognized as service revenue as the percentage of completion. Moreover, there is the revenue from office rental (that represent in financial statement as investment property) Structure of Revenue from each type of business are as follow:

Type of Business	2013		2014	
	Million Baht	%	Million Baht	%
LPG/CNG conversion kit installation for passenger cars	39.97	46.17	17.09	25.30
Gas piping system construction	41.31	47.71	44.93	66.53
Rental	5.30	6.12	5.52	8.17
Total	86.58	100.00	67.54	100.00

The decreased revenue from LPG/CNG conversion kit installation for passenger cars due to 2 factors which are 1.) Insufficient number of NGV station for service - this cause constant LPG/CNG conversion kit installation demand 2.) World oil price was decreased - this cause decreased in gas consumption in transportation sector.

Revenue from construction of gas piping system for the manufacturers in 2014 was increasing from last year due to revenue from construction of gas piping system for LPG terminal in Bang Pakong. The revenue that has been recognized as the percentage of completion in 2014 was 22.61 Million Baht and still was not recognized amounting to 114 Million Baht - which will be recognized in 2015. Moreover in 2014, the Company has signed construction contract to build LPG terminal in Khon Kaen which total value amounting to 165 Million Baht. The construction must be completed and recognized as revenue in 2015.

Revenue from Non-Destructive Testing and Inspection service

Revenue from testing and engineering service was slightly increasing from 39.40 Million Baht in last year to 41.85 Million Baht, accounting for 6.22%, due to increased service fee.

Other revenue

Other revenue was comprised of interest received, gain on currency exchange and reserve fee. In 2014, other revenue of the Group was 9.07 Million Baht, decreased from last year figure, 11.38 Million Baht, due to the changes in gain on currency exchange and repayment of goods from foreign payable.

The other revenue of Takuni Group Co., Ltd in 2014 was 35.20 Million Baht, increased from last year figure, 13.07 Million Baht. The increased amount is resulted from interim dividend paid out of 18.00 Million Baht. For reserve fee, the figure was not materially different from last year.

2. Cost of Sales and Services

Cost of Sales LPG

Important cost of sales were comprised of fuel, transportation, through-put charge and contribution to government oil fund. In 2014, the Company has added another gas receiving point. Formerly, the Company received LPG on by land but since the mid of 2014, the Company can receive LPG by marine. Therefore, overall cost of LPG was decreasing by 1.08%.

However, during 2014, the Company has used promotion strategy by offering discount and premium to maintain customer base. This result in slightly decreased gross profit in 2014, from 6.07% in 2013 to 5.68%

Cost of LPG Transportation

The costs of transportation service were comprised of fuel, personnel, vessel repair and maintenance and depreciation. The Company average costs of transportation in 2014 was decreasing from last year due to increased diesel purchase amount per time since mid-year of 2013. Therefore, the Company can better manage the cost of services. This result in increased gross profit, from 18.73% in 2013 to 20.39% in 2014.

Cost of LPG/CNG conversion kit installation for passenger cars and Gas piping system construction

The costs of LPG/CNG conversion kit installation for passenger cars business were mainly comprised of gas container and equipment at the ratio to cost of sales of 70% while the costs of Gas piping system construction were mainly comprised of equipment, design, personnel. Although there was significantly decreasing of revenue from Gas piping system construction in 2014, the Company can still maintain gross profit of 32% of total sales - same as last year.

Cost of Non-Destructive Testing and Inspection service

The costs of testing and inspection service were mainly comprised of personnel and indirect material at the ratio to cost of services of 80%. In 2014, the Company can charge more on service fee and gross profit was increasing from 44.11% in 2013 to 46.52% in 2014.

3. Selling and Administration Cost

Selling and administration cost at the ratio to LPG trading and transportation of 5-8% of total sales and services. In 2014, there was decreased in the ratio due to reverse in allowance for doubtful debts of 2.13 Million Baht and decreased transportation fee from increased point of distribution to customers.

Selling and administration cost of LPG/CNG conversion kit installation for passenger cars and gas piping system construction and testing and inspection service was 23 -29% of total revenue. In 2014, selling and administration cost of LPG/CNG conversion kit installation for passenger cars ratio and gas piping system construction was increasing due to significantly decreased revenue from LPG/CNG conversion kit installation for passenger cars.

The costs of selling and administration of the Group according to 2014 consolidated financial statements was 77.24 Million Baht, accounting for 6.41% of total sales and services, and were comprised of transportation, personnel and depreciation. The amount was decreasing from last year which the costs was 85.56 Million Baht. The decreased by 10.76% was incurred due to less amount reverse in allowance for doubtful debts and increasing in personnel in 2014 by 13%. The increased personnel was incurred due to increased wages, number of employees and provision set up according to the regulation of listed company.

4. Profitability

The Group 2014 gross profit according to the consolidated financial statements was 103.83 Million Baht, accounting for 8.62% per sales. The amount was slightly decreasing from 2013 which total gross profit was 112.31 Million Baht, accounting for 9.29% per sales due to decreased initial profit from LPG trading. However, the business that generate highest gross profit was still testing and inspection service which gross profit rate was 46% per sales.

Net profit of the Group in 2014 was 27.18 Million Baht, slightly decreased from 2013 which net profit was 28.55 Million Baht. The decrease net profit is resulted from decrease in revenue from LPG/CNG conversion kit installation for passenger cars and gas piping system construction business.



Financial Position

(Unit: Million Baht)	31 December 2014	31 December 2013	Changes
Assets			
Cash and cash equivalents	186.76	29.17	540.25%
Trade and other receivables - net	80.32	69.13	16.19%
Inventories - net	61.62	44.99	36.96%
Pledged and restricted bank deposits	31.47	5.07	520.71%
Property, plant and equipment	208.38	215.98	-3.52%
Other assets	9.33	10.41	-10.37%
Total assets	577.88	374.75	54.20%
Liabilities and shareholders' equity			
Trade and other payables	157.6	98.09	60.67%
Long-term borrowing	40.64	47.18	-13.86%
Financial Lease Liabilities	-	3.94	-100.00%
Other liabilities	5.28	3.69	43.09%
Shareholders' equity	374.36	221.85	68.74%
Total liabilities and shareholders' equity	577.88	374.75	54.20%

Total Asset

The value of total assets as at December 31, 2014 was 577.88 Million Baht, increased 203.13 Million Baht from 2013 by 54.20% due to following reasons:

- Cash and cash equivalents as well as pledged and restricted bank deposits was increasing due to increasing capital in 2014. The amount still not use according to objective of fund raising as specified in offering circular because of uncertainty in energy policy
- Trade and other receivables was increasing from 69.13 Million Baht to 80.32 Million Baht due to increased accrued income from testing and engineering service and prepaid expense for terminal construction of 5.05 Million Baht.
- Inventories of the Group was increasing from 44.99 Million Baht to 61.62 Million Baht due to additional LPG receiving point through marine transportation; in the past there is only on land LPG receiving point. Therefore, LPG amount as inventories as at December 31, 2014 was increasing from 13.33 Million Baht to 30.08 Million Baht.

Total Liabilities

The value of total liabilities as at December 31, 2014 was 203.52 Million Baht, increased from 152.90 Million Baht in 2013 by 33.11% due to following reasons:

- Trade and other payables was increasing from 98.09 Million Baht to 157.60 Million Baht due to unearned revenue from LPG terminal construction of 37.79 Million Baht. Also, there is raised portion of returned amount to the government oil fund of 26.42 Million Baht as at December 31, 2013 to 43.30 Million Baht as at December 31, 2014 due to the raised portion of the contribution rate from the 4th quarter of 2014
- Repayment of loan from financial institution 6.54 Million Baht during 2014
- Financial Lease Liabilities was decreasing by 3.94 Million Baht because the Group has paid up all debt during 2014.

