



ANNUAL REPORT

Takuni Group Public Company Limited

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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



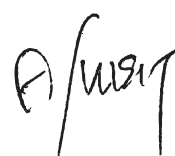
Message from the Chairman of Director

During the year 2016, Thai economic faces many challenges from many stimulus especially decreasing of petrol price, 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 business are affected by the stated economic condition and LPG price war. The revenue from LPG trading and transportation decreased by 14.64% from prior year. 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 from related business, such as extend various goods for transportation services, and diversify to invest in property development business 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 Chief Executive Officer



Mr. Prasert Treeveeranuwat
Chief Executive Officer

During the past years, the Group has faced a range of challenges e.g. liquefied petroleum gas (LPG) sales volume decreased, the number of oil and gas related construction projects decreased due to low oil prices. The investment in biomass power plant at the end of the year 2015 also pushed the company's net profit down in following year. However, all executives and employees put all of their effort into serving their customers, trading partners, social the best, through the construction business expansion, to improve the Group's situation and generate satisfactory return for its shareholders. It, finally, can increase its revenue by 17.47% from last year and generate the total net profit of 16.50 Million Baht.

Energy business by Takuni Group Public Company Limited

During the past year, the Company has been affected by oil price volatility. Revenue from LPG trading decreased from 1,007 Million Baht to 860 Million Baht in 2016. Also, the Company has delayed investment relating to distribution of LPG since the company expected that the demand for LPG in automotive sector will drop continuously. Moreover, the Company has issued share capital and planned to expand its business into new market to diversify risk from gas distribution. The Company has set a subsidiary (Newman Green Co., Ltd.), as holding company to invest in biomass power plant. However, its performance didn't meet the expectation which made delayed on payback period. Thus, the Company has disposal the investment on 30 June 2017.

Transportation business by G Gas Logistics Company Limited

The Group has been affected by the decrease in LPG sales volume. Therefore, it has expanded its delivered-product line by started to deliver ammonia product at the end of the year 2016. This new line has increased its revenue by approximately 238,000 Baht per month. It expects that the revenue from ammonia delivery will still be increasing in the year 2017. The Group, moreover, has started to deliver raw materials for construction since October 2016, which generated revenue

of 200,000 Baht per month. However, there has been the slight decrease in revenue from transportation service (according to the separate financial statement), from 51.02 Million Baht to 40.30 Million Baht. This resulted from a decrease in revenue from transportation service provided within the Group.

Construction services by Takuni (Thailand) Company Limited and CAZ (Thailand) Company Limited

The Group tried to expand its construction business line by recruiting more employees who specialize in general construction. These new staffs are hired to support its new types of construction project which are not just oil and gas-related construction work like it always does. In 2016, the Group reported its revenue from construction work, which is expected to be completed by the first quarter of the year 2017, of 137.82 Million Baht. However, it also realized the construction cost as net loss of 24.32 Million Baht in the consolidated financial statements since it believed that the cost of construction will exceed the revenue. Gross profit margin of its construction business, therefore, decreased from 27.33% in 2015 to 5.01% in 2016.

In March 2016, the Group has increased the proportion of the investment in CAZ (Thailand) Co., Ltd. from 47.72% to 51.30%. This changed its investment status from associate to subsidiary. It also need to prepare and submit the consolidated financial statements, which make the Group's revenue in 2016 increase. Moreover, during the year 2016, it has bought land with the total area of 108 rai, office, fabrication shop, and other equipment for 285 Million Baht to raise its construction service standard and quality as well as boost customer, both local and foreign trading partners, satisfactory.

Non-Destructive Testing (NDT), Inspection and Certification services business by Rajchapluak Engineering Company Limited

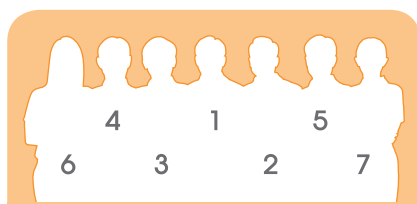
Although the Company's target market is oil and gas companies which were affected by sharp fall in oil price, the Company operates the same way as before as customers still have to comply with the law, such as renew the certification at least 1 time per year, conduct non-destructive testing every 5 years, etc. Therefore, the Company still able to maintain its annual service income is 61.43 million baht, increased by 14.31% from 2015 which the service income was 53.74 million baht.

As Chief Executive Officer, I would like to thank all our shareholders for their support and trust. I affirm that I will at all times transparently and effectively. Once again, I appreciate confidence that you placed in our company and management team.

Company Information

Initial	: TAKUNII
Name	: Takuni Group Public Company Limited
Head Quarter Address	: 140/1 Soi Naveechareonsap, Kanchanapisak rd, Bangkae, Bangkok 10160
Major Business	: LPG Trading, LPG transportation, Construction service and LPG/CNG conversion kit installation for passenger cars, Non-Destructive Testing and Inspection service and Property Development Business
Website	: www.takunigroup.com
Registered Capital	: 600,000,000 baht
Paid-up Capital	: 400,000,000 baht
Common Shares	: 1,200,000,000 shares
Par Value	: 0.50 baht
Offering 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 thanasa.k@takuni.com
Common Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Telephone 02-009-9000
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

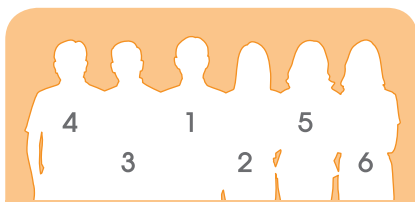
Board of Directors



- | | |
|---|--|
| <p>1 Mr. Visit Akaravinak
Independent Director /
Chairman of Director /
Member of Audit Committee /
Member of Remuneration
Committee</p> | <p>4 Mr. Prasert Treeveeranuwat
Director (Executive)/
Chairman of Executive Committee /
Chairman of Risk Management
Committee / Chairman of
Anti-Corruption Committee</p> |
| <p>2 Mr. Charoen Prajuntan
Independent director /
Chairman of Audit Committee /
Member of Remuneration
Committee</p> | <p>5 Mr. Somchai Kanbuakeaw
Director / Executive Committee</p> |
| <p>3 Mr.Kaveewat Songsakulkiat
Independent director /
Chairman of Remuneration
Committee / Member
of Audit Committee</p> | <p>6 Ms. Nita Treeweeranuwat
Director (Executive) /
Executive Committee</p> |
| | <p>7 Ms. Kanchana Rimpanichayakij
Director / Executive Committee</p> |



Executives Management



- 1** Mr. Prasert Treeveeranuwat
Chief Executive office /
President Acting Vice President
Business Development
Department / Acting Vice
President Energy Business /
Acting Vice President Oil & Gas
Construction Business/
Acting Vice President Property
Construction Business /
Acting Vice President Property
Development Business

- 2** Ms. Nita Treeweeranuwat
Vice President Administrative
Department

- 3** Mr. Tossaphol plitaporn
Vice President Human Resource
Department

- 4** Mr. Charoenchai Annajsomboonsuk
Vice President Inspection Business

- 5** Ms. Chatprapa Chansri
Vice President Transportation
Business

- 6** Mrs. Thitima Tanapakit
Vice President Financial
and Accounting Department

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Takuni Group Public Company Limited consists of three independent directors who are not executive directors, employees, or consultants of the company or its subsidiaries. The committee has performed the engagements independently under Audit Committee Charter to oversee the company so that the company has sufficient corporate governance. 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 year 2016, the Audit Committee held six meetings, occasionally with the management, internal auditors, and independent auditors to discuss on relevant issues, as summarized below.

Review of the Financial Statements

The Audit Committee has reviewed quarterly and annually consolidated and company financial statements for the year 2016 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 independent auditors 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 suitability of accounting entry methods, auditing scope, disclosure which benefits for the intended users and disclosure in accordance with Thai Financial Reporting Standards and Thai Accounting Standards and , as well as the independence of auditors. This is to ensure that preparation of the financial statements is complied with the company's legal compliance, financial reporting standards, accounting standards, 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 risk management process and quarterly followed up its results by considering both internal and external risk factors, probability, impact, and risk appetite to ensure that the Company remains its risks within acceptable levels. The Audit Committee found that the Company clearly institutionalized the risk management process and communicate it to all related person at every level of the organization. Through the culture, everyone in company understood that risk management is collective responsibility of all management and employees.

Review of the Internal Control and Audit System

The Audit Committee has reviewed the assessment results of the internal control system prepared by internal auditors and found that the system is appropriate for the Company's operation which covers significant risk factors and has effective performance as well as and a continuous development in both personnel and audit operation according with international standards. There is no material deficiency impacting the company financial statements that the finding corresponds to the independent auditors' opinion.

In addition, the Audit Committee has considered and approved the internal audit plan for the year 2017 which is conducted according to risk basis of the Company. The Audit Committee also provided scope of the internal audit to cover all significant 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 found that the Company has complied with all laws, regulations and requirements of The Stock Exchange of Thailand and related law in its industry. In addition, the Company has strictly adhered to good governance practices and aim to operate its business in a sustainable manner. The Board of Directors always promotes each employee at every level focusing on awareness and adhering to ethic. They also set 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, and quality of the existing auditors. Thereby, the Audit Committee 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 Limited as the Company and its subsidiaries independent auditors for the fiscal year 2017.

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 complied with the stipulated business conditions, and reasonable price to optimize benefits of the shareholders.

In summary, the Audit Committee has performed their assigned duties as specified in the Audit Committee Charter which is approved by the Company's Board of Directors. The Audit Committee carried out the responsibilities by using knowledge, prudence, and adequate independence for interests of stakeholders equally. The Audit Committee agrees that the Financial Reports of the Company for the year 2016 were accurate, reliable, sufficiently disclosed, and prepared in accordance with generally accepted accounting principles. 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 corporate governance with work performance leading to transparency and reliability. The Audit Committee also agrees that the Company continuously improved its operation systems to be higher quality and appropriate of its business environment.

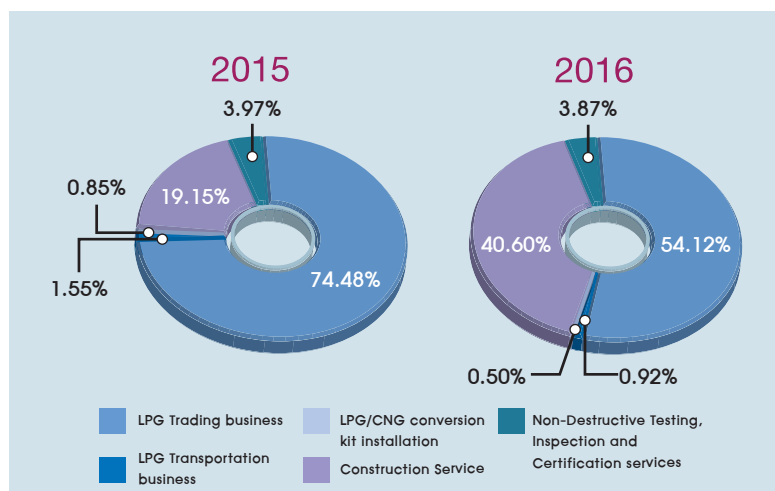


(Mr. Chareon Prajuntan)

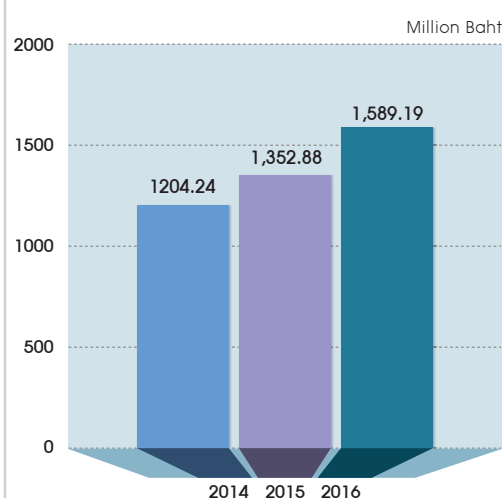
Chairman of the Audit Committee

Financial Highlights

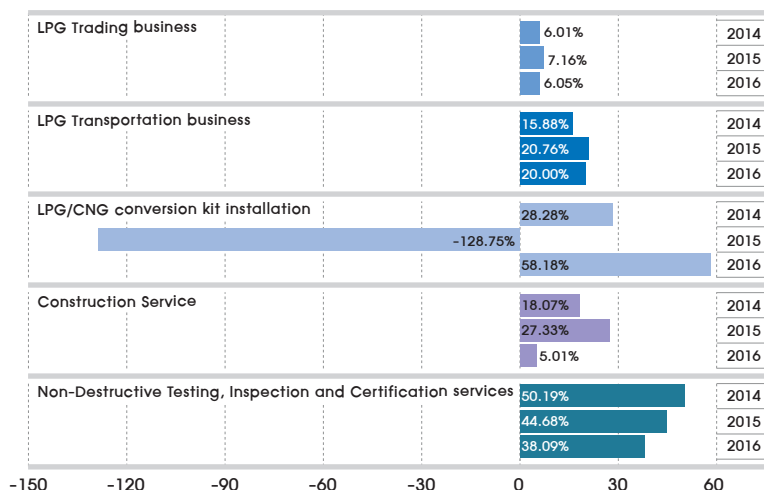
Proportion of Revenue from Sales and Services