Shareholders' equity

The value of total shareholders' equity as at December 31, 2014 was 374.36 Million Baht, increased 152.51 Million Baht from 2013 by 68.74% due to the share premium of 106.64 Million Baht, net profit of 27.18 Million Baht and interim dividend paid to shareholders of 25.95 Million Baht.



AUDITOR'S REPORT AND STATEMENT OF FINANCIAL POSITION

Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Financial Position

As at 31 December 2014



AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Takuni Group Public Company Limited
(Formerly "Takuni Group Company Limited")

I have audited the accompanying consolidated and company financial statements of Takuni Group Public Company Limited and its subsidiaries and of Takuni Group Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Takuni Group Public Company Limited and its subsidiaries and of Takuni Group Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Paiboon Tunkon

Certified Public Accountant (Thailand) No. 4298
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2015



Statement of Financial Position

Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Financial Position

As at 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	186,775,947	29,168,870	138,691,309	5,901,980
Trade and other receivables	8	80,323,729	69,133,123	50,785,025	46,573,760
Short-term loans to related parties	28	-	-	30,000,000	25,000,000
Inventories	9	61,618,638	44,993,687	30,081,910	13,335,553
Other current assets		168,257	93,386	143,723	25,189
Total current assets		328,886,571	143,389,066	249,701,967	90,836,482
Non-current assets					
Pledged and restricted					
bank deposits	7	31,470,181	5,069,799	26,300,000	-
Non-current portion of trade					
accounts receivable	10	1,432,016	2,352,115	1,432,016	2,352,115
Investments in subsidarie	11	-	-	90,359,770	90,359,770
Investment properties	12	5,207,875	5,553,491	-	-
Property, plant and equipment	13	208,378,637	215,983,961	95,551,749	95,272,781
Intangible assets	14	983,459	574,310	258,380	331,626
Deferred income tax assets	16	991,331	952,535	483,837	872,688
Other non-current assets		530,447	872,863	425,974	548,390
Total non-current assets		248,993,946	231,359,074	214,811,726	189,737,370
Total assets		577,880,517	374,748,140	464,513,693	280,573,852

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

Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Financial Position (Cont'd)

As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	157,595,964	98,094,189	110,411,009	76,016,497
Current portion of long-term borrowings	18	6,541,417	6,541,263	6,000,000	6,000,000
Current portion of finance lease liabilities	19	-	2,484,765	-	1,225,083
Current income tax payable		2,385,550	1,289,439	1,345,785	818,856
Other current liabilities		824,107	1,159,952	-	-
Total current liabilities		167,347,038	109,569,608	117,756,794	84,060,436
Non-current liabilities					
Long-term borrowings	18	34,100,000	40,643,303	9,500,000	15,500,000
Finance lease liabilities	19	-	1,462,506	-	793,247
Employee benefit obligations	20	825,627	654,320	394,679	352,006
Deferred income tax liabilities	16	423,222	238,503	-	-
Other non-current liabilities		821,566	328,160	324,811	323,160
Total non-current liabilities		36,170,415	43,326,792	10,219,490	16,968,413
Total liabilities		203,517,453	152,896,400	127,976,284	101,028,849

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



Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Financial Position (Cont'd)

As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
(Cont'd)					
Shareholders' equity					
Share Capital	21				
Authorised share capital					
400,000,000 ordinary shares at					
par value of Baht 0.5 each					
(2013 : 15,000,000 ordinary					
shares at					
par value of Baht 10 each)		200,000,000	150,000,000	200,000,000	150,000,000
Issued and paid-up					
400,000,0000 ordinary shares					
paid-up of Baht 0.5 each					
(2013 : 15,000,000 ordinary					
shares paid-up of Baht 10					
each)		200,000,000	150,000,000	200,000,000	150,000,000
Premium on paid-up capital					
ordinary shares	21	106,643,230	5,360,000	106,643,230	5,360,000
Share surplus from business					
combination under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated - Legal reserve	22	2,900,000	-	2,900,000	-
Unappropriated		44,183,544	45,855,450	26,994,179	24,185,003
Total parent's shareholders' equity		374,363,064	221,851,740	336,537,409	179,545,003
Non-controlling interests		-	-	-	-
Total shareholders' equity		374,363,064	221,851,740	336,537,409	179,545,003
Total liabilities and shareholders' equity					
		577,880,517	374,748,140	464,513,693	280,573,852

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

Takuni Group Public Company Limited

(Formerly “Takuni Group Company Limited”)

Statement of Comprehensive Income

For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		1,101,126,909	1,136,108,367	1,081,422,185	1,087,097,004
Revenue from services		103,128,541	73,103,884	-	-
Total revenues		1,204,255,450	1,209,212,251	1,081,422,185	1,087,097,004
Cost of sales					
Cost of sales		(1,032,010,282)	(1,051,618,869)	(1,019,981,462)	(1,021,101,112)
Cost of services		(68,417,762)	(45,280,835)	-	-
Total cost of sales		(1,100,428,044)	(1,096,899,704)	(1,019,981,462)	(1,021,101,112)
Gross profit		103,827,406	112,312,547	61,440,723	65,995,892
Other income	24	9,078,743	11,378,677	35,204,186	13,069,774
Profit before expenses		112,906,149	123,691,224	96,644,909	79,065,666
Selling expenses		(26,276,817)	(33,689,791)	(31,461,222)	(37,272,561)
Administrative expenses		(50,957,320)	(52,871,093)	(29,347,958)	(28,232,317)
Finance costs		(1,534,994)	(1,290,280)	(559,272)	(295,116)
Total expenses		(78,769,131)	(87,851,164)	(61,368,452)	(65,799,994)
Profit before income tax	25	34,137,018	35,840,060	35,276,457	13,265,672
Income tax	26	(6,958,924)	(7,290,352)	(3,617,281)	(2,678,961)

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



Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Comprehensive Income (Cont'd)

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Profit for the year		27,178,094	28,549,708	31,659,176	10,586,711
Other comprehensive income		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>27,178,094</u>	<u>28,549,708</u>	<u>31,659,176</u>	<u>10,586,711</u>
Profit attributable to:					
Owners of the parent		27,178,094	28,779,920	31,659,176	10,586,711
Non-controlling interests		-	(230,212)	-	-
Profit for the year		<u>27,178,094</u>	<u>28,549,708</u>	<u>31,659,176</u>	<u>10,586,711</u>
Total comprehensive income attributable to:					
Owners of the parent		27,178,094	28,779,920	31,659,176	10,586,711
Non-controlling interests		-	(230,212)	-	-
Total comprehensive income for the year		<u>27,178,094</u>	<u>28,549,708</u>	<u>31,659,176</u>	<u>10,586,711</u>
Earnings per share	27				
Basic earnings per share (Baht)		0.08	0.11	0.09	0.04

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



Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

	Notes	Company				Total shareholders' equity Baht
		Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings		
				Appropriated		
				Legal reserve Baht	Unappropriated Baht	
Beginning balance as at 1 January 2014		150,000,000	5,360,000	-	24,185,003	179,545,003
Increase in ordinary shares	21	50,000,000	101,283,230	-	-	151,283,230
Dividend	23	-	-	-	(25,950,000)	(25,950,000)
Legal reserve	22	-	-	2,900,000	(2,900,000)	-
Total comprehensive income for the year		-	-	-	31,659,176	31,659,176
Closing balance as at 31 December 2014		<u>200,000,000</u>	<u>106,643,230</u>	<u>2,900,000</u>	<u>26,994,179</u>	<u>336,537,409</u>
Beginning balance as at 1 January 2013		130,000,000	5,360,000	-	13,598,292	148,958,292
Increase in ordinary shares	21	20,000,000	-	-	-	20,000,000
Total comprehensive income for the year		-	-	-	10,586,711	10,586,711
Closing balance as at 31 December 2013		150,000,000	5,360,000	-	24,185,003	179,545,003

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

Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Cash Flows

For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		34,137,018	35,840,060	35,276,457	13,265,672
Adjustments for:					
Depreciation and amortisation charge	12, 13, 14	14,933,335	14,611,550	4,501,110	4,324,227
(Reversal) Allowance for doubtful accounts	8, 10	(2,080,283)	1,570,698	(2,134,637)	1,520,698
(Reversal) Allowance for net realisable value of inventories and allowance for obsolete and slow-moving inventories	9	506,851	(593,420)	-	-
Loss from liquidation of subsidiary	11	-	-	-	25,308
(Gain) Loss on disposals/written-offs of property, plant and equipment		(52,051)	439,387	-	-
Interest income		(1,386,994)	(1,361,413)	(1,810,880)	(582,411)
Financial cost		1,534,994	1,290,280	559,272	295,116
		47,592,870	51,797,142	36,391,322	18,848,610
Changes in operating working capital					
- Trade and other receivables		(5,692,528)	16,400,231	(390,502)	(9,918,265)
- Inventories		(17,131,802)	15,744,864	(16,746,357)	(1,827,912)
- Other current assets		(74,871)	182,584	(118,534)	83,029
- Other non-current assets		342,416	(130,000)	122,416	(20,000)
- Trade and other payables		59,326,972	(20,332,115)	34,392,162	10,790,766
- Other current liabilities		(335,845)	511,576	-	-
- Employee benefit obligations		171,307	(11,246)	42,673	344,361
- Other non-current liabilities		493,406	5,000	1,651	-
Cash generated from operations		84,691,925	64,168,036	53,694,831	18,300,589
- Interest paid		(1,534,994)	(1,943,270)	(559,272)	(948,106)
- Income tax paid		(8,210,013)	(14,098,563)	(2,701,501)	(4,648,885)
Net cash from operating activities		74,946,918	48,126,203	50,434,058	12,703,598

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



Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from disposal of investments in					
subsidiaries and investments					
in joint ventures	11	-	-	-	34,318
Payments for non-controlling interests from					
the subsidiaries' ordinary shares reduction	11	-	(34,318)	-	-
Payments for investments in subsidiaries					
and investments in joint ventures	11	-	-	-	(5,000,000)
Purchases of property, plant and equipment					
and intangible assets	13, 14	(7,269,263)	(10,477,486)	(4,704,482)	(8,239,206)
Proceeds from sales of property,					
plant and equipment		100,000	52,346	-	-
Repayments received from short-term loans					
to related parties	28	-	-	10,000,000	-
Interest received		1,386,994	1,361,413	1,044,853	479,260
Short-term loans made to related parties	28	-	-	(15,000,000)	(25,000,000)
Pledged and restricted bank deposits	7	(26,400,382)	(122,447)	(26,300,000)	-
Net cash used in investing activities		(32,182,651)	(9,220,492)	(34,959,629)	(37,725,628)
Cash flows from financing activities:					
Repayments from long-term borrowings from					
financial institutions	18	(6,543,149)	(6,504,872)	(6,000,000)	(6,000,000)
Repayments on long-term borrowings					
from related parties	28	-	(32,223,908)	-	-
Proceeds from issuance of ordinary shares	21	151,283,230	20,000,000	151,283,230	20,000,000
Subsidiary's dividend payments	23	(25,950,000)	(41,843,700)	(25,950,000)	-
Payment on finance lease liabilities	19	(3,947,271)	(2,744,580)	(2,018,330)	(1,539,653)

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

Takuni Group Public Company Limited

(Formerly "Takuni Group Company Limited")

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Net cash received from (used in)					
financing activities		114,842,810	(63,317,060)	117,314,900	12,460,347
Net increase (decrease) in cash and					
cash equivalents		157,607,077	(24,411,349)	132,789,329	(12,561,683)
Cash and cash equivalents - opening balance		29,168,870	53,580,219	5,901,980	18,463,663
Cash and cash equivalents - closing balance	7	186,775,947	29,168,870	138,691,309	5,901,980
Non-cash transactions					
Purchases of property, plant and equipment					
(included in other accounts payables)		179,029	4,226	2,350	-
Disposals of property, plant and equipment					
(included in other accounts receivables)		4,574	-	-	-

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



Takuni Group Public Company Limited

(Formerly “Takuni Group Company Limited”)

Notes to the Consolidated and Company Financial Statements

For the year ended 31 December 2014

1. General information

Takuni Group Public Company Limited (“the Company”) is a public company incorporated and resident in Thailand.

The address of its register office is as follows:

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

For reporting purposes, the Company and its subsidiaries are referred to as the Group. The detail of subsidiaries are set out in Note 11.

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

These Group consolidated and company financial statements were authorised for issue by the Board of Directors on 24 February 2015.

2. Accounting policies

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

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 4.

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

The Group has reclassified cost of sales, cost of providing services, selling expenses and administrative expenses in order to better appropriately present the transactions according to their nature of accounts. The effect from the reclassifications is summarised below:

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

	Consolidated		
	Originally stated	Reclassification increase (decrease)	Restated
	Baht	Baht	Baht
Statement of Comprehensive Income			
for the year ended 31 December 2013			
Cost of sales and services			
Cost of sales	1,055,203,685	(3,584,816)	1,051,618,869
Cost of providing services	70,350,625	(25,069,790)	45,280,835
Selling expenses	5,593,497	28,096,294	33,689,791
Administrative expenses	52,312,781	558,312	52,871,093
Company			
	Originally stated	Reclassification increase (decrease)	Restated
	Baht	Baht	Baht
Statement of Comprehensive Income			
for the year ended 31 December 2013			
Cost of sales	1,021,659,424	(558,312)	1,021,101,112
Selling expenses	37,272,561	-	37,272,561
Administrative expenses	27,674,005	(558,312)	28,232,317

The reclassifications have no impact to net profit of the Group.

2.2 New accounting standards, new financial reporting standards and amendments to accounting standards

2.2.1 Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates



TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based payment
TFRS 3 (revised 2012)	Business combinations
TFRS 5 (revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Distributions of non-cash assets to owners
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TAS 1 (revised 2012)

clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012)

clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012)

amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012)

deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012)

removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012)

deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012)

clarifies the method of recording cumulative amount of the exchange difference relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to Group.

TAS 24 (revised 2012)

removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012)

clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

**TAS 31 (revised 2012)**

clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012)

emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012)

clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012)

clarifies about intangible assets acquired in a business combination that is separable. Intangible assets should be recognised separately from goodwill. Complementary assets may only be recognised as a single asset if they have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012)

expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012)

amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination. This standard has no impact to the Group.

TFRS 5 (revised 2012)

specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012)

clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1

provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. The Group has applied this interpretation.

TFRIC 4

requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TRIC 4. This interpretation has no impact to the Group.

TFRIC 5

provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group.

TFRIC 7

provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group.

TFRIC 10

prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12

applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group.

TFRIC 13

clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to Group.

TFRIC17

provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to Group.

TFRIC18

sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.



TSIC15

sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC27

provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 "Leases". This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29

contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32

provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 "Intangible Assets". This interpretation has no impact to the Group.

2.2.2 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which may have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014)

the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently

(reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014)

indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The impact of the amendments is in management's assessment process.

TAS 19 (revised 2014)

the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The impact of the amendments is in management's assessment process.

TAS 27 (revised 2014)

provide the requirements relating to separate financial statements.

TAS 28 (revised 2014)

provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014)

the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The impact of the amendments is in management's assessment process.

TFRS 10

has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the group.

TFRS 11

defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the group.



TFRS 12

require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the group.

TFRS 13

aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group.

TFRIC 14 (Revised 2014)

this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the group.