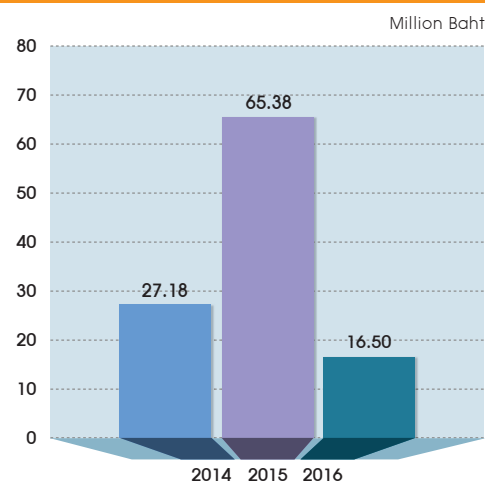
Revenue from Sales and Services



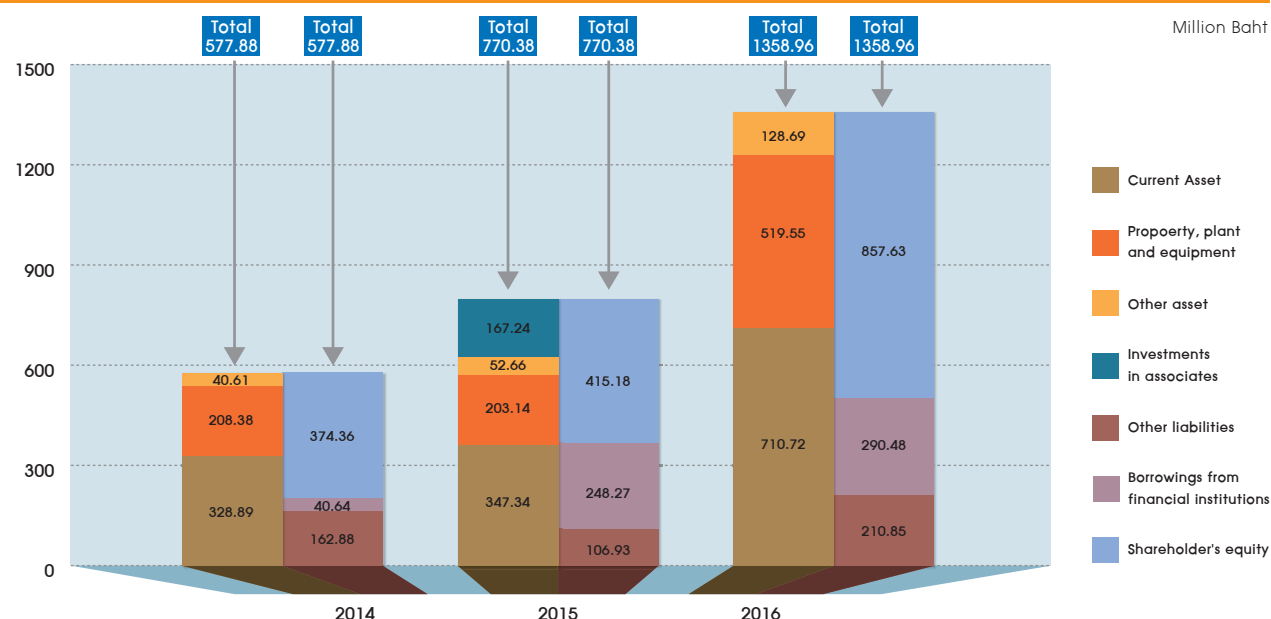
Gross Profit Margin



Net Profit attributable to Owners of the Parent



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. **Construction Service** Takuni (Thailand) Company Limited ("TT") and CAZ (Thailand) Company Limited ("CAZ"), the Company's subsidiaries, is responsible for industrial oil and gas piping system construction as Engineering Procurement Construction.
4. **Construction Service and LPG/CNG conversion kit installation for passenger cars** Takuni (Thailand) Company Limited ("TT"), the Company's subsidiaries, is responsible for construction service and LPG related equipment trading as well as LPG/CNG conversion kit installation for passenger cars
5. **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
6. **Property Development Business** Takuni Land Company Limited ("TL"), the Company's subsidiaries, is a new subsidiary for property development business. It is in its early stage which the company is now determining the appropriate business structure.

LPG trading business

LPG trading business is one of 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 LPG 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.

Presently, the Company is allowed to sell LPG volume of 50,000 tons per year and LPG Terminal in Phichit Industrial Estate is served as LPG reserve terminal pursuant to the laws.



Trademark
Champion Gas

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

Terminal	Location	Storage Capacity (Ton)
1. Phichit	Phichit 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 received all licenses on 23 March 2016.



Competition in the Industry

Due to the volatility of oil price during the past year, the demand for LPG in overall automotive sector has decreased. Also, the total consumer LPG sales have declined since main LPG consumer are gas stations. Therefore, LPG traders under section 7 have to compete against each other to maintain their sales figure.

Also, 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 and 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	9	15
10 - wheel truck	9	8
6 - wheel truck	4	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. GG 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 GG 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.

Service rendered on installation of LPG/CNG conversion kits in vehicles business



NGV supply control system

Takuni (Thailand) Co., Ltd. ("TT") provides service on installation of NGV and LPG conversion kits in general vehicles by using equipment branded Zavoli, a product from Italy. 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.

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.

Construction service

TT renders business of industrial oil and 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.

The company hold 51.30% of registered capital of CAZ (Thailand) Co., Ltd ("CAZ"). which is Engineering Procurement Construction (EPC). CAZ produces and installs equipment used in the industry plants according to customer's requirement. Its products can be divided into 2 main types which are fabrication and site erection. These products are served customers in various industries, especially customer who want high standard and quality of construction such as oil refinery, power station, companies in natural gas and petroleum industries which located in Maptaphut area, etc.



Competition in the Industry

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.

For the competition in oil and gas construction business, the Group has good knowledge and long experience in these type of business. Its product and service are well accepted by customers as it has well-equipped service centers. Moreover, since most of Group's customers are in oil, petroleum, and oil refinery industries, its competition and growth tend to be in the same direction with its customer's industries.

Non-destructive testing and inspection services

Non-Destructive Testing and Inspection Business are operated by the Company's subsidiary, Rajchaplueng 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.

Property Development Business

Takuni Land Co., Ltd. ("TL") is the Company's subsidiary which carried out real estate development business. Currently, the Company has purchased some of the land. It has carefully look at the location and saw great investment potential in such plot of land. This potential results from the government investment plan on sky train construction, which plan to be completed in the early of 2019. Moreover, the Company now hold a lot of cash and this is the good opportunity to invest in secured property that can generate good return to the Company and increase the amount of shareholder compensation from its leftover cash.

The Company is in its early stage which is now determining its business strategy. Such strategy can be either 1.) The Company holds land for sale. The purpose of this type of investment is to gain the profit from the difference between buying and selling price. Or 2.) The Company form a joint venture with partners who have experience in real estate development to build residence and manage the risk related with the capability of customer in applying for residence credit and the company's property investment as follow;

Liquidity risk — This investment is considered as property investment which has low liquidity. This may push the Company to face liquidity problems in the future. However, the company plan to manage this risk by create clear cash flow plan showing income and expense transaction; There is no need for the company to increase capital or borrow money to invest in this property.

Risk from high maintenance cost of purchased plot of land — The Company is responsible for taking care of the property and may incur additional cost for defend its property against intruder and/or other maintenance as seen appropriate.

Risk from delay on sky train station construction project — One of the reason behind this investment is the sky train station. Therefore, if the construction delay happens, it may affect the company's group property sale volume.

Competition in the industry

Cost of land purchased by the company's group is not-so-high and the plots situated near the main road as well as sky train station (BTS). Moreover, the company's group has experience in construction. This build up the company confidence that it will be able to control its construction cost and compete with other. However, as the company's group brand is not well-known, it may not be able to set the high price like other famous real estate developers.

Risk Factors

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

1. Risk associated with the volatility of oil price

- Although global oil prices have fallen sharply over the past year and oil prices in Thailand have also, domestic gas prices remain the same. This made gas prices trading at almost the same level as oil price. As a result, the demand for gas from the automotive sector has decreased significantly.

The executive director believes that the demand for gas from the automotive sector will decrease continuously if the price gap between oil and gas doesn't expand. Therefore, to reduce the operational risk, the Company decided to expand its investment opportunity to construction and property development business.

- Customer base of construction and inspection and certification services businesses are companies in energy sector. Therefore, when oil prices have fluctuated, customer's revenue decreased and their business expansion plans changed. Customers started to adopt policies towards delays in investment transactions and reduce cost. This directly causes the Group's revenue to decrease.

Therefore, the Group has recruited and developed staffs to support the expansion of customer base to include those that are not only in energy businesses.

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 Group 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 Group has buy Industrial All Risks Insurance on LPG terminal and LPG transporting truck which have liability coverage for third party to lighten on group's load when accident occurred. With the stated risk management, the executive believe that the Group'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 Group has to rely on specialists who are certified especially in Non-Destructive Testing (NDT).

Currently, the Group has only one certified Non-Destructive Testing level III (the highest level of NDT) auditor which makes the Group in risk from relying on specialist. The Group also recruit more specialist who has got NDT level III auditor. However, the works that required NDT level III auditor are works with high complexity which are not the type of work that the Group usually work on. Apart from NDT level III auditor who has been working with the Group 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 the book closing date on 27 January 2017, Treeveeranuwat family was the Company major shareholder holding 453,208,796 of shares which accounted for 56.65% of the outstanding shares. This made 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.

6. Risk associated with the operation of subsidiaries and associated companies

As the Group has set up a new subsidiary (Takuni Land Co., Ltd.) to carry out real estate development business. Currently, the Company has purchased some of the land. It has carefully look at the location and saw great investment potential in such plot of land. This potential results from the government investment plan on sky train construction, which plan to be completed in the early of 2019. If the sky train construction has been delayed, the construction of project will be postponed. Moreover, the Group has no experience and well-known branding on sales and marketing of real estate. The Group plans to engage professional sales and marketing team which make higher total cost of the project.

Internal Control

Takuni 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 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 Investor Relation (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 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 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 company's work plans and the one who help drive 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 priory 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 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 WO strategy and followed up with the management regularly. Internal control and audit are other important issues that 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 about 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 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. Saksri Amphawon from Dharmniti Internal Audit Company Limited was the one who was appointed to be company's internal auditor in year 2016 and 2015 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. Committee

Structure of Board of Directors consists of 7 committee

1. Board of Directors
2. Audit Committee
3. Remuneration Committee
4. Executive Committee
5. Anti-Corruption Committee
6. Risk Management committee
7. Environmental Social and Governance Committee

Duties and responsibilities of each committee is set out in writing. And details of various committees are included in the Annual Registration Statement (Form 56-1)

3. 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.

4. 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 as follows;

- 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.
- The 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.

Moreover, the Company will acknowledge all managements and directors on duty to report of management's securities holding to the Securities and Exchange Commission according to its requirements.

5. Audit Fee

Total audit fee paid in 2016 to PricewaterhouseCoopers ABAS Company Limited, the auditor of the Company and the subsidiaries, was 5.37 million baht and can be separate to the audit fee of 4.50 million baht and other compensation of 0.87 million baht.

6. 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.

Corporate Social Responsibility

The Group defines a comprehensive overview of its business as a business with simultaneous growth and expansion both in the Group and in the operation of its business characterized by reciprocity of support. Moreover, the Group concerns more on social responsibility which includes environment and all stakeholders as they believe it is an essential factor essential to achieve sustainable growth.

This corporate success derived from the understanding and cooperation between employees, contractors and communities. Therefore, the Group recognizes the importance of employee treatment and development. The Group also promotes active participation working environment as well as respect for human rights as everyone is part of the company. The expansion of the scope of this development will later expand into the community and society level.

Guidelines on Corporate Social Responsibility are as follow:

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 recognizes the importance of anti-corruption both inside and outside of the Company and always conduct business with integrity and transparency. Moreover, the Company has set up anti-corruption policy and measures to prevent and deal with any corrupt activity. This policy and measurement set forth the ethical standards of conduct of the company and the message has been communicated to all levels. The Company believes that corruption and dishonesty are major factor behind the deteriorating business, society and country and, therefore, all public and private sectors have to be involved for the fight against corruption to be credible.

Board of Directors Meeting No. 1/2014 held on 4 March 2014 passed a resolution approving the anti-corruption policy and the company announced that it had joined to participate Collective Action Coalition (CAC) enacted by Thai Private Sector on 7 August, 2015.

During the year 2016, the company has developed the handbook on the anti-corruption policy and corruption risk assessment. It has informed and educated all employees that they are not allowed to accept money, gifts, hospitality and other form of rewards from related parties ,even it is for self or company interest.

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 Group employees are most valuable resource that drive the organization and society's sustainability. Therefore, the Company has established a general framework for equal treatment in employment and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces as well as have the opportunity to advance their career. Also, the company will not engage in or support discrimination in gender, religion and national or social origin.

Furthermore, the Company recognizes the important of knowledge, skill and speciality enhancement as these can be used to improve efficiency and development of services, which will benefit the company. The company also has set up policy to encourage employee, in both executive and operational levels, to train and develop themselves regularly to perform better at their jobs. Both in-house and public training and workshop are offered to all employees.

- Annual Coffee Talk 2016: Set up by human resources and information technology departments on 18 March 2016
- Safety Training course for "certified controllers, rescuers and workers" of Confined Spaces on 24-25 September 2016
- Fire Emergency and Evacuation training 2016 on 20 October 2016
- Employees' Provident Fund information on 27 October 2016 in session: What is the purpose of the contribution in provident fund?



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.

- Annual Liquefied Petroleum Gas (LPG) Cylinder Filling training 2016 for employees - This training set up twice a year
- Basic knowledge on law related Liquefied Petroleum Gas (LPG) training by department of energy business, Ministry of Energy

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;

- Use of resources in a sustainable way by following the Principles of 3R
 - Reduce is to decrease the amount of trash generated. For example, avoid excess packaging by choosing large containers instead of several small ones, purchase product that are less harmful to the environment, etc.
 - Reuse is to use an item again after it has been used. For example, use an empty container to hold various office supplies, use the paper or plastic bag again and again, use both sides of a sheet of paper for printing, etc.
 - Recycle is the process of converting waste materials into reusable objects. We encourage employees to classify the waste and collect all office recyclable waste such as glass, paper plastic, metal and aluminum and sell it to recycling companies.
- Water and Electricity Saving Campaigns

The Company has launched water and electricity saving campaign. All lights will be switched off during lunch break or when nobody is using as well as water has to be saved for consumption.

- Support for Eco-Friendly Products

In using any products, the Company will determine the environmental of such product and purchase only eco-friendly products, such as recycled paper product.



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. In 2015, the Group has supported community and society development by involved in following activities:

- Donate adult diapers to Bangkhae Home Foundation 2
- Donate educational materials to Buriram Technical Collage
- Donate educational materials to Yasothon College
- Donate educational materials to King Mongkut's University of Technology Thonburi (KMUTT)
- Donate educational materials to Rajamangala University of Technology Lanna (RMUTL)



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.

The company provides electric motorcycles to Mechanical Engineering department, Chulalongkorn University for research and experiment purpose.



Shareholders & Management Structure

Shareholders Structure

Takuni Group PLC. had registered capital of 600,000,000 baht and paid-up capital of 400,000,000 baht at 0.5 baht per share. Top Fifteen of The Shareholders as of January 27, 2017 are as follow:

	Shareholders		No. of Shares	%
1	Mr. Takool	Treeweeranuwat	170,845,801	21.36
2	Ms. Nita	Treeweeranuwat	152,610,002	19.08
3	Mr. Prasert	Treeweeranuwat	129,472,993	16.18
4	Ms. Nitikarn	Wanich Jindhapras	28,361,801	3.55
5	Mr. Chaowarat	Wetpinyo	14,819,800	1.85
6	Mr. Jare	Jiantanakanon	8,220,000	1.03
7	Mr. Paramate	Tungchalermkul	6,122,600	0.77
8	Mr. Sittipon	Kongpanichchok	5,862,396	0.73
9	Mr. Sittawee	Kiatchawanun	5,437,638	0.68
10	Thai NVDR Company Limited		4,709,119	0.59
11	Mr. Somchai	Kittidutsadeethum	4,000,000	0.50
12	Mr. Narindersing	Duwa	3,950,000	0.49
13	Mr. Tanet	Charoenchai	3,660,000	0.46
14	Mr. Supot	Tungchalermkul	3,600,000	0.45
15	Mr. Chumroen	Rungwattanaset	3,202,500	0.40
	Total		544,874,650	68.11

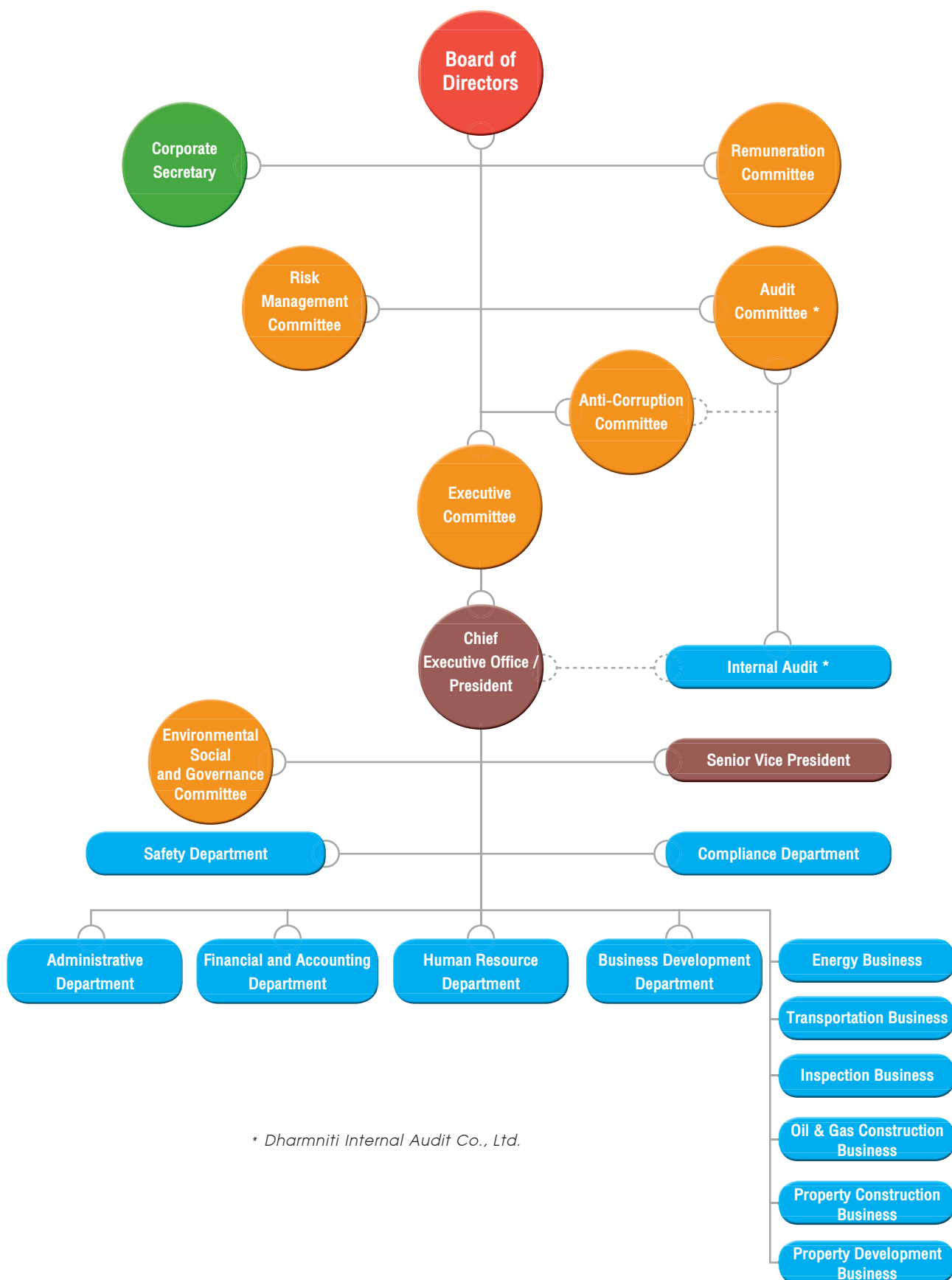
Dividend Policy

The Company and its subsidiaries has the policy of paying dividend to shareholders at no less than 40% of net profit 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.

Performance	Net profit (Company)	Share Capital	Dividend payout ratio (%)	Amount (Baht)	% Paid Dividends
2016	22,598,348	800,000,000	0.03125	25,000,000	110.63
2015	28,616,088	800,000,000	0.03270	26,156,000	91.40

TAKUNI Organization

The Board of Directors has approved the organization on the Board of Directors meeting no. 1/2560 on January 26, 2017. The management structure is as follows:



* Dharmniti Internal Audit Co., Ltd.

The corporate structure of the Company is comprised of the Board of Directors and executives. The Board of Directors has 6 committees: Audit committee /Remuneration Committee/Executive Committee/Risk Management Committee/ Anti-Corruption Committee and Environmental Social and Governance Committee.

Board of Directors

As of January 26, 2017, the Board of Directors consists of 7 directors.

- 3 independent directors (44 % Of the entire board)
- 2 Directors (Executive) (28 % Of the entire board)
- 2 Directors (28 % Of the entire board)

	First Name - Surname	Position	Date of placement	Training Role and function Skills of director ^{1/}
1.	Mr. Visit Akaravinak	Independent Director / Chairman of Director /Member of Audit Committee/ Member of Remuneration Committee	Term 1 19/12/2012 Term 2 17/4/2014 Term 3 26/4/2016	DCP / RCP
2.	Mr. Charoen Prajuntan	Independent director / Chairman of Audit Committee/ Member of Remuneration Committee	Term 1 19/12/2012 Term 2 4/4/2013 Term 3 27/4/2015	DAP / DCP / ACP / QFR
3.	Mr.Kaveewat Songsakulkiat	Independent director / Chairman of Remuneration Committee / Member of Audit Committee	Term 1 3/5/2016	DAP
4.	Mr. Prasert Treeveeranuwat	Director (Executive)/ Chairman of Executive Committee / Chairman of Risk Management Committee / Chairman of Anti-Corruption Committee	Term 1 26/3/2007 Term 2 17/4/2014	DAP
5.	Mr. Somchai Kanbuaekaw	Director/ Executive Committee	Term 1 26/4/2016	DAP
6.	Ms. Nita Treeweeranuwat	Director (Executive)/ Executive Committee	Term 1 19/12/2012 Term 2 4/4/2013 Term 3 26/4/2016	DAP / DCP / CSP / EDP
7.	Ms. Kanchana Rimpanichayakij	Director/ Executive Committee	Term 1 26/3/2007 Term 2 27/4/2015	DAP

Ms. Thanasa Kittiradanun is Corporate Secretary

Note : ^{1/}

DAP	=	Director Accreditation Program
DCP	=	Director Certification Program
RCP	=	Role of the Chairman Program
ACP	=	Audit Committee Program
CSP	=	Company Secretary Program
QFR	=	Improve the quality of financial reporting

The Company's authorized signatories

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

Board of Directors' Meeting

First Name - Surname	Number of Attendance / Number of Meetings				
	Board of Directors Meeting (9 person) 10 meetings in FY2016	Audit Committee Meeting (4 person) 6 meetings in FY2016	Remuneration Committee Meeting (5 person) 4 meetings in FY2016	Executive Board Meeting (4 person) 12 meetings in FY2016	The Independent Directors' Meeting (5 person) 2 meetings in FY2016
1. Mr. Visit Akaravinak	9/10	5/6	4/4	-	2/2
2. Mr. Charoen Prajuntan	10/10	6/6	4/4	-	2/2
3. Mr. Teerachai Arunruangsirilert (Resignation on May1,2016)	2/3	3/3	2/2	-	1/2
4. Mr. Chupong Tanasettakorn (Resignation on November 18,2016)	8/9	-	3/3	-	1/2
5. Mr.Kaveewat Songsakulkiat ^{1/}	6/6	3/3	1/1	-	1/2
6. Mr. Prasert Treeveeranuwat	10/10	-	-	11/12	-
7. Ms. Kanchana Rimpanichayakij	10/10	-	-	11/12	-
8. Ms. Nita Treeweeranuwat	10/10	-	-	12/12	-
9. MR. Somchai Kanbuakeaw ^{2/}	7/7	-	-	12/12	-

Note : ^{1/} Mr.Kaveewat Songsakulkiat Appointed as Director from the Board of Directors' Meeting 4/2559 on May 3, 2016.

^{2/} Mr. Somchai Kanbuakeaw Appointed as a Director of the General Meeting of Shareholders for the year 2559 on April 26, 2016

Corporate Secretary

The Board of Directors has resolution, on BOD1/2016 on 19 January 2016 to appoint Ms. Thanasa Kittiradanun 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
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.

	First Name - Surname	Position	Training Role and function The skill of being a company secretary ^{1/}
1.	Ms. Thanasa Kittiradanun	Corporate Secretary	CSP / CRP / ACPG

Note : ^{1/}

CSP	Company Secretary Program
CRP	Company Reporting Program
ACPG	Anti-Corruption: The Practical Guide

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 2016 Annual General Meeting of Shareholders on April 26, 2016 as follow:

Company's Committee	Monthly compensation / person	Meeting allowance per time / person
Independent Director	30,000 Baht	NO
Chairman of Audit Committee	30,000 Baht	NO
Independent Director	25,000 Baht	NO
Director (Executive)	NO	10,000 Baht
Director	NO	10,000 Baht

Directors' remuneration on a monthly basis Meeting allowance Gratuities and other incentives The total amount of not more than 2,000,000 baht.

For the year 2016, the Board of Directors Audit Committee and Nomination and Remuneration Committee in the form of meeting allowances as follows:

	First Name - Surname	Directors' remuneration	Meeting allowance	The directors' Gratuities (based on Performance of FY 2016)	Total (Baht)
1.	Mr. Visit Akaravinak	360,000.00	-	60,578.98	420,578.98
2.	Mr. Charoen Prajuntan	360,000.00	-	67,309.97	427,309.97
3.	Mr.Kaveewat Songsakulkiat	199,186.86	-	33,654.99	232,841.85
4.	Mr. Teerachai Arunruangsirilert (Resignation on May 1, 2016)	100,000.00	-	23,558.49	123,558.49
5.	Mr. Chupong Tanasettakorn (Resignation on November 18, 2016)	264,166.78	-	37,020.49	301,187.27
6.	Mr. Prasert Treeveeranuwat	-	100,000.00	33,654.99	133,654.99
7.	Ms. Kanchana Rimpanichayakij	-	100,000.00	33,654.99	133,654.99
8.	Ms. Nita Treeweeranuwat	-	100,000.00	33,654.99	133,654.99
9.	Mr. Somchai Kanbuaekaw	-	70,000.00	23,558.49	93,558.49
	Total	1,283,353.64	370,000.00	346,646.36	2,000,000.00

- Other forms of compensation or welfare
 - No

Executive

As of December 31, 2016, the Company consist of 7 executives and paid out the 2016 remuneration in the form of salary, bonus and contribution fund as follow:

	First Name - Surname	Position
1.	Mr. Prasert Treeveeranuwat	Executive Chairman and Managing Director
2.	Ms. Kanchana Rimpanichayakij	Deputy Managing Director and Deputy Managing Director, Financial and Accounting Department
3.	Ms. Nita Treeweeranuwat	Executive Director and Deputy Managing Director, Purchasing Department
4.	Mr. Charoenchai Amnajsomboonsuk	Executive Director and Deputy Managing Director, Security Department
5.	Ms. Chatprapa Chansri	Executive Director and Deputy Managing Director, Sales Department
6.	Mr. Tossaphol plitaporn ^{1/}	Vice President Human Resource Department
7.	Mrs. Thitima Tanapakit	Financial and Accounting Manager

Note : ^{1/} Mr. Tossaphol plitaporn Appointed on November 1, 2016.