TFRIC 20 (Revised 2014)

this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the group.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Cash flow statements
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contract
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets

TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payments
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers



2.2.3 New financial reporting standard which is effective on 1 January 2016.

TFRS4 (revised 2014)

Insurance contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Group Accounting - Investments in subsidiaries and interests in joint ventures

2.3.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies and generally accompanying a shareholding of more than one-half of the voting right. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries and the impact from acquisition/disposal subsidiaries are shown in Note 11.

2.3.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and

the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

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

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statements and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.



2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable

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

2.7 Inventories

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

2.8 Investment property

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

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

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses (if any).

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

Buildings

20 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.9 Property, plant and equipment

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

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

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

Buildings and building improvements	20 years
Gas cylinders and equipment	15 - 20 years
Equipment and office supplies	3 - 10 years
General vehicles	5 years
Transportation vehicles	10 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.11).

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

2.10 Intangible assets

Computer software

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

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

2.11 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of



assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Long-term leases - where a Group company is the lessee

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

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

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

Long-term leases - where a Group company is the lessor

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

2.13 Borrowings

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

2.14 Current and deferred income taxes

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

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

Deferred income taxes are recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

2.15 Employee benefits

Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statements of income.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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

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

2.17 Cylinder deposits

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



2.18 Share capital

Ordinary shares are classified as equity.

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

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

2.19 Share surplus from business combination under common control

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

2.20 Revenue recognition

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

- Sales revenues are recognised when significant risks and rewards of the buyer ownership are transferred.
- Revenues from transportation are recognised when the transportation services are completed.
- Services revenues are recognised when the services are completed
- Revenues from installation service contract of gas pipeline for industries are recognised based on the percentage of completion.
- Rental income is recognised using straight-line method over the rental period.
- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is determined that such income will be accrued to the Group.
- Dividend income is recognised when the right to receive payment is established.

2.21 Dividends

Dividends are in the period in which they are approved by the Company's shareholders. Interim dividends are recognised when they are approved by the Board of Directors.

2.22 Segment reporting

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

2.23 Financial instruments

The Group's financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables, short term loans to related parties. The Group's financial liabilities carried on the statement of financial position include bank overdrafts and trade and other payables, short-term borrowings from related parties, long-term borrowings, finance lease liabilities and accrued income tax.

The carrying amounts of financial assets and financial liabilities approximate to their fair value.

3. Financial risk management

3.1 Financial risk factors

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

3.1.1 Foreign exchange risk

Due to the fact that the Group purchases gas storage tanks and inventories from overseas supplier in foreign currencies, the foreign exchange risk arises from the changes in foreign currency exchange rate which may have an effect on the Group in the current reporting period and in future years. The Group has not entered into any hedging contracts because management assesses that the changes in exchange rates will not significantly affect assets and liabilities dominated in foreign currencies as the trading terms are rather short.

3.1.2 Interest rate risk

The Group entered into the long-term borrowing agreements from domestic financial institutions which some of them bear floating interest rates. Therefore the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's and Company's operations in the current reporting period and in future years. Management does not use any financial instruments to manage interest rate risk because the Group assesses that the changes in interest rate will not be moved significantly under the current situation.

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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



3.2 Fair value estimation

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group/Company for similar financial instruments.

Information on the fair values of borrowings is included in Note 18.

4. Critical accounting estimates and judgments

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

4.1 Critical accounting estimates and assumptions

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

4.1.1 Property, plant and equipment

Management determines the estimated useful lives and residual values of the Group's property, plant and equipment as mentioned above. The estimation and judgments based on the past experience and the forecast related to the operation, utilization, and the efficiency of utilization.

4.1.2 Allowance for obsolete, slow-moving and defective inventions

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

5. Capital risk management

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

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

6. Segment information

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

Significant business segments are as follows:

Petroleum gas trading	: Gas petroleum trading for household cooking, industry and transportation
Transportation services	: Gas transportation services by land
Sales and installation services	: Industrial and car gas systems installation
Safety-checking services	: Industrial and car gas systems safety-checking services.

Consolidated						
For the year ended 31 December 2014						
	Sale and Installation services					Total
	Gas petroleum trading	Transportation services	Sales	Installation services	Safety-checking services	
	Baht	Baht	Baht	Baht	Baht	Baht
Revenues from operation	1,081,422,185	59,431,321	22,549,933	44,991,897	41,854,324	1,250,249,660
Revenue from inter-segment	-	(38,091,401)	(2,845,209)	(4,448,945)	(608,655)	(45,994,210)
Total revenue	1,081,422,185	21,339,920	19,704,724	40,542,952	41,245,669	1,204,255,450
Segment result - gross profit	65,005,091	3,389,795	4,970,771	9,762,404	20,699,345	103,827,406
Operating profit						35,672,012
Financial cost						(1,534,994)
Profit before tax						34,137,018
Income tax						(6,958,924)
Net profit						27,178,094
Property, plant and equipment - net	99,570,852	36,488,795	6,857,586	60,222,431	5,238,973	208,378,637
Total consolidated assets	345,792,840	46,818,762	56,543,324	97,273,706	31,451,885	577,880,517
Total consolidated liabilities						203,517,453



Consolidated						
For the year ended 31 December 2013						
	Sale and Installation services					Total
	Gas petroleum trading	Transportation services	Sales	Installation services	Safety-checking services	
	Baht	Baht	Baht	Baht	Baht	Baht
Revenues from operation	1,087,097,004	60,561,404	53,457,709	33,120,159	39,399,463	1,273,635,739
Revenue from inter-segment	-	(50,830,564)	(4,446,346)	(7,360,791)	(1,785,787)	(64,423,488)
Total revenue	1,087,097,004	9,730,840	49,011,363	25,759,368	37,613,676	1,209,212,251
Segment result - gross profit	73,996,842	2,550,959	12,115,780	5,259,064	18,389,902	112,312,547
Operating profit						37,130,340
Financial cost						(1,290,280)
Profit before tax						35,840,060
Income tax						(7,290,352)
Net profit						28,549,708
Property, plant and equipment - net	100,989,042	41,197,402	7,985,526	62,767,580	3,044,411	215,983,961
Total consolidated assets	169,198,743	49,162,862	45,210,016	74,378,969	36,797,550	374,748,140
Total consolidated liabilities						152,896,400

7. Cash and cash equivalents

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Cash on hand	93,369	76,785	989	8,393
Cash at bank - Current accounts	18,234,165	5,845,795	17,642,644	3,528,894
- Savings accounts	144,436,495	23,131,423	97,035,758	2,364,693
- Fixed accounts	24,011,918	114,867	24,011,918	-
Total	186,775,947	29,168,870	138,691,309	5,901,980
Pledged and restricted bank deposits (Note 15)	31,470,181	5,069,799	26,300,000	-

Deposits held at call with banks bear interest at the rates 0.47% to 2.50% per annum (2013: 0.71% to 2.45% per annum).

8 Trade and other receivables

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade accounts receivables	64,301,429	62,756,288	49,323,231	44,881,948
<u>Less</u> Allowance for doubtful accounts	(1,194,452)	(1,554,465)	(998,078)	(1,412,445)
Trade accounts receivables - net	63,106,977	61,201,823	48,325,153	43,469,503
Receivable from related parties (Note 28)	-	-	947,170	686,940
Others receivables	170,915	182,452	166,340	182,452
Prepayments	7,561,138	4,049,695	477,184	2,131,714
Accrued interest income	-	-	869,178	103,151
Accrued income - Safety-checking services	5,618,201	2,325,777	-	-
Account receivable				
- VAT and withholding tax	3,866,498	1,373,376	-	-
Trade and other receivables - net	80,323,729	69,133,123	50,785,025	46,573,760

Outstanding trade accounts receivable as at 31 December are classified by aging as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade accounts receivable				
Within credit term	38,483,909	38,695,713	31,465,746	31,141,083
Overdue				
- Up to 3 months	19,074,033	17,436,384	14,150,394	10,711,610
- 3 - 6 months	624,775	308,224	166,440	141,400
- 6 - 12 months	1,513,990	3,336,092	610,755	-
- Over 12 months	4,604,722	2,979,875	2,929,896	2,887,855
Total	64,301,429	62,756,288	49,323,231	44,881,948
<u>Less</u> Allowance for doubtful accounts	(1,194,452)	(1,554,465)	(998,078)	(1,412,445)
Trade accounts receivable - net	63,106,977	61,201,823	48,325,153	43,469,503

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



9. Inventories

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Finished goods - petroleum gas	30,081,910	13,335,553	30,081,910	13,335,553
- gas tank for installation and quipment	22,091,208	25,250,234	-	-
Work in progress - gas installations	5,877,366	145,994	-	-
Raw materials	3,840,144	5,776,417	-	-
General supplies	1,478,070	1,728,698	-	-
Total	63,368,698	46,236,896	30,081,910	13,335,553
<u>Less</u> Allowance for net realisable value of inventories	(858,396)	(250,432)	-	-
Allowance for slow-moving inventories	(891,664)	(992,777)	-	-
Inventories - net	61,618,638	44,993,687	30,081,910	13,335,553

Costs of inventories recognised as expense and included in 'cost of sales' in the consolidated and company financial statements are Baht 828.99 million and Baht 791.86 million, respectively (2013: Baht 867.44 million and Baht 820.07 million, respectively).

Inventories include allowance for finished goods of Baht 1.75 million (2013: Baht 1.24 million).

According to related regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum gas at 1% of the total trading volume in each period. As at 31 December 2014, the inventories included minimum mandatory reserve on petroleum gas of Baht 7.61 million in the consolidated and company financial statements (2013: Baht 7.77 million).

10. Non-current portion of trade accounts receivable

Non-current portion of trade accounts receivable

The Company classified four trade accounts receivable in which the Company filed a lawsuit in the year 2012. The cases were ended and civil court ordered the debtors to repay all principal to the Company. The debtors paid to the Company by issuing postdated cheques which are due for repayment at the end of every month between 2013 and 2016 with the first repayment due in July 2013. Therefore, the Company classified such trade accounts receivable due over than one year as non-current assets.

	Consolidated and Company	
	2014	2013
	Baht	Baht
Non-current portion of trade accounts receivable	1,760,246	4,400,615
<u>Less</u> Allowance for doubtful accounts	(328,230)	(2,048,500)
Non-current receivable - net	1,432,016	2,352,115

The collection of debts due is still in accordance with the dates on the postdated cheques until the present time.

11 Investments in subsidiaries

The movement of investments in subsidiaries are as follows:

	Company	
	2014	2013
	Baht	Baht
Beginning net book amount	90,359,770	85,419,396
Additions	-	5,000,000
Share reduction in subsidiary	-	(34,318)
Loss from liquidated subsidiary	-	(25,308)
Ending net book amount	90,359,770	90,359,770

In December 2013, the Company invested Baht 5 million in its subsidiary, G Gas Logistics Co., Ltd.

During 2012, Capital G and NS Gas LPG joint ventures which were subsidiaries announced their capital reduction and returned their capital of Baht 4.75 million to the Company. At 31 December 2013, such joint ventures completed their final liquidation and returned remaining fund to shareholders based on the interest held. On 25 June 2013, the Company received Baht 34,318.

Investments in subsidiaries as at 31 December 2014 and 2013 comprise investments in the following companies: * *

					Cost method	
Company's name	Country of incorporation	Percentage of holdings		Type of Business	2014	2013
		2014	2013		Baht	Baht
Takuni (Thailand) Co.,Ltd.	Thailand	99.99	99.99	Industrial and car gas systems installation	53,376,790	53,376,790
G Gas Logistics Co.,Ltd.	Thailand	99.99	99.99	Transportation services by land	15,643,180	15,643,180
Ratchapruet Engineering Co.,Ltd.	Thailand	99.99	99.99	Industrial and car gas systems safety-checking services	21,339,800	21,339,800
Capital G and NS Gas LPG Joint Venture	Thailand	-	-	Gas-filling plants and warehouse in Phichit province	-	-
					90,359,770	90,359,770
Less Allowance for impairment on investments in subsidiaries					-	-
					90,359,770	90,359,770

*Capital G and NS Gas LPG Joint Ventures were liquidated in June 2013. The Company reversed related allowance for impairment previously recognised, in June 2013.

Investments in Capital G and NS Gas LPG Joint Ventures are classified as investments in subsidiaries because one shareholder who holds 50.00% of shares is the director of Takuni Group Company Limited. The Group therefore has control over these joint ventures.



12. Investment Properties

	Buildings
	Baht
At 1 January 2013	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	(1,013,212)
Net book amount	<u>5,899,107</u>
For the year ended 31 December 2013	
Opening net book amount	5,899,107
Depreciation charge	(345,616)
Closing net book amount	<u>5,553,491</u>
At 31 December 2013	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	(1,358,828)
Net book amount	<u>5,553,491</u>
Fair value at 31 December 2013*	<u>35,900,000</u>
For the year ended 31 December 2014	
Opening net book amount	5,553,491
Depreciation charge	(345,616)
Closing net book amount	<u>5,207,875</u>
At 31 December 2014	
Cost	6,912,319
<u>Less</u> Accumulated depreciation	(1,704,444)
Net book amount	<u>5,207,875</u>
Fair value at 31 December 2014*	<u>43,000,000</u>

* In 2014, fair values of the Group's investment properties, the building leased to the external parties, were assessed by an independent valuer. According to its recent report dated 22 December 2014, fair value is assessed using income approach. (2013: Reporting date on 11 March 2013).

Investment property at net book value of Baht 5.21 million (2013: Baht 5.55 million) has been pledged as a security for borrowings (Note 18).

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

	Consolidated	
	2014 Baht	2013 Baht
Rental income	5,381,311	4,492,508
Direct operating expense arise from investment property that generated rental income	1,827,831	1,859,112

13. Property, plant and equipment

	Consolidated						
	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2013							
Cost	70,280,182	39,048,872	36,389,149	19,046,656	131,925,991	19,363,465	316,054,315
Less Accumulated depreciation	-	(4,299,932)	(2,188,546)	(12,277,095)	(83,176,357)	-	(101,941,930)
Net book amount	70,280,182	34,748,940	34,200,603	6,769,561	48,749,634	19,363,465	214,112,385
For the year ended 31 December 2013							
Opening net book amount	70,280,182	34,748,940	34,200,603	6,769,561	48,749,634	19,363,465	214,112,385
Additions	20,000	-	100,404	1,984,801	159,724	7,384,579	9,649,508
Transfers in/ (out)	6,850,000	-	-	-	-	-	6,850,000
Disposals and written offs - net	-	-	-	(10,717)	(481,016)	-	(491,733)
Depreciation charge	-	(1,952,440)	(1,792,303)	(2,279,571)	(8,111,885)	-	(14,136,199)
Closing net book amount	77,150,182	32,796,500	32,508,704	6,464,074	40,316,457	26,748,044	215,983,961
At 31 December 2013							
Cost	77,150,182	39,048,872	36,489,553	20,571,584	130,432,982	26,748,044	330,441,217
Less Accumulated depreciation	-	(6,252,372)	(3,980,849)	(14,107,510)	(90,116,525)	-	(114,457,256)
Net book amount	77,150,182	32,796,500	32,508,704	6,464,074	40,316,457	26,748,044	215,983,961



Consolidated

	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2014							
Opening net book amount	77,150,182	32,796,500	32,508,704	6,464,074	40,316,457	26,748,044	215,983,961
Additions	11,000	-	-	3,540,632	25,234	3,193,759	6,770,625
Disposals and written offs - net	-	-	-	(15,853)	(18,901)	(17,768)	(52,522)
Depreciation charge	-	(1,952,450)	(1,910,068)	(2,572,361)	(7,888,548)	-	(14,323,427)
Closing net book amount	77,161,182	30,844,050	30,598,636	7,416,492	32,434,242	29,924,035	208,378,637