The Board of Directors Meeting No. 1/2560 held on January 26, 2016, has appointed the change of management positions for the appropriate management and quality. In line with the organization's strategy as follows:

First Name - Surname		Position
1.	Mr. Prasert Treeveeranuwat	Chief Executive office /President Acting Vice President Business Development Department / Acting Vice President Energy Business/ Acting Vice President Oil & Gas Construction Business/ Acting Vice President Property Construction Business / Acting Vice President Property Development Business
2.	Ms. Nita Treeweeranuwat	Vice President Administrative Department
3.	Mr. Tossaphol plitaporn	Vice President Human Resource Department
4.	Mr. Charoenchai Amnajsomboonsuk	Vice President Inspection Business
5.	Ms. Chatprapa Chansri	Vice President Transportation Business
6.	Mrs. Thitima Tanapakit	Vice President Financial and Accounting Department

Management Remuneration

In 2016 and 2015, the Company and its subsidiaries The Company's management is paid in the form of salaries, bonuses and provident funds. And other returns as follows:

(Unit: Million Baht)

Management Remuneration	2016 (12 person)	2015 (6 person)
<u>Remuneration</u>		
Salary	17.62	9.29
Bonus	1.28	1.35
<u>Other compensation</u>		
Provident Fund ^{1/}	0.21	0.18
Car allowance	Yes	Yes
Total	19.11	10.82

Note : ^{1/} The Company and its subsidiaries Provident fund is provided by the contribution company at a rate of 2% of salary. In the year 2016, CAZ (Thailand) Company Limited has no bonus and no provident fund.

Staff

As of December 31, 2016 and 2015, 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 2016	31 December 2015
Sales	5	6
Human Resources	5	7
Finance and Accounting	17	17
Purchasing	2	2
IT	2	2
Compliance	2	2
Warehouse-Gas	8	6
Total	41	42

Takuni (Thailand) Company Limited

Division	Number of Staff	
	31 December 2016	31 December 2015
General Services	16	9
Engineering	13	7
Warehouse	1	-
Human Resources	8	9
Total	38	27

Rajchapluak Engineering Company Limited

Division	Number of Staff	
	31 December 2016	31 December 2015
Management	2	1
Test and Inspect	83	84
Administration	12	19
Security	6	2
Sales	6	2
Total	109	108

G Gas Logistics Company Limited

Division	Number of Staff	
	31 December 2016	31 December 2015
Transportation	32	36
Total	32	36

CAZ (THAILAND) COMPANY LIMITED^{1/}

Division	Number of Staff	
	31 December 2016	31 December 2015
Factory	18	-
Construction	101	-
support	15	-
Total	134	-

Note : ^{1/} CAZ is a subsidiary of the Company on April 7, 2019. Takuni (Thailand) Company Limited, a subsidiary of the Company Shareholding at 51.30%

As of December 31, 2016 and 2015, the total number of the Company's employees (not include executive) is 354 employees and 213 employees, respectively. Total amount of compensation which is in cash form (salary, bonus, contribution fund, and social insurance and overtime fee) is 193.18 Million Baht for 2016 and 52.30 Million Baht for 2015. 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.

Board of Directors, Executives, and Control Authorities

Name Position		Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
				Period	Position	Sector/Company
1	Mr. Visit Akaravinak	69	Master Degree : - Sasin Graduate Institute of Business Administration Bachelor Degree : - Engineering (Electrical) faculty, Chulalongkorn University Training Experience : - Diploma Executive Program Capital Market Academy (CMI 6) - DCP 49/2004, RCP 12/2005 Thai Institute of Directors Association	2012 – Present Present Present	Independent Director Chairman of Director /Member of Audit Committee/ Member of Remuneration Committee Specialized Committee Member for National Standard Senior Engineer Expert Committee	Takuni Group PLC. Ministry of Industry Engineering Institute of Thailand
2	Mr. Chareon Prajumtan	69	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, QFR 4/2006 Thai Institute of Directors Association	2016 – Present 2014 – Present 2012 – Present	Independent director / Member of Audit Committee Independent director / Chairman of Director Independent director / Chairman of Audit Committee/ Member of Remuneration Committee	KSL Green Innovation PCL. PAE (Thailand) PCL. Takuni Group PLC.

Name Position	Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
3 Mr. Kaveewat Songsakulkiat	60	Bachelor Degree : - Accounting Rajamangala University of Technology - General Administration Ramkhamhaeng university - Advanced Diploma of Accountancy Thammasat University - Certified Public Accountant The Federation of Accounting Professions Training Experience : - DAP 134/2017, Thai Institute of Directors Association	2016 - Present	Independent director / Chairman of Remuneration Committee / Member of Audit Committee	Takuni Group PLC.
			2015 - Present	Chairman, Academic Subcommittee on Accounting	Association of Accounting and Law Offices
			2008 - Present	Financial and accounting consultants	Kantana Group PCL.
4 Mr. Somchai Kanbuakeaw	68	Bachelor Degree : - Science (Mechanical) Sriprathum university - Science (Mechanical) College of Technology and Vocational Education Training Experience : - DAP 129/2016 Thai Institute of Directors Association	2016 - Present	Director/ Executive Committee	Takuni Group PLC.
			2015 - Present	Director	Takuni (Thailand) Co., Ltd
			2015 - Present	Director	Rajchaplueng Engineering Co., Ltd.
			2015 - Present	Director	G-Gas Logistics Co., Ltd.
			2015 - Present	Director	CAZ (Thailand) Co., Ltd
			1972 - 2008	Specialist	Department of Energy Business

Name Position	Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
5 Mr. Prasert Treeveeranuwat Husband of Ms. Kanchana Rimpanichayakij Father of Miss Nita Treeweeranuwat	55	High School : Bodindecha (Sing Singhaseni) School Training Experience : - DAP 103/2013 Thai Institute of Directors Association	2016 - Present	Director	CAZ (Thailand) Co., Ltd
			2007 - Present	Director (Executive)/ Chairman of Executive Committee / Chairman of Risk Management Committee / Chairman of Anti-Corruption Committee / Chief Executive office / President Acting Vice President Business Development Department / Acting Vice President Energy Business/ Acting Vice President Oil & Gas Construction Business / Acting Vice President Property Construction Business / Acting Vice President Property Development Business	Takuni Group PLC.
			2002 - Present	Managing Director	Takuni (Thailand) Co., Ltd
			2000 - 2015	Director	G-Gas Logistics Co., Ltd.
			1995 - 2015	Executive	Rajchapluek Engineering Co., Ltd.

Name Position	Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
6 Ms. Kanchana Rimpanichayakij Wife of Mr. Prasert Treeveeranuwat Mother of Miss Nita Treeweeranuwat	57	Bachelor Degree : Business Administration College, Assumption University Training Experience : - DAP 103/2013 Thai Institute of Directors Association	2012 - Present 1995 - 2015	Director/ Executive Committee Director	Takuni Group PLC. Rajchapluak Engineering Co., Ltd.
7 Ms. Nita Treeweeranuwat Child of Mr. Prasert Treeveeranuwat and Ms. Kanchana Rimpanichayakij	30	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 : - EDP 2017 , TLCA - DAP 100/2013, CSP 52/2013 , DCP 208/2015 Thai Institute of Directors Association	2016 - Present 2015 - Present 2012 - Present 2011 - Present 2010 - 2011	Managing Director / Director Director Director (Executive)/ Executive Committee / Vice President Administrative Department Engineer	Takuni Land Co.,Ltd. CAZ (Thailand) Co.,Ltd. Takuni (Thailand) Co.,Ltd. Takuni Group PLC. Rajchapluak Engineering Co.,Ltd.
8 Ms. Chatprapa Chansri	50	Bachelor Degree : - Human Resource Management, Rajabhat Institute Bansomdej Chao Phraya	2013 - Present 2010 - Present	Executive Committee / Vice President Transportation Business Managing Director/ Director	Takuni Group PLC. G-Gas Logistics Co., Ltd.

Name Position	Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
9	Mr. Charoenchai Amnajsomboonsuk	58	2013 - Present	Executive Committee / Vice President Inspection Business	Takuni Group PLC.
				Managing Director Director	Rajchapluek Engineering Co., Ltd.
10	Mr. Tossaphol plitaporn	44	2016 - Present	Executive Committee / Vice President Human Resource Department	Takuni Group PLC.
				Senior Vice President - The Crane Academy	CHU KAI PLC.
			2015 - 2016	Training and Education Manager	Cho Thavee PLC.
				Chief of Psychiatric Social Worker Department	Faculty of Medicine Ramathibodi Hospital. Mahidol Univesity
			2014 - 2015		
			2004 - 2013		

Name Position	Age (Years)	Educational Credential /Training Experience	Working Experience in last 5 years		
			Period	Position	Sector/Company
11 Mrs. Thitima Tanapakit	36	Master Degree : - Graduate Business, Thammasat University Bachelor Degree : - Faculty of Commerce and Accountancy, Thammasat University	2013 - Present	Executive Committee / Vice President Financial and Accounting Department	Takuni Group PCL.
			2011 - 2013	Internal Audit Manager	Baker Tilly Risk and Management Services
			2004 - 2008	Senior Auditor	Pricewaterhouse Coopers ABAS.

Board of Directors and Executives Shareholding

Name	Common Stock		
	27 January 2017	25 January 2016	Change (26.1.2016)
1. Mr. Visit Akaravinak	-	-	-
2. Mr. Chareon Prajuntan	-	-	-
3. Mr. Kaveewat Songsakulkiat	-	-	-
4. Mr. Somchai Kanbuakeaw	-	-	-
5. Mr. Prasert Treeveeranuwat	129,472,993	151,472,993	(22,000,000)
6. Ms. Kanchana Rimpanichayakij	-	51,217,487	(51,217,487)
7. Ms. Nita Treeveeranuwat	152,610,002	101,392,515	51,217,487
8. Ms. Chatprapa Chansri	-	-	-
9. Mr. Charoenchai Amnajsomboonsuk	-	-	-
10. Mr. Tossaphol plitaporn	-	-	-
11. 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 January 27, 2017 Mr. Prasert Treeveeranuwat, and daughter holds 56.62% of paid-up capital of company and Mr. Prasert take a position of company's Managing Director and Executive Chairman
Middle G Co, .Ltd. (Gas Station)	Mr. Prasit Treeveeranuwat, a managing partner, is brother of Mr. Prasert Treeveeranuwat who is a company's shareholder and Managing Director.
Vera Ltd., Part. (Gas Station)	
Pranee Petroleum Co, .Ltd. (Gas Station)	
SVP Sampran Petroleum Co., Ltd. change to Dragon Petroleum Co, .Ltd. (Gas Station)	Ms. Prapat Treeveeranuwat, a shareholder, is a younger brother of Mr. Prasert Treeveeranuwat who is a company's shareholder and Managing Director.
SVP Kalpapluak Petroleum Co, .Ltd. (Gas Station)	

Related Party Transactions

Transactions	Related Party	Descriptions	Transaction (Million Baht)		Audit Committee's Opinion
			FY2016	FY2015	
1. Revenue from LPG Trading	- Middle G	TAKUNI provides LPG to this related party.	13.50	14.04	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.
	- Dragon Petroleum		-	0.61	
	- Pranee Petroleum		6.21	8.10	
	- SVP Kanlapapluek Petroleum		3.37	6.41	
2. Revenue from LPG Transportation	- Vera	GG provides LPG	0.22	0.26	This is considered as normal business transaction. 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.
	- Dragon Petroleum	transportation service to this related party.	-	0.03	
	- SVP Kanlapapluek Petroleum		-	0.06	
3. Revenue from sell and services	- Middle G	TT sells spare parts of gas piping system to these related party.	0.09	0.05	This is considered as normal business transactions. All selling price and sales 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.

Transactions	Related Party	Descriptions	Transaction (Million Baht)		Audit Committee's Opinion
	- Middle G	RE provides testing and inspection service to these related parties.	0.088	0.009	These are considered as normal business transactions. All service rate and condition are the same as other customers.
	-Vera		0.007	0.010	
	-Pranee Petroleum		-	0.010	The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.
	-SVP Kanlapapluek Petroleum		0.006	0.006	
4. Other income	- Middle G	TAKUNI provides training service to these related parties	-	0.003	<p>These are considered as normal business transactions. All service rate and condition are the same as other customers.</p> <p>The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.</p>

Policies of the connected transactions in the future

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, the company's auditor has audited the consolidated financial statements and independently gives 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 protecting the company's assets and preventing corruption or materially abnormal operation. The board also has appointed the Audit Committee which consists of independent directors who are responsible for governing the consolidated financial statements, evaluating and reviewing the internal control system to ensure its efficiency and effectiveness. The opinion of the Audit Committee also appears in the Audit Committee's report which is presented in the annual report.

Board of Directors is of the opinion that company's internal control system and internal audit can provide confidence for all stakeholders that the consolidated and company financial statements of Takuni Group Public Company Limited and its subsidiaries present fairly the consolidated and company financial position, results, and cash flows of Takuni Group Public Company Limited and its subsidiaries and of Takuni Group Public Company Limited in all material aspects.

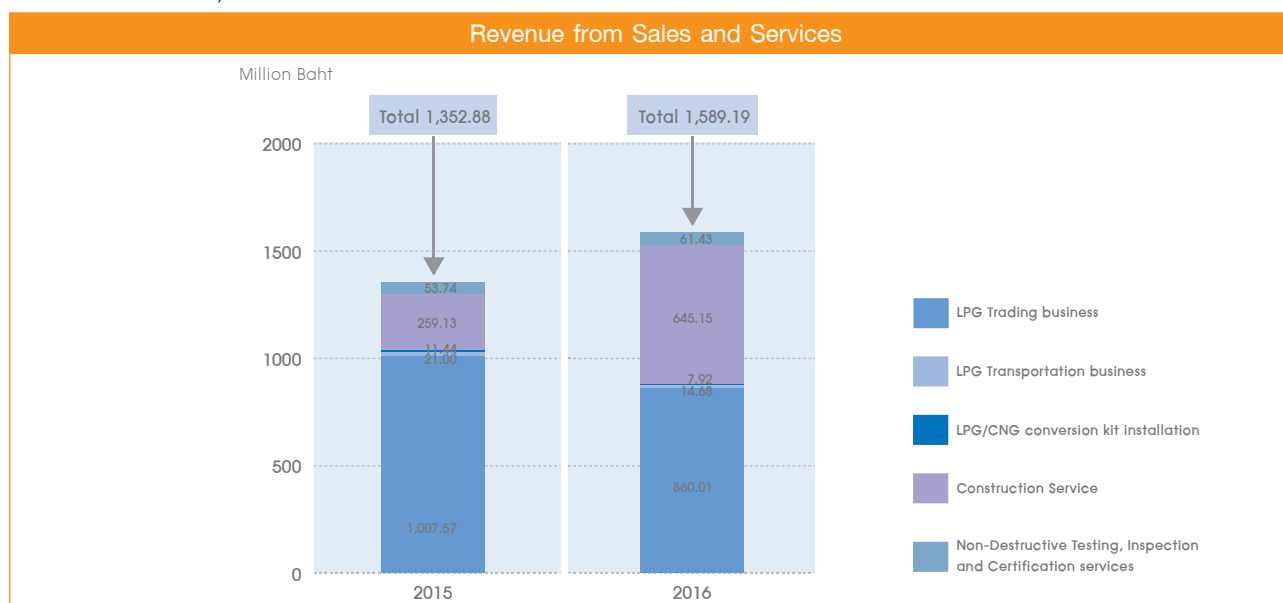
(Mr. Visit Akaravina)
Chairman of Director

(Mr. Prasert Treeveeranuwat)
Chief Executive Officer / President

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 5 groups: LPG trading business, LPG transportation service, LPG/CNG conversion kit installation for passenger cars, construction service 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 increased from 1,352.88 Million Baht in 2015 to 1,589.19 Million Baht in 2016 because the Group has included construction service revenue of CAZ (Thailand) Co., Ltd. ("CAZ") since 7 April 2016 in the consolidated financial statements. The Group has step acquisition of investment in CAZ, which result in changing the status of investment from associated to be subsidiary.

The Group recorded revenue from construction service for the year 2016 amounting of 645.15 Million Baht, increased 148.97% from the precious year which was 259.13 Million Baht. However, from the Company's revenue by business unit, LPG trading and construction service were the largest portion, which is 54.12% of total revenue, and 40.60% of total revenue, respectively.

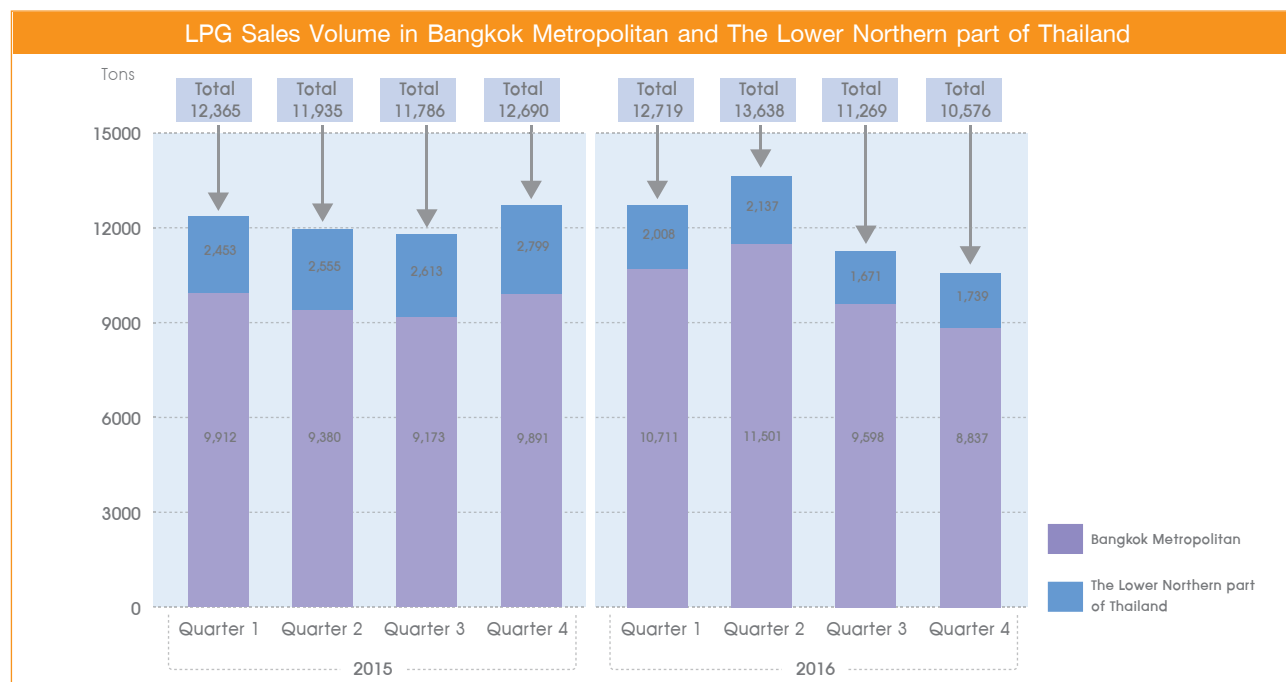
1. Revenue

Revenue from LPG Trading

Revenue from sales of LPG of the Group is one of 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 2015 and 2016 are as follow:

Unit : Ton	2016	2015
LPG sales volume	48,202	48,775
Selling Price per ton	17,842	20,657

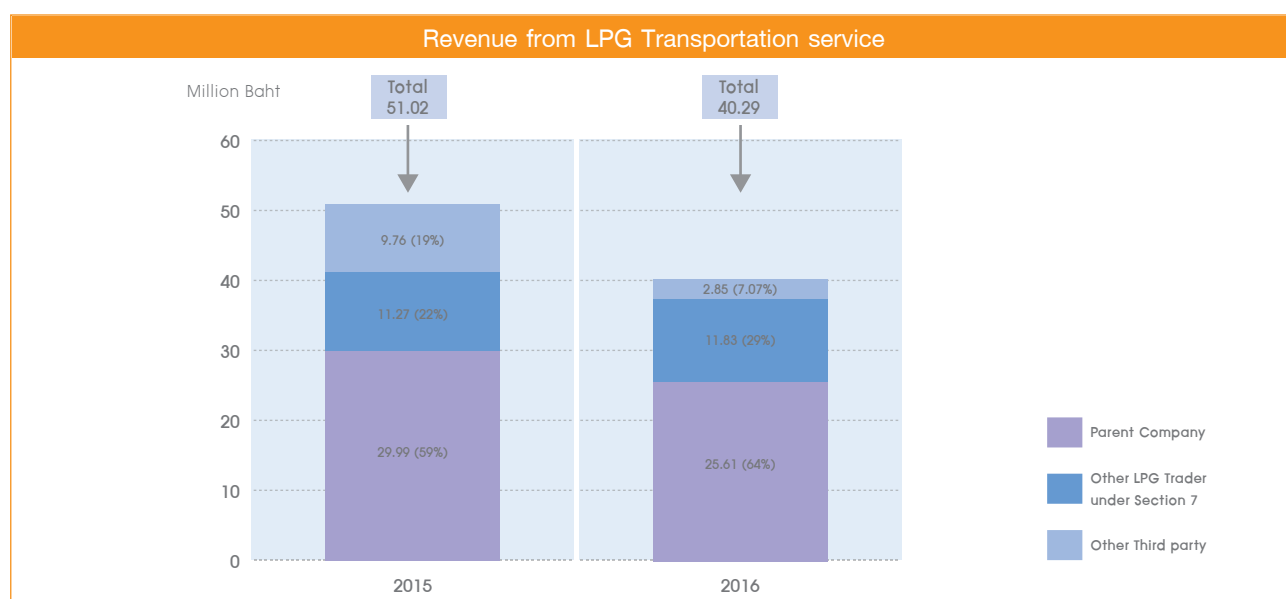
Decreased in selling price compared to the last year was resulted from LPG pricing of the board of National Energy Policy office and LPG price war by LPG trading under section 7. The decreasing of petrol price during the past few years make demand of LPG usage in automotive section decreased. The decreased sales volume can be clearly seen through the graph.



The Group believe that LPG usage in automotive section will continuously decrease because there are more options on fuel used as well as global oil price affect the usage in automotive section.

Revenue from LPG Transportation

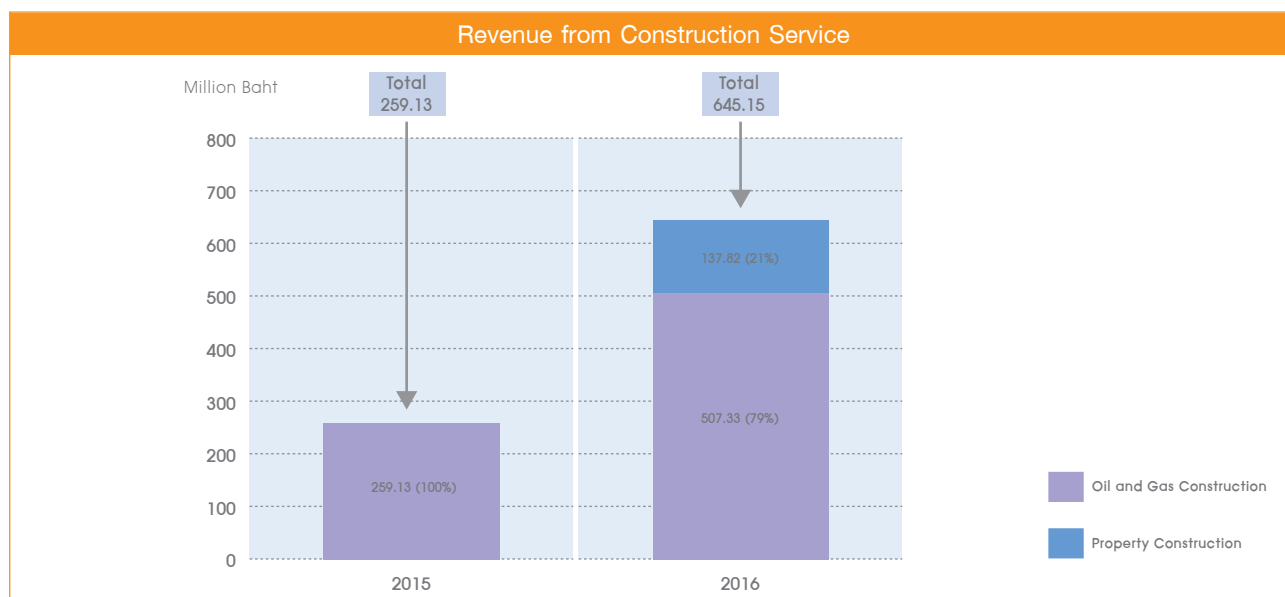
Currently, the Company provides LPG transportation service mainly its subsidiaries. Revenue from LPG transportation in 2016 is 40.29 Million Baht, decreased from last year revenue which was 51.02 Million Baht - by 21.03% due to decreased in LPG sales volume by the Company.



Revenue from LPG transportation to others which present in 2016 consolidated financial statement, 14.68 Million Baht, has been slightly decreased from last year amount, 21.03 Million Baht, by 30.19% due to the decreased in number of trip of internationally LPG transportation. However, the Group has started Ammonia transportation service since November 2016, which already recognized revenue 0.47 Million Baht and transportation service for raw material for construction since October 2016, which generated revenue 0.60 Million Baht in the consolidated financial statements.

Revenue from Construction service

Revenue from construction service sharply increased because the Group has step acquisition of investment in construction business (CAZ) to be 51.30% on 7 April 2016 and included service income from oil and gas construction for



the year 2016 amounting of 458.78 Million Baht in the consolidated financial statements.

During 2016, the Group has recorded revenue by percentage of completion for property construction amounting of 137.82 Million Baht and LPG terminal amounting of 39.20 Million Baht, which less than the previous year LPG terminal revenue of 248.15 Million Baht.

As at 31 December 2016, the Group has backlog for construction service in oil and gas sector totaling of 300.31 Million Baht and received letter of intent totaling of 351.10 Million Baht. The remaining revenue for property construction amounting of 31.93 Million Baht is expected to recognize within the first quarter of 2017.