At 31 December 2014

Cost	77,161,182	39,048,872	36,489,553	23,712,132	129,456,940	29,924,035	335,792,714
<u>Less</u> Accumulated depreciation	-	(8,204,822)	(5,890,917)	(16,295,640)	(97,022,698)	-	(127,414,077)
Net book amount	77,161,182	30,844,050	30,598,636	7,416,492	32,434,242	29,924,035	208,378,637

Company

	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2013							
Cost	25,680,182	12,210,383	27,403,582	2,029,273	8,782,000	23,547,062	99,652,482
<u>Less</u> Accumulated depreciation	-	(481,225)	(1,585,285)	(405,737)	(3,724,283)	-	(6,196,530)
Net book amount	25,680,182	11,729,158	25,818,297	1,623,536	5,057,717	23,547,062	93,455,952

For the year ended 31 December 2013

Opening net book amount	25,680,182	11,729,158	25,818,297	1,623,536	5,057,717	23,547,062	93,455,952
Additions	20,000	-	165,595	733,230	-	5,148,935	6,067,760
Disposals and written offs - net	-	-	-	-	-	-	-
Depreciation charge	-	(610,518)	(1,459,898)	(424,116)	(1,756,399)	-	(4,250,931)
Closing net book amount	25,700,182	11,118,640	24,523,994	1,932,650	3,301,318	28,695,997	95,272,781

	Company						
	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 31 December 2013							
Cost	25,700,182	12,210,383	27,569,177	2,762,503	8,782,000	28,695,997	105,720,242
Less Accumulated depreciation	-	(1,091,743)	(3,045,183)	(829,853)	(5,480,682)	-	(10,447,461)
Net book amount	25,700,182	11,118,640	24,523,994	1,932,650	3,301,318	28,695,997	95,272,781
For the year ended 31 December 2014							
Opening net book amount	25,700,182	11,118,640	24,523,994	1,932,650	3,301,318	28,695,997	95,272,781
Additions	11,000	-	-	156,165	-	4,471,167	4,638,332
Disposals and written offs - net	-	-	-	-	-	-	-
Depreciation charge	-	(610,526)	(1,464,049)	(528,390)	(1,756,399)	-	(4,359,364)
Closing net book amount	25,711,182	10,508,114	23,059,945	1,560,425	1,544,919	33,167,164	95,551,749
At 31 December 2014							
Cost	25,711,182	12,210,383	27,569,177	2,918,669	8,782,000	33,167,164	110,358,575
Less Accumulated depreciation	-	(1,702,269)	(4,509,232)	(1,358,244)	(7,237,081)	-	(14,806,826)
Net book amount	25,711,182	10,508,114	23,059,945	1,560,425	1,544,919	33,167,164	95,551,749

A significant transaction during the period ended 31 December 2014 was an increase in construction in progress from construction of gas tank station at Pathumthani province in which the Company is still waiting for related approval license from a local government authority.

As at 31 December 2014, Takuni (Thailand) Co., Ltd., the subsidiary, had pledged certain plots of land and buildings with net book value of Baht 48.84 million (2013: Baht 50.18 million) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts, long-term borrowings from a financial institution. These credit facilities are also guaranteed by the directors for the Group (Note 15 and 18).

As at 31 December 2014, G Gas Logistics Co., Ltd., the subsidiary, had pledged its gas trucks and gas transportation vehicles with their net book value of Baht 11.73 million (2013: Baht 13.69 million) as collateral for subsidiary's long-term credit facilities in 2012.

Cost of fixed assets which are fully depreciated and still in use in the consolidated financial statements as at 31 December 2014 were approximately Baht 70.89 million (31 December 2013: Baht 70.75 million). There are no fixed assets which are fully depreciated and still in use in the company financial statements.

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Cost of fixed assets under finance lease agreements	-	14,984,364	-	8,527,000
<u>Less</u> Accumulated depreciation	-	(9,041,550)	-	(5,414,912)
Net book amount	-	5,942,814	-	3,112,088



14. Intangible assets

	Consolidated	Company
	Baht	Baht
Computer software		
At 1 January 2013		
Cost	83,100	16,500
<u>Less</u> Accumulated amortisation	(9,025)	(68)
Net book value	74,075	16,432
For the year ended 31 December 2013		
Opening net book value	74,075	16,432
Additions	629,970	388,490
Amortisation charge	(129,735)	(73,296)
Closing net book value	574,310	331,626
At 31 December 2013		
Cost	713,070	404,990
<u>Less</u> Accumulated amortisation	(138,760)	(73,364)
Net book value	574,310	331,626
For the year ended 31 December 2014		
Opening net book value	574,310	331,626
Additions	673,441	68,500
Amortisation charge	(264,292)	(141,746)
Closing net book value	983,459	258,380
At 31 December 2014		
Cost	1,386,512	473,490
<u>Less</u> Accumulated amortisation	(403,053)	(215,110)
Net book value	983,459	258,380

15. Bank overdrafts

As at 31 December 2014, the Group and Company's bank overdraft facilities of Baht 50 million (2013: Baht 57 million) which were guaranteed by the subsidiary's land and buildings (Note 13), subsidiary's bank accounts (Note 7) and Company's directors.

16. Deferred income tax

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deferred tax assets:				
Deferred tax assets to be recovered				
within 12 months	906,203	1,045,811	436,015	727,332
Deferred tax assets to be recovered				
after more than 12 months	202,376	332,199	47,822	145,356
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
within 12 months	32,237	123,508	-	-
Deferred tax liabilities to be settled				
after more than 12 months	508,233	540,470	-	-
Deferred tax assets (net)	568,109	714,032	483,837	872,688

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



As at 31 December	Consolidated		
	Credit (debit)		
	2013	to profit or loss	2014
	Baht	Baht	Baht
Deferred income tax assets			
Allowances for doubtful accounts and inventories	969,235	(314,687)	654,548
Provisions	59,032	(33,256)	25,776
Employee benefits obligations	130,864	15,147	146,011
Finance lease assets	218,879	63,365	282,244
	<u>1,378,010</u>	<u>(269,431)</u>	<u>1,108,579</u>
Deferred income tax liabilities			
Depreciation	625,689	(85,219)	540,470
Finance lease assets	38,289	(38,289)	-
	<u>663,978</u>	<u>(123,508)</u>	<u>540,470</u>
Deferred income tax assets, net	<u>714,032</u>	<u>(145,923)</u>	<u>568,109</u>

As at 31 December	Company		
	Credit (debit)		
	2013	to profit or loss	2014
	Baht	Baht	Baht
Deferred income tax assets			
Allowances for doubtful accounts and inventories	692,189	(426,927)	265,262
Employee benefits obligations	70,401	8,535	78,936
Finance lease assets	110,098	29,541	139,639
	<u>872,688</u>	<u>(388,851)</u>	<u>483,837</u>

Presentation in the statements of financial position is as follows:

As at 31 December	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Deferred income tax assets	991,331	952,535	483,837	872,688
Deferred income tax liabilities	<u>(423,222)</u>	<u>(238,503)</u>	<u>-</u>	<u>-</u>
Deferred income tax, net	<u>568,109</u>	<u>714,032</u>	<u>483,837</u>	<u>872,688</u>

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

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

As at 31 December	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Opening net book value	714,032	347,891	872,688	446,187
Charge to profit or loss (Note 26)	(145,923)	366,141	(388,851)	426,501
Closing net book value	568,109	714,032	483,837	872,688

17. Trade and other payables

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Trade accounts payable	65,376,532	58,538,109	58,853,788	40,451,066
Trade accounts payable - related parties (Note 28)	-	-	2,684,430	4,481,076
Amounts due to related parties (Note 28)	-	-	43,603	43,124
Other payables	3,147,009	1,987,727	1,383,215	856,244
Unearned revenue	37,830,978	828,667	-	-
Account payable - revenue department	3,197,205	3,082,711	2,239,651	1,501,632
Accrued contribution to fuel fund ¹	43,303,119	26,418,104	43,303,119	26,418,104
Accrued expense ²	4,741,121	7,238,871	1,903,203	2,265,251
Total trade and other payables	157,595,964	98,094,189	110,411,009	76,016,497

¹ According to the announcement of the Energy Policy Council, gas traders under section 7 have to transfer money to Fuel Fund at the specific rates. The rates are different according to the distribution channels. The Group sells gas to the gas stations, industrial factories and gas filling plants for household consumption. The fund collected from the customers is included in selling price and due for payment to the Fuel Fund within 60 days after the month end of the distribution dates. The Energy Policy Council has restructured the price at gas plants and has cancelled the transfer of money to Fuel Fund for gas selling since 2 February 2015.