Revenue from Non-Destructive Testing and Inspection service

Revenue from Non-Destructive Testing and Inspection service increases from 53.74 Million Baht in last year to 61.43 Million Baht, accounting for 14.31%, due to the increased in CNG cylinder and LPG terminal inspection service.

Other revenue

Other revenue of the year 2016 was 63.55 Million Baht, comprised of interest income from short-term investment, gain on disposal of fixed asset, gain from sale investment in associate (Well Korat Energy Co., Ltd.) amounting of 25.42 Million Baht, and Gain from re-measured to fair value of investment in associate (CAZ) before the step acquisition on 7 April 2016 amounting of 19.26 Million Baht.

2. Cost of Sales and Services

Cost of LPG Sales

Cost of LPG sales are comprised of fuel, transportation, and through-put charge. In 2016, LPG pricing of the board of National Energy Policy office and LPG price war by LPG trading under section 7 lessen profit margin from 7.16% in 2015 to 6.05% in 2016.

Cost of LPG Transportation

The costs of transportation service are comprised of fuel, personnel, vessel repair and maintenance and depreciation. The Group average costs of transportation in 2016 has no significant change from last year. This results in slightly decreased gross profit, from 20.79% in 2015 to 20.00% in 2016.

Cost of Construction service

The costs of construction service are mainly comprised of material, labor (both for employee and subcontract), design, consultant, and depreciation of tools and equipment. For oil and gas construction, material and labor cost are 84% of total cost of service.

However, there is probable that total contract costs will exceed total contract revenue, the Group recognized the expected loss from property construction amounting of 24.32 Million Baht in the 2016 consolidated financial statements. This result in the decreased of gross profit margin from 27.33% for the year 2015 to be 5.01% for the year 2016.

Cost of Non-Destructive Testing and Inspection service

The costs of testing and inspection service are mainly comprised of personnel and indirect material at the ratio to cost of services of 77%. However, gross profit margin for 2016 was 38.09%, less than the prior year which was 44.63%, because service cost for engineer has increased.

3. Selling and Administration Cost

Selling and administration of the Group according to 2016 consolidated financial statements was 120.08 Million Baht, accounting for 7.56% of total sales and services, and are comprised of transportation, staff and depreciation expense. The amount has increased from last year expense which was 85.61 Million Baht, accounting for 40.26%. The increased in selling and administrative expense mainly came from personnel expense due to increased wages, number of employees and the consolidated financial statements has included expense of oil and gas construction service sector since 7 April 2016, amounting of 34.90 Million Baht (61% was staff cost). However, LPG transportation expense is decreased in line with LPG sales volume in 2016.

4. Share of profit (loss) from associates

The Group recognized loss on sharing from investment in associated (Well Korat Energy) amounting of 21.15 Million Baht before disposal on 30 June 2016. The Group recognized gain on investment in associated (CAZ) amounting of 0.47 Million Baht before step acquisition on 7 April 2016.

5. Profit Ability

The Group's gross profit according to the 2016 consolidated financial statements was 115.28 Million Baht, accounting for 7.25% per sales. The amount was decreasing from 2015 which total gross profit was 156.57 Million Baht, accounting for 11.57% per sales. This mainly resulted from recognition of loss from property construction in the consolidated financial statements.

Net profit attributable to the parent company in 2016 was 16.50 Million Baht, decreased from 2015 which net profit was 65.38 Million Baht, accounting for 74.78%. The sharply decreasing in net profit was resulted from gross profit on property construction service and sharing loss from investment in associated.

Financial Position

(Unit: Million Baht)	31 December 2016	31 December 2015	Changes
Assets			
Cash and cash equivalents	286.51	90.10	196.41
Short term investments	69.97	-	69.97
Trade and other receivables - net	310.19	128.87	181.32
Short-term loans to related party	-	84.45	(84.45)
Inventories - net	31.62	43.04	11.42
Pledged and restricted bank deposits	67.36	40.45	26.91
Investments in associates	-	167.24	(167.24)
Property, plant and equipment	519.55	203.14	316.41
Goodwill	19.38		19.38
Other assets	54.38	13.09	41.29
Total assets	1,358.96	770.38	588.58
Liabilities and shareholders' equity			
Trade and other payables	162.74	84.68	78.06
Borrowing from financial institutions	290.48	248.27	42.21
Financial Lease Liabilities	5.63	3.89	1.74
Other liabilities	42.48	18.36	24.02
Shareholders' equity	857.63	415.18	442.45
Total liabilities and shareholders' equity	1,358.96	770.38	588.58

Total Asset

The value of total assets as at December 31, 2016 was 1,358.96 Million Baht, increased 588.58 Million Baht from 2015 by 76.40% due to following reasons:

- Cash and cash equivalents, Pledged and restricted bank deposits, and Temporary investments significantly increased from the previous year because the Company has received cash from the rights offering to the existing shareholders totaling 400 million shares in January 2016. The Company also invested in short-term investment and deposited as collateral for letter of guarantee for the Group's construction service.
- Trade and other receivables increased from the last year because the Group has included trade receivables, accrued income and withholding tax deducted at source of CAZ into the consolidated financial statements amounting of 204.86 Million Baht. However, trade receivable from LPG trading, transportation, testing and inspection service slightly increased amounting of 24.67 Million Baht since some of receivables have liquidity situation. However, the Group has consider allowance for doubtful account according to the policy.
- Short-term loans to related parties and Investments in associates decreased due to the selling of investment in associate (Well Korat Energy) on 30 June 2016. The Group has received all of short-term loan repayment from such a related party. Moreover, the Group has step acquisition of CAZ, the status of investment change to be subsidiary.
- Property, plant and equipment sharply increased because CAZ has purchased land, plant, and equipment during 2016 for its business operation. Moreover, the Group has purchased Ammonia Truck for transportation service as well as tools and equipment for testing and inspection service to support its business expansion.
- Goodwill increased because the fair value measurement of net asset and identify intangible asset for business combination (CAZ) under TFRS 3 Business Combination. On the acquisition date, the Group recorded goodwill amounting of 19.38 Million Baht.

Total Liabilities

The value of total liabilities as at December 31, 2016 was 501.33 Million Baht, increased from 355.19 Million Baht in 2015 by 41.14% due to following reasons:

- Trade and other payables increased from 84.68 Million Baht to be 162.74 Million Baht because the Group has included trade payables, unearned income and accrued expense of CAZ into the consolidated financial statements amounting of 106.22 Million Baht. However, trade payable of the Company slightly decreased due to less LPG volume purchase compared to the same period of previous year.
- The Group has repaid short-term borrowings from financial institutions amounting of 214.17 Million Baht, which was for investment in associated company, from cash flow received from the right offering in January 2016. However, long-term bank borrowings increased during the year because of loan for PPE purchase to support the Groups' business operation and expansion, especially in construction, transportation, and testing and inspection service
- Other liabilities increased from 18.36 Million Baht to be 42.48 Million Baht mainly because of retention deducted to subcontractor and dividend payable to the CAZ shareholders before the additional business combination on 7 April 2016.

Shareholders' equity

The value of total shareholders' equity as at December 31, 2016 was 857.63 Million Baht, which equity attributable to owners of the parent was 804.19 Million Baht. It has been increased from 2015 which was 415.18 Million Baht, by 106.57% due to the rights offering to the existing shareholders totaling 400 million shares in January 2016, with exercise price 1 Baht (par value 0.50 Baht per share). Thus, issued and paid-up share capital and premium on paid-up capital increased 398.88 Million Baht from last year.



Takuni Group Public Company Limited

AUDITOR'S REPORT AND Statement of Financial Position

Statement of Financial Position

As at 31 December 2016

Independent Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements of Takuni Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>1) Business combination</p> <p>Refer to investments in subsidiaries and associates in Note 11.</p> <p>On 7 April 2016, the Group acquired additional shares of CAZ (Thailand) Co., Ltd. (CAZ), which engaged in construction. The purchase consideration was Baht 69.53 million consisted of Baht 4 million in cash, Baht 6.63 million in dividend payments to former shareholders and Baht 58.90 million from the fair value of the previously held interest in CAZ before the acquisition date. The purchase of additional shares resulted in the shareholding increase from 47.72% to 51.30%. The Group had obtained control over CAZ (Step acquisition) since then. Management assessed that the acquisition of CAZ meets the definition of a business combination in Thai Financial Reporting Standards no.3 (TFRS 3) – Business Combination.</p> <p>Management determined that the fair value of the net identifiable assets acquired is Baht 97.76 million, which were mostly trade and other accounts receivable of Baht 52.77 million, accrued revenue of Baht 139.95 million, trade and other payables of Baht 87.82 million and borrowings of Baht 66.00 million. The Group recognised goodwill of Baht 19.38 million in the consolidated financial statements. The valuation of identified assets and intangible assets was performed as part of the purchase price allocation and the valuation of those assets is in accordance with a business combination according to TFRS 3.</p> <p>I focused on the measurement of acquired identifiable assets and the intangible assets arising from the business combination, such as significant contracts, and goodwill on acquisition date. This is because the fair value of acquired assets and intangible assets involved a significant area of judgement using assumptions in determining related fair value such as revenue, gross profit rate and discount rate etc.</p>	<p>I evaluated management's judgement about the assessment of the business combination of CAZ whether the measurement of fair value was appropriate and in accordance with the requirements for a business combination under TFRS 3.</p> <p>I assessed the appropriateness of the identifiable assets acquired and liabilities assumed at the acquisition date by examining the clauses laid out in the memorandum of understanding and making enquiries with management about the reasons for the acquisition. I examined management's procedures for determining the fair value of the net identifiable assets acquired, such as the estimation of the allowance for doubtful accounts based on the assessment of the aging report. I also made further enquiries whether there are other identifiable assets and liabilities acquired but not identified in the memorandum of understanding.</p> <p>In addition, I assessed the appropriateness of key assumptions used in the fair value measurement of CAZ's significant contracts, including the method used in determining the fair value of significant contracts made by management to evaluate whether the assumptions used, such as revenue, gross profit rate and discount rate, were consistent with the underlying contracts, historical data, and industry, and to assess whether the method used by management was comparable to that generally used for industry. I also engaged an auditor's expert to evaluate the appropriateness of method used and the assumptions made by management.</p> <p>I tested the calculation of goodwill from the business combination of CAZ, which was a difference between the consideration paid and fair value of the acquired assets of Baht 19.38 million which was determined by management based from the highly-skilled and highly-experienced workers that will help reduce costs and expand the business.</p> <p>Based on my procedures performed, I found that the assumptions used in identifying the fair values of identifiable assets and intangible assets arising from the business combination were reasonable and in line with the accounting for the business combination.</p>

Key audit matter	How my audit addressed the key audit matter
<p>2) Revenue recognition under construction contracts</p> <p>Refer to critical accounting estimates and assumptions in Note 4.1, revenue recognition in Note 2.21 and trade and other receivables in Note 9.</p> <p>The Group recognises revenue from construction contracts arising from property and procurement and construction of oil and gas systems by using the percentage of completion method. The stage of completion is measured based on the proportion of contract costs incurred for the work performed to date compared to the estimated total cost of the project.</p> <p>The total cost of construction contracts is determined by estimating the costs from the reports of raw materials, direct labour, and overhead costs that are directly related to the construction project. This also needs management's judgement to estimate the total expected cost of construction until its completion for each project.</p> <p>I focused on the total estimated cost of construction contracts and the appropriateness of management's assessment of the portion of work already completed due to the magnitude of the amount. The revenue from the construction contracts was significant, representing 40.6 % of total revenue in the consolidated financial statements. Moreover, this matter related to the fact that management had used significant judgement in the preparation of budget costs and reviewing the estimation of percentage of completion for each project and the consideration on any potential provision for project loss.</p>	<p>I understood and evaluated the budgeting process for estimating the construction cost of each project and the method management made the estimation, which was significant to estimating the percentage of completion.</p> <p>I assessed the appropriateness of the percentage of completion as well as the appropriateness and accuracy of information used to calculate the cost of the construction project and the actual costs incurred during the year, and also tested the calculation of revenue recognised during the year.</p> <p>I tested the actual costs incurred by:</p> <ul style="list-style-type: none"> • inspecting the actual costs incurred with invoices or receipts • reconciling the actual costs incurred with the inventory details for the construction project, and • testing the completeness of actual costs incurred by focussing on the cut-off expenses related to the construction costs. <p>Regarding the estimated cost, I made enquiries with the project engineers and examined the estimated construction cost with supporting documents including contracts related to construction costs, purchase orders and supporting details for estimated costs.</p> <p>I also made enquiries with management and investigated any losses associated with contracts which might occur, and considered whether a provision was necessary. I found no exceptions on this issue.</p> <p>For a construction work performed at subsidiary level as audited by related subsidiary's auditors, I reviewed and assessed the adequacy of their work performed based on the key audit procedures outlined above.</p> <p>Based on my procedures performed and the evaluation of subsidiary's auditor work, I found that the key assumptions that the management used were reasonable and appropriate based on the environment and circumstances.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

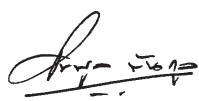
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

28 February 2017

Takuni Group Public Company Limited

Statement of Financial Position

As at 31 December 2016

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

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

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

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

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

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

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share Capital	19				
Authorised share capital					
1,200,000,000 ordinary shares at					
par value of Baht 0.5 each					
(2015 : 1,200,000,000 ordinary shares at					
par value of Baht 0.5 each)		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up					
800,000,000 ordinary shares					
paid-up of Baht 0.5 each					
(2015 : 400,000,000 ordinary shares					
paid-up of Baht 0.5 each)		400,000,000	200,000,000	400,000,000	200,000,000
Premium on paid-up capital					
ordinary shares	19	305,527,766	106,643,230	305,527,766	106,643,230
Share surplus from business					
combination under common					
control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated - Legal reserve	21	5,450,000	4,320,000	5,450,000	4,320,000
Unappropriated		72,571,964	83,582,860	25,162,591	29,850,243
Equity attributable to owners of					
the parent		804,186,020	415,182,380	736,140,357	340,813,473
Non-controlling interests		53,440,714	-	-	-
Total equity		857,626,734	415,182,380	736,140,357	340,813,473
Total liabilities and equity		1,358,958,701	770,377,757	785,246,477	637,434,898

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

Takuni Group Public Company Limited

Statement of Comprehensive Income

For the year ended 31 December 2016

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

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

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

Consolidated financial statements									
	Notes	Attributable to owners of the parent							
		Issued and paid-up share capital	Premium on paid-up capital	Share surplus from business combination under common control	Retained earnings			Non-controlling interests	Total equity
					Appropriated Legal reserve	Unappropriated	Total owners of the parent		
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2015		200,000,000	106,643,230	20,636,290	2,900,000	44,183,544	374,363,064	-	374,363,064
Dividend	23	-	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)
Legal reserve	21	-	-	-	1,420,000	(1,420,000)	-	-	-
Total comprehensive income for the year		-	-	-	-	64,819,316	64,819,316	-	64,819,316
Closing balance as at 31 December 2015		<u>200,000,000</u>	<u>106,643,230</u>	<u>20,636,290</u>	<u>4,320,000</u>	<u>83,582,860</u>	<u>415,182,380</u>	<u>-</u>	<u>415,182,380</u>
Beginning balance as at 1 January 2016		200,000,000	106,643,230	20,636,290	4,320,000	83,582,860	415,182,380	-	415,182,380
Proceeds from share issued	19	200,000,000	198,884,536	-	-	-	398,884,536	-	398,884,536
Acquisition of subsidiaries	11	-	-	-	-	-	-	49,776,815	49,776,815
Dividend	23	-	-	-	-	(26,156,000)	(26,156,000)	-	(26,156,000)
Legal reserve	21	-	-	-	1,130,000	(1,130,000)	-	-	-
Total comprehensive income for the year		-	-	-	-	16,275,104	16,275,104	3,663,899	19,939,003
Closing balance as at 31 December 2016		<u>400,000,000</u>	<u>305,527,766</u>	<u>20,636,290</u>	<u>5,450,000</u>	<u>72,571,964</u>	<u>804,186,020</u>	<u>53,440,714</u>	<u>857,626,734</u>

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

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

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

Takuni Group Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2016

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

Takuni Group Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchases of investments in subsidiaries and in associates	11	(1,225,684)	(166,010,000)	-	(149,999,700)
Proceeds from sales of investments in associates	11	134,735,000	-	-	-
Purchases of property, plant and equipment and intangible assets	13, 14	(312,384,161)	(4,787,355)	(1,735,095)	(329,202)
Proceeds from sales of property, plant and equipment		8,918,965	147,509	997	-
Proceed of sales of short-term investment	8	59,798,706	-	-	-
Purchase of short-term investments	8	(129,572,536)	(232,108)	(69,716,063)	-
Loan payments received from related parties and others	28	18,568,000	30,300,000	366,436,325	40,010,000
Interest received		10,714,415	3,777,768	11,929,943	3,093,505
Loan payments received from other parties	28	202,698,425	-	-	-
Short-term loans made to related parties and others	28	(181,818,000)	(114,748,425)	(350,338,000)	(133,428,325)
Pledged and restricted bank deposits		(26,900,181)	(8,984,838)	(26,900,181)	(10,155,019)
Net cash used in investing activities		(216,467,051)	(260,537,449)	(70,322,074)	(250,808,741)
Cash flows from financing activities:					
Proceeds from short-term borrowings from financial institutions		94,588,462	214,167,306	-	214,167,306
Repayments of short-term borrowings from financial institutions		(308,755,768)	-	(214,167,306)	-
Proceeds from short-term borrowings from other parties		4,000,000	-	-	-
Proceeds from long-term borrowings from financial institutions	15	280,000,000	-	-	-
Repayments of long-term borrowings from financial institutions	15	(43,620,000)	(6,541,417)	(6,000,000)	(6,000,000)

Takuni Group Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Proceeds from increase capital	19	200,000,000	-	200,000,000	-
Proceeds from share premium	19	198,884,536	-	198,884,536	-
Dividend payments	23	(26,156,000)	(24,000,000)	(26,156,000)	(24,000,000)
Payment on finance lease liabilities		(1,180,902)	(1,788,893)	(788,015)	(1,788,893)
Net cash generated from financing activities		<u>397,760,328</u>	<u>181,836,996</u>	<u>151,773,215</u>	<u>182,378,413</u>
Net increase (decrease) in cash and cash equivalents		196,469,892	(96,737,049)	65,590,409	(74,058,968)
Cash and cash equivalents - opening balance		<u>90,038,898</u>	<u>186,775,947</u>	<u>64,632,341</u>	<u>138,691,309</u>
Cash and cash equivalents - closing balance	7	<u><u>286,508,790</u></u>	<u><u>90,038,898</u></u>	<u><u>130,222,750</u></u>	<u><u>64,632,341</u></u>
Cash and cash equivalents	7	286,508,790	90,100,398	130,222,750	64,632,341
Bank overdrafts	15	-	(61,500)	-	-
Cash and cash equivalents - closing balance	7	<u><u>286,508,790</u></u>	<u><u>90,038,898</u></u>	<u><u>130,222,750</u></u>	<u><u>64,632,341</u></u>
Non-cash transactions					
Purchases of property, plant and equipment (included in other accounts payables)		6,843,053	155,027	12,033	-
Purchases of intangible assets (included in other accounts payables)		272,214	-	-	-
Purchases of assets under finance lease		251,160	5,690,000	-	5,690,000
Disposals of property, plant and equipment (included in other accounts receivables)		-	585	-	583
Dividend payable		6,633,085	-	-	-

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

Takuni Group Public Company Limited

Notes to the Consolidated and Separate Financial Statements



For the year ended 31 December 2016

1 General information

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

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

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

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

Petroleum gas trading Gas installation equipment trading	Petroleum gas trading for household cooking, industry and transportation
Transportation services	Gas transportation services by land
Construction services	Industrial and construction services
Safety-checking services	Industrial and car gas systems safety-checking services
Others	Investing (holding) company

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

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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

2.2 Revised financial reporting standards

The Group has applied the revised financial reporting standards which are effective on 1 January 2016 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the Group.

The Group has not yet early adopted the revised financial reporting standards which are effective on 1 January 2017.

2.3 Group Accounting - Investments in subsidiaries and associates

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

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

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

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

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

(2) Transactions and non-controlling interests

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

(3) Disposal of subsidiaries

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

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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

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

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

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable

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

2.7 Inventories

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

2.8 Construction contracts

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

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

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

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

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

2.9 Investment property

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

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

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

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

Buildings	20 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.10 Property, plant and equipment

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

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

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

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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.13).

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

2.11 Goodwill

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

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

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

2.12 Intangible assets

2.12.1 Computer software

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

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

2.12.2 Contractual customer relationships

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

2.13 Impairment of assets

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

2.14 Long-term leases

Long-term leases - where the Group is the lessee

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

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

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

Long-term leases – where the Group is the lessor

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

2.15 Borrowings

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

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

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

(a) Borrowing costs

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

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

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

2.16 Current and deferred income taxes

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

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

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

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

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

2.17 Employee benefits

Retirement benefits

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

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

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

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

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

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

2.18 Provisions

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

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

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

2.19 Cylinder deposits

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

2.20 Share capital

Ordinary shares are classified as equity.

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

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

2.21 Share surplus from business combination under common control

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

2.22 Revenue recognition

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

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

2.23 Dividends

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

2.24 Segment reporting

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

3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Interest rate risk

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

3.1.2 Credit risk

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

3.1.3 Liquidity risk

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

3.2 Fair value estimation

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

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

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

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

	Separate financial statements		
	Level 1	Level 2	Total
	Baht	Baht	Baht
Financial assets at fair value through profit or loss			
Held-to-maturity debt (Note 8)	-	49,716,063	49,716,063
Trading securities (Note 8)	19,959,265	-	19,959,265
Fixed deposit (Note 8)	-	-	-
Total assets	<u>19,959,265</u>	<u>49,716,063</u>	<u>69,675,328</u>

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

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

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

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

4 Critical accounting estimates and judgments

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

4.1 Critical accounting estimates and assumptions

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

4.1.1 Allowance for obsolete, slow-moving and defective inventories

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

4.1.2 Revenue recognition

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

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

5 Capital risk management

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

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

6 Segment information

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

Significant business segments are as follows:

Petroleum gas trading	: Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	: Car gas installation and industrial equipment
Transportation services	: Gas transportation services by land
Construction services	: Industrial and construction services
Safety-checking services	: Industrial and car gas systems safety-checking services
Others	: Investing (holding) company

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

Consolidated financial statements													
Consolidated financial statements													
	Sales				Services								
					Gas installation				Transportation services				
	Petroleum Gas trading		Gas installation equipment trading		Construction service		Safety checking services		Other		Total		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Revenues from operation	860,008,859	1,007,566,006	10,104,233	13,688,271	647,739,260	261,295,855	63,166,215	54,997,680	-	-	1,621,314,212	1,388,569,266	
Revenues from inter - segment	-	-	(2,182,391)	(2,243,150)	(2,593,560)	(2,168,231)	(1,737,014)	(1,250,470)	-	-	(32,124,386)	(35,692,274)	
Total revenue	860,008,859	1,007,566,006	7,921,842	11,445,121	645,145,700	259,127,624	61,429,201	53,747,210	-	-	1,589,189,826	1,352,876,992	
Segment result - gross profit	52,026,931	72,124,775	4,608,903	(14,736,725)	32,315,144	70,818,889	23,396,393	23,998,708	-	-	115,284,875	156,571,370	
Operating profit											58,753,656	82,766,209	
Financial cost											(9,859,553)	(3,147,894)	
Share of (loss) profit from associates											(20,675,208)	1,234,543	
Profit before tax											28,218,895	80,852,858	
Income tax											(7,850,686)	(15,471,044)	
Net profit											20,368,209	65,381,814	
As at 31 December													
Property, plant and equipment	94,740,430	98,994,115	5,832,792	6,139,475	374,498,434	58,712,876	10,782,688	5,415,476	-	1,714,287	519,552,453	203,144,239	
Total consolidated assets	442,334,704	343,303,386	11,773,617	19,592,694	675,833,960	177,727,105	44,980,712	34,733,224	142,893,737	150,008,007	1,358,958,701	770,377,757	
Total consolidated liabilities											501,331,967	355,195,377	

7 Cash and cash equivalents

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

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

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

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Cash and cash equivalents	286,508,790	90,100,398	130,222,750	64,632,341
Bank overdrafts (Note 15)	-	(61,500)	-	-
	<u>286,508,790</u>	<u>90,038,898</u>	<u>130,222,750</u>	<u>64,632,341</u>

8 Short-term investments

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

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

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

The fair values of the investments are as follows:

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

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

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

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

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

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

9 Trade and other receivables

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

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

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

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

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

10 Inventories

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

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

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

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

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

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

Inventories include allowance for finished goods of Baht 12.88 million (2015: Baht 19.52 million), mostly there are finished goods for gas systems installation in the consolidated financial statement. During 2016, the Group had reversed allowance for net realisable value of inventories amount to Baht 6.64 million (2015: increase in allowance amount Baht 17.77 million).

According to related regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum gas at 1% of the total trading volume in each period. As at 31 December 2016, the inventories included minimum mandatory reserve on petroleum gas of Baht 8.00 million in the consolidated and separate financial statements (2015: Baht 8.56 million).

11 Investments in subsidiaries and associates

11.1 Subsidiaries

The group had the following subsidiaries at 31 December
Group and Company

Name	Country of incorporation and place of business	Nature of business	Nature of Relationship	Proportion of ordinary shares directly held by parent (%)		Proportion of ordinary shares held by the group (%)		Proportion of ordinary shares held by non-controlling interests (%)		Separate Financial Statements	
				2016	2015	2016	2015	2016	2015	2016	2015
Takuni (Thailand) Co., Ltd. (TT)	Thailand	Industrial and car gas systems installation	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	53,376,790	53,376,790
Ratchapruet Engineering Co., Ltd. (RE)	Thailand	Industrial and car gas systems safety-checking services	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	21,339,800	21,339,800
G Gas Logistics Co.,Ltd. (GG)	Thailand	Transportation services by land	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	15,643,180	15,643,180
Newman Green Co.,Ltd. (NMG)	Thailand	Investing company	Direct shareholders	99.99	99.99	99.99	99.99	00.01	00.01	142,846,344	149,999,700
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	Construction contractor	Indirect shareholding via TT	-	-	51.30	47.72	48.70	-	-	-
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	Indirect shareholding via CAZ	-	-	51.22	-	48.78	-	-	-

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

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

Summarised statement of cash flows

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

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

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

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

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

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

Consideration paid at 7 April 2016

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

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

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

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

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

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

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

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

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

b) Business combination - JKEC Co., Ltd.

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

Consideration paid at 1 September 2016

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

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

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

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

11.2 Investments in associates

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

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

Disposal of Well-Korat Energy Co., Ltd.