² The Company gives 1 - 3 year warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision of Baht 128,880 (2013: Baht 295,163) has been recognised at the year-end for expected warranty claims based on past experience of the level of repairs and returns. It is expected that the majority of the provision will be utilised during 2015 - 2017. The Group recognised such provision in the accrued expenses.



18. Long-term borrowings

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

For the years ended 31 December	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Beginning balance	47,184,566	53,689,438	21,500,000	27,500,000
Additions	-	-	-	-
Repayments	(6,543,149)	(6,504,872)	(6,000,000)	(6,000,000)
Ending balance	40,641,417	47,184,566	15,500,000	21,500,000

The Company

On 18 August 2012, the Company entered into the long-term borrowing agreement with a domestic financial institution amounting to Baht 30 million, which required the principle repayment of Baht 500,000 per period, totalling 60 periods. This borrowing bears the interest rate of 3% per annum and is pledged by subsidiaries' land and buildings (Note 12 and Note 13) and guaranteed by directors.

Subsidiaries

On 24 May 2012, G Gas Logistics Co., Ltd. entered into the long-term borrowing agreement with a domestic financial institution amounting to Baht 24.60 million, which required the repayment over 60 periods. This borrowing bears the interest rate of 3% per annum and is pledged by vehicles for gas transportation (Note 13).

On 22 November 2011, G Gas Logistics Co., Ltd. entered into the long-term loan agreement with a domestic financial institution amounting to Baht 2.50 million, which required the repayment of Baht 50,000 per period, totalling 60 periods. This borrowing bears the interest rate at MLR per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. and guaranteed by directors (Note 13).

Maturity of long-term borrowings is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within 1 year	6,541,417	6,541,263	6,000,000	6,000,000
Later than 1 years but not later than 5 years	34,100,000	40,643,303	9,500,000	15,500,000
Total long-term borrowings	40,641,417	47,184,566	15,500,000	21,500,000

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Borrowings:				
- at fixed rates	40,100,000	46,100,000	15,500,000	21,500,000
- at floating rates	541,417	1,084,566	-	-
Total long-term borrowings	40,641,417	47,184,566	15,500,000	21,500,000

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

	Consolidated			
	Book value		Fair value	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Long-term borrowings from banks	40,641,417	47,184,566	35,439,214	39,545,173

	Company			
	Book value		Fair value	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Long-term borrowings from banks	15,500,000	21,500,000	14,175,925	18,966,913

19. Finance lease liabilities

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within 1 year	-	2,689,944	-	1,331,220
Later than 1 years but not later than 5 years	-	1,547,869	-	839,585
	-	4,237,813	-	2,170,805
<u>Less</u> Future finance charges on finance leases	-	(290,542)	-	(152,475)
Present value of finance lease liabilities	-	3,947,271	-	2,018,330
Finance lease liabilities:				
- Current	-	2,484,765	-	1,225,083
- Non-current	-	1,462,506	-	793,247
	-	3,947,271	-	2,018,330



The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within 1 year	-	2,484,765	-	1,225,083
Later than 1 years but not later than 5 years	-	1,462,506	-	793,247
	-	3,947,271	-	2,018,330

20. Employee benefit obligations

	31 December 2014	
	Consolidated	Company
	Baht	Baht
Retirement benefit obligations (Thailand law)		
Statements of financial position		
Retirement benefits	825,627	394,679
Statements of income		
Retirement benefits	171,307	42,673
Liabilities in the statement of financial position comprised of :		
Present value of funded obligations	825,627	394,679
Liability in the statement of financial position	825,627	394,679

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

	Consolidated	Company
	2014	2014
	Baht	Baht
For the year ended 31 December		
Opening balance	654,320	352,006
Current service cost	133,948	24,704
Interest cost	37,359	17,969
Actuarial (gain)/losses	-	-
Closing balance	825,627	394,679

The amounts recognised in the income statement are as follows:

	Consolidated	Company
	2014	2014
	Baht	Baht
For the year ended 31 December		
Current service cost	133,948	24,704
Interest cost	37,359	17,969
Actuarial (gain)/losses	-	-
Total	171,307	42,673

The principal actuarial assumptions used were as follows:

	2014
Discount rate	4.58% - 4.78%
Future salary increases	5.00%

21. Share capital

	Consolidated and Company					
	Authorised share capital		Issued and paid-up capital			
	Number of Shares	Ordinary shares	Number of Shares	Ordinary shares	Premium on paid-up capital	Total
	Shares	Baht	Shares	Baht	Baht	Baht
Opening amount as at						
1 January 2014	15,000,000	150,000,000	15,000,000	150,000,000	5,360,000	155,360,000
Change in par value	285,000,000	-	285,000,000	-	-	-
Increase in authorised share capital	100,000,000	50,000,000	100,000,000	50,000,000	101,283,230	151,283,230
Closing amount as at						
31 December 2014	400,000,000	200,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Opening amount as at						
1 January 2013	13,000,000	130,000,000	13,000,000	130,000,000	5,360,000	135,360,000
Issues of shares	2,000,000	20,000,000	2,000,000	20,000,000	-	20,000,000
Closing amount as at						
31 December 2013	15,000,000	150,000,000	15,000,000	150,000,000	5,360,000	155,360,000



On 19 August 2014, the Company offered its common shares to the initial public offering by issuing 100,000,000 common shares. The new shares were sold to subscribers at price of Baht 1.60 per share (Baht 0.50 paid in capital and Baht 1.10 share premium) totalling Baht 160 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 14 August 2014 and the shares of the Company begin trading in the Stock Exchange of Thailand on 19 August 2014. Directly attributable expenses of the initial public offering amounted to Baht 8.72 million were deducted from the premium on share capital received from new investors.

At the extraordinary general meeting No. 1/2014 held on 17 April 2014, the shareholders approved the increase in authorised share capital from Baht 150 million to Baht 200 million and approved the changes in par value from Baht 10 per share to Baht 0.50 per share to support the offering of shares to the public. The increase in authorised share capital and change in par value resulted a number of authorised share capital increases to 400 million shares.

22. Legal reserve

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
At 1 January	-	-	-	-
Appropriation during the year	2,900,000	-	2,900,000	-
At 31 December	2,900,000	-	2,900,000	-

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

23. Dividend paid

On 17 April 2014, the extraordinary general meeting approved the appropriation of interim dividends for the operating results for the period from 1 January 2013 to 31 March 2014 at Baht 1.73 for 15 million shares, totaling Baht 25,950,000. The dividends were paid to shareholders on 23 June 2014.

Subsidiaries

At the Shareholders' Meeting of G Gas Logistics Co., Ltd. No. 1/2014 held on 19 March 2014, the Board of Directors approved the appropriation of interim dividends from the operating results for the year ended 31 December 2013 at Baht 4.15 per share for 1.5 million shares, totaling Baht 6,225,000. The dividends were paid to shareholders on 19 and 25 March 2014.

At the Shareholders' Meeting of Ratchapruet Engineering Co., Ltd. No. 1/2014 held on 19 March 2014, the Board of Directors approved the appropriation of interim dividends from the operating results for the year ended 31 December 2013 at Baht 58.90 per share for 200,000 shares, totaling Baht 11,780,000. The dividends were paid to shareholders on 26 March 2014.

At the Board of Director's Meeting of Takuni (Thailand) Co., Ltd. No. 4/2012 held on 11 December 2012, the Board of Directors approved the appropriation of interim dividends from the operating results for the year ended 31 December 2012 at Baht 3.06 per share for 10 million shares, totaling Baht 30,694,500. The dividends were paid to shareholders on 20 and 29 March 2013.

At the Board of Director's Meeting of G Gas Logistics Co., Ltd. No. 6/2012 held on 11 December 2012, the Board of Directors approved the appropriation of interim dividends from the operating results for the year ended 31 December 2012 at Baht 11.14 per share for 1 million shares, totaling Baht 11,149,200. The dividends were paid to shareholders on 17 December 2013.

24. Other income

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Rental income	6,285,000	5,800,000	6,285,000	5,800,000
Interest income	1,386,994	1,108,262	1,810,880	582,411
Dividend income	-	-	18,004,874	-
Others	1,406,749	4,470,415	9,103,432	6,687,363
	<u>9,078,743</u>	<u>11,378,677</u>	<u>35,204,186</u>	<u>13,069,774</u>

25. Expense by nature

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the years ended 31 December				
Cost of sales	791,861,566	820,065,814	791,861,566	820,065,814
Depreciation and amortisation (Note 12, 13, 14)	14,933,335	14,611,550	4,501,110	4,324,227
Staff costs	54,751,609	51,388,933	19,439,322	15,888,744
Contribution to the fuel fund (Note 17)	201,412,094	182,992,880	201,412,094	182,992,880
Gas transportation expenses	-	-	43,409,335	50,837,229
Gas storage expenses	12,104,082	1,973,494	12,104,082	1,973,494



26. Income tax

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Current tax	6,813,001	7,656,493	3,228,430	3,105,462
Deferred income tax expense (Note 16)	145,923	(366,141)	388,851	(426,501)
Income tax	<u>6,958,924</u>	<u>7,290,352</u>	<u>3,617,281</u>	<u>2,678,961</u>

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the years ended 31 December				
Profit (loss) before income tax	34,137,018	35,840,060	35,276,457	13,265,672
Tax calculated at the tax rate of 20% (2013: 20%)	6,827,404	7,168,012	7,055,291	2,653,134
Exempt income tax	-	-	(3,600,975)	-
Expenses not deductible for tax purposes	131,520	122,340	162,965	25,827
Income tax	<u>6,958,924</u>	<u>7,290,352</u>	<u>3,617,281</u>	<u>2,678,961</u>

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

27. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued during the year excluding treasury shares.

	Consolidated		Company	
	2014	2013	2014	2013
Net profit attributable to ordinary shareholders of the company (Baht)	27,178,094	28,779,920	31,659,176	10,586,711
Weighted average number of ordinary shares in issue (Shares)	338,356,164	262,191,781	338,356,164	262,191,781
Basic earnings per share (Baht per share)	0.08	0.11	0.09	0.04

On 17 April 2014, the Company changed par value from Baht 10 per share to Baht 0.5 per share (Note 21) for the purpose of comparison, the weighted average number of ordinary shares used in computing earnings per share for the period ended 31 December 2013 have been restated to reflect the change in the number of shares in the current year as if the share split had occurred since the beginning of such period.

There are no dilutive ordinary shares in issue during the years.

28. Related-party transactions

As at 31 December 2014, the major shareholders of the Company are 4 individuals, which own 60.00% of the Company's share capital.

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

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

The following transactions were significant to subsidiaries and related parties:

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Other receivables				
Subsidiaries	-	-	947,170	686,940
Accrued interest income				
Subsidiaries	-	-	869,178	103,151
Trade accounts payable				
Subsidiaries	-	-	2,684,430	4,481,076
Other account payables				
Subsidiaries	-	-	43,603	43,124

b) Short-term loans to related parties

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Opening balance	-	-	25,000,000	-
Additions	-	-	15,000,000	25,000,000
Repayments	-	-	(10,000,000)	-
Ending balance	-	-	30,000,000	25,000,000

The Company made short-term loan to a subsidiary. The loan is unsecured loan and carry interest at the rate of 3% per annum. The loan is due for repayment on demand.



c) Short-term borrowings from related parties

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Opening balance	-	32,223,908	-	-
Additions	-	-	-	-
Repayments	-	(32,223,908)	-	-
Ending balance	-	-	-	-

The Group has the borrowings from the Company's directors for the purpose of its working capital. The borrowings are due for repayment on demand and non-interest bearing. In September 2013, such loan was repaid in full.

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Revenues from sale of gas				
Related parties	-	5,159,503	-	5,159,503
Other income				
Subsidiaries	-	-	8,510,047	6,441,000
Revenues from sale of goods				
Related parties	-	9,215	-	-
Dividend income				
(Include in other income) Subsidiaries	-	-	18,004,874	-
Interest income				
(Include in other income) Subsidiaries	-	-	766,027	-

e) Purchases of goods and services, and interest expenses

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the years ended 31 December				
Purchase of goods and services				
Subsidiaries	-	-	279,232	153,605
Rental expenses - office				
Subsidiaries	-	-	423,667	423,667
Related parties	-	51,000	-	-
	-	51,000	423,667	423,667
Transportation expenses				
Subsidiaries	-	-	38,063,901	50,837,229
Other Expenses				
Subsidiaries	-	-	133,329	371,517
Related parties	-	10,695	-	-
	-	10,695	133,329	371,517

f) Key management compensation

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
For the year ended 31 December				
Salaries and other short-term employee benefits	8,035,233	7,676,340	8,035,233	5,641,060
Post-employment benefits	38,930	351,805	38,930	351,805
	8,074,163	8,028,145	8,074,163	5,992,865

29. Commitments

a) Letters of guarantees

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Letters of guarantees	84,842,359	54,814,859	64,934,484	51,394,484



The Group has credit facilities for letter of credits or trust receipt, letter of guarantee, forward contracts. These credit facilities are pledged by subsidiaries' assets, subsidiaries' bank accounts, and directors (Notes 7 and 13).

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

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Within 1 year	1,264,984	2,427,984	914,084	1,941,552
Within 2 to 5 years	1,624,438	1,940,438	2,585,938	1,593,538
Over 5 years	5,818,646	6,213,131	5,818,646	6,213,131
Total	8,708,068	10,581,553	9,318,668	9,748,221

c) Capital commitments

The Company has capital expenditure contracted for building a gas storage in Patumthani province at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Property, plant and equipment	-	1,372,980	-	1,372,980

30. Event after reporting date

The Company

- a) On 24 February 2015, the Board of Director meeting approved the appropriation of interim dividends for the operating results for the year ended 31 December 2014 at Baht 0.06 per share for 400,000,000 shares, totaling Baht 24,000,000. The dividends are due for payment within May 2015.

Subsidiaries

- a) On 24 February 2015, the Board of Director meeting of Rajchaplueng Engineering Co., Ltd. approved the appropriation of interim dividends for the operating results for the year ended 31 December 2014 at Baht 28 per share for 200,000 shares, totaling Baht 5,600,000. The dividends are due for payment within March 2015.
- b) On 24 February 2015, the Board of Director meeting of G Gas Logistics Co., Ltd. approved the appropriation of interim dividends for the operating results for the year ended 31 December 2014 at Baht 3.34 per share for 1,500,000 shares, totaling Baht 5,010,000. The dividends are due for payment within March 2015.



“Think Gas, Think TAKUNI”



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