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

Investments accounted for using equity method

The amounts recognised in the balance sheet are as follows:

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

The amounts recognized in the income statement are as follows:

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

Summarised financial information for associates

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

Summarised statement of comprehensive income

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

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

12 Investment properties

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

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

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

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

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

13 Property, plant and equipment

	Consolidated financial statements						
	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2015							
Cost	77,161,182	39,048,872	36,489,553	23,712,132	129,456,940	29,924,035	335,792,714
<u>Less</u> Accumulated depreciation	-	(8,204,822)	(5,890,917)	(16,295,640)	(97,022,698)	-	(127,414,077)
Net book amount	<u>77,161,182</u>	<u>30,844,050</u>	<u>30,598,636</u>	<u>7,416,492</u>	<u>32,434,242</u>	<u>29,924,035</u>	<u>208,378,637</u>
For the year ended 31 December 2015							
Opening net book amount	77,161,182	30,844,050	30,598,636	7,416,492	32,434,242	29,924,035	208,378,637
Additions	13,000	105,207	-	2,778,737	5,690,000	1,719,878	10,306,822
Transfer	606,612	7,489,697	20,918,785	891,552	-	(29,906,646)	-
Disposals and written offs - net	-	-	-	(60,886)	(55,167)	-	(116,053)
Depreciation charge	-	(2,333,427)	(2,956,007)	(2,884,926)	(7,250,807)	-	(15,425,167)
Closing net book amount	<u>77,780,794</u>	<u>36,105,527</u>	<u>48,561,414</u>	<u>8,140,969</u>	<u>30,818,268</u>	<u>1,737,267</u>	<u>203,144,239</u>
At 31 December 2015							
Cost	77,780,794	46,643,776	57,408,338	27,090,151	133,424,750	1,737,267	344,085,076
<u>Less</u> Accumulated depreciation	-	(10,538,249)	(8,846,924)	(18,949,182)	(102,606,482)	-	(140,940,837)
Net book amount	<u>77,780,794</u>	<u>36,105,527</u>	<u>48,561,414</u>	<u>8,140,969</u>	<u>30,818,268</u>	<u>1,737,267</u>	<u>203,144,239</u>

Consolidated financial statements

	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2016							
Opening net book amount	77,780,794	36,105,527	48,561,414	8,140,969	30,818,268	1,737,267	203,144,239
Acquisitions through subsidiaries (Note 11)	-	-	-	21,161,909	3,595,750	-	24,757,659
Additions	183,875,120	75,068,649	32,708	52,639,677	7,586,307	29,000	319,231,461
Disposals and written offs - net	-	-	-	(374,628)	(2,119,221)	(1,714,286)	(4,208,135)
Depreciation charge	-	(3,579,268)	(2,944,583)	(10,414,313)	(6,434,607)	-	(23,372,771)
Closing net book amount	<u>261,655,914</u>	<u>107,594,908</u>	<u>45,649,539</u>	<u>71,153,614</u>	<u>33,446,497</u>	<u>51,981</u>	<u>519,552,453</u>
At 31 December 2016							
Cost	261,655,914	121,712,425	57,441,046	107,356,402	127,409,365	51,981	675,627,133
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(14,117,517)</u>	<u>(11,791,507)</u>	<u>(36,202,788)</u>	<u>(93,962,868)</u>	<u>-</u>	<u>(156,074,680)</u>
Net book amount	<u>261,655,914</u>	<u>107,594,908</u>	<u>45,649,539</u>	<u>71,153,614</u>	<u>33,446,497</u>	<u>51,981</u>	<u>519,552,453</u>

Separate financial statements

	Land and land improvements	Buildings and building improvements	Gas cylinders and equipment	Equipment and office supplies	Vehicles	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2015							
Cost	25,711,182	12,210,383	27,569,177	2,918,669	8,782,000	33,167,164	110,358,575
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(1,702,269)</u>	<u>(4,509,232)</u>	<u>(1,358,244)</u>	<u>(7,237,081)</u>	<u>-</u>	<u>(14,806,826)</u>
Net book amount	<u>25,711,182</u>	<u>10,508,114</u>	<u>23,059,945</u>	<u>1,560,425</u>	<u>1,544,919</u>	<u>33,167,164</u>	<u>95,551,749</u>
For the year ended 31 December 2015							
Opening net book amount	25,711,182	10,508,114	23,059,945	1,560,425	1,544,919	33,167,164	95,551,749
Additions	13,000	-	-	204,329	5,690,000	5,592	5,912,921
Transfer	606,612	7,782,507	23,892,085	891,552	-	(33,172,756)	-
Disposals and written offs - net	-	-	-	(3,451)	-	-	(3,451)
Depreciation charge	-	(999,635)	(2,658,653)	(640,306)	(1,939,399)	-	(6,237,993)
Closing net book amount	<u>26,330,794</u>	<u>17,290,986</u>	<u>44,293,377</u>	<u>2,012,549</u>	<u>5,295,520</u>	<u>-</u>	<u>95,223,226</u>
At 31 December 2015							
Cost	26,330,794	19,992,890	51,461,262	4,008,087	14,472,000	-	116,265,033
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(2,701,904)</u>	<u>(7,167,885)</u>	<u>(1,995,538)</u>	<u>(9,176,480)</u>	<u>-</u>	<u>(21,041,807)</u>
Net book amount	<u>26,330,794</u>	<u>17,290,986</u>	<u>44,293,377</u>	<u>2,012,549</u>	<u>5,295,520</u>	<u>-</u>	<u>95,223,226</u>

Separate financial statements

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

As at 31 December 2016, TT, the subsidiary, had pledged certain plots of land and buildings with net book value of Baht 46.15 million (2015: Baht 47.49 million) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts, long-term borrowings from a financial institution. (Note 15).

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

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

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

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

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

14 Intangible assets

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

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

15 Borrowings

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

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

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

15.1 Bank overdrafts

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

15.2 Short-term borrowings from financial institutions

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

15.3 Long-term borrowings

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

For the years ended 31 December	Consolidated financial statements		Sperate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Beginning balance	34,100,000	40,641,417	9,500,000	15,500,000
Acquisition through subsidiary (Note 11)	20,000,000	-	-	-
Additions	280,000,000	-	-	-
Repayments	(43,620,000)	(6,541,417)	(6,000,000)	(6,000,000)
Ending balance	<u>290,480,000</u>	<u>34,100,000</u>	<u>3,500,000</u>	<u>9,500,000</u>

The Company

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

Subsidiaries

Takuni (Thailand) Co., Ltd.

On 19 January 2016, TT entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment over 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. (Note 12 and Note 13).

G Gas Logistics Co., Ltd.

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

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

Rajchapuek Engineering Co., Ltd.

On 19 January 2016, RE entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT (Note 12 and Note 13).

CAZ (Thailand) Co., Ltd.

On 15 January 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at MLR% per annum and is pledged by land and buildings of TT and CAZ director (Note 12 and Note 13).

On 15 January 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT and CAZ director (Note 12 and Note 13).

On 10 August 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 250.00 million, which required the repayment of Baht 2.98 million per month, totaling 84 periods and the outstanding amount for the last month. This borrowing bears the interest rate at MLR% per annum and is pledged by the Company and land and buildings of CAZ (Note 12).

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

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

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

	Consolidated financial statements			
	Book value		Fair value	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Long-term borrowings from banks	<u>290,480,000</u>	<u>34,100,000</u>	<u>282,844,718</u>	<u>31,344,597</u>

	Sperate financial statements			
	Book value		Fair value	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Long-term borrowings from banks	<u>3,500,000</u>	<u>9,500,000</u>	<u>3,461,822</u>	<u>8,998,857</u>

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

The fair value are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.32% to 6.34% (2015: 6.58% to 7.23%) which are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

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

15.4 Finance lease liabilities

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

	Consolidated		Separate financial	
	financial statements		statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Within 1 year	2,087,676	977,100	977,100	977,100
Later than 1 years but not later than 5 years	4,012,917	3,419,850	2,442,750	3,419,850
	6,100,593	4,396,950	3,419,850	4,396,950
<u>Less</u> Future finance charges on finance leases	(474,378)	(495,843)	(306,758)	(495,843)
Present value of finance lease liabilities	<u>5,626,215</u>	<u>3,901,107</u>	<u>3,113,092</u>	<u>3,901,107</u>
Finance lease liabilities:				
- Current	1,834,059	788,015	831,082	788,015
- Non-current	3,792,156	3,113,092	2,282,010	3,113,092
	<u>5,626,215</u>	<u>3,901,107</u>	<u>3,113,092</u>	<u>3,901,107</u>

The present value of finance lease liabilities is as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Within 1 year	1,834,059	788,015	831,082	788,015
Later than 1 years but not later than 5 years	3,792,156	3,113,092	2,282,010	3,113,092
	<u>5,626,215</u>	<u>3,901,107</u>	<u>3,113,092</u>	<u>3,901,107</u>

16 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Deferred tax assets:				
Deferred tax assets to be recovered				
within 12 months	4,587,788	4,295,384	1,636,709	207,606
Deferred tax assets to be recovered				
after more than 12 months	468,946	1,154,459	208,920	173,132
Deferred tax liabilities:				
Deferred tax liabilities to be settled				
within 12 months	14,002	107,294	308,371	152,865
Deferred tax liabilities to be settled				
after more than 12 months	897,975	346,092	170,345	478,716
Deferred tax assets (net)	<u>4,144,757</u>	<u>4,996,457</u>	<u>1,366,913</u>	<u>(250,843)</u>

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:

The movement of deferred income tax table below is based on the nature of temporary differences which may not be able to reconcile with deferred tax assets and deferred tax liabilities as presented in the financial position because the balances presented in the statement of financial position are netted balance of each company.

	Consolidated financial statements				
			Charged (credited)	Charged (credited) To other comprehensive income	
As at 31 December	2015	Acquisitions through subsidiaries	Charged (credited) to profit or loss		2016
	Baht	Baht	Baht	Baht	Baht
Deferred income tax assets					
Allowances for doubtful accounts and inventories	4,139,387	-	(1,103,872)	-	3,035,515
Provision for impairment of investment	-	-	1,430,671	-	1,430,671
Provisions	3,122	-	32,639	-	35,761
Employee benefits obligations	334,213	51,612	276,264	(107,302)	554,787
Depreciation and write-off	973,121	-	(973,121)	-	-
	<u>5,449,843</u>	<u>51,612</u>	<u>(337,419)</u>	<u>(107,302)</u>	<u>5,056,734</u>
Deferred income tax liabilities					
Depreciation	-	-	565,884	-	565,884
Finance lease assets	453,386	-	(107,293)	-	346,093
	<u>453,386</u>	<u>-</u>	<u>458,591</u>	<u>-</u>	<u>911,977</u>
Deferred income tax assets, net	4,996,457	51,612	(796,010)	(107,302)	4,144,757

	Separate financial statements			
		Charged (credited)	Charged (credited) to other comprehensive income	
As at 31 December	2015	to profit or loss		2016
	Baht	Baht	Baht	Baht
Deferred income tax assets				
Allowances for doubtful accounts and inventories	207,606	(1,568)	-	206,038
Provision for impairment of investment	-	1,430,671	-	1,430,671
Employee benefits obligations	173,132	35,788	-	208,920
	380,738	1,464,891	-	1,845,629
Deferred income tax liabilities				
Assets under financial lease	631,581	(152,865)	-	478,716
Deferred income tax asset, net	(250,843)	1,617,756	-	1,366,913

Presentation in the statements of financial position is as follows:

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Deferred income tax assets	4,144,757	6,004,778	1,366,913	-
Deferred income tax liabilities	-	(1,008,321)	-	(250,843)
Deferred income tax, net	<u>4,144,757</u>	<u>4,996,457</u>	<u>1,366,913</u>	<u>(250,843)</u>

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

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

As at 31 December	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Opening net book value	4,996,457	568,109	(250,843)	483,837
Acquisitions through subsidiaries	51,612	-	-	-
Charged (credited) to profit or loss				
(Note 26)	(796,010)	4,287,723	1,617,756	(819,686)
Charged (credited) to other				
comprehensive income	(107,302)	140,625	-	85,006
Closing net book value	<u>4,144,757</u>	<u>4,996,457</u>	<u>1,366,913</u>	<u>(250,843)</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 5.33 million. (2015: Nil) in respect of losses amounting to Baht 26.63 million (2015: Nil) that can be carried forward against future taxable income. Losses amounting to Baht 26.63 million (2015: Nil) expire in 2021.

17 Trade and other payables

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

18 Employee benefit obligations

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

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

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

The principal actuarial assumptions used were as follows:

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

Sensitivity analysis for each significant assumption

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

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

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

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

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

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

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

19 Share capital

Consolidated and Separate financial statements						
	Authorised share capital		Issued and paid-up capital		Premium on	Total
	Number of	Ordinary	Number of	Ordinary	paid-up	
	Shares	shares	Shares	shares	capital	
	Shares	Baht	Shares	Baht	Baht	
Opening amount as at						
1 January 2015	400,000,000	200,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Change in par value						
Increase in authorised	800,000,000	400,000,000	-	-	-	-
share capital						
Closing amount as at						
31 December 2015	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>400,000,000</u>	<u>200,000,000</u>	<u>106,643,230</u>	<u>306,643,230</u>
Opening amount as at						
1 January 2016	1,200,000,000	600,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Increase in authorised	-	-	400,000,000	200,000,000	198,884,536	398,884,536
share capital						
Closing amount as at						
31 December 2016	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>800,000,000</u>	<u>400,000,000</u>	<u>305,527,766</u>	<u>705,527,766</u>

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

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

20 Warrants

Warrants to purchase ordinary shares TAKUNI-W

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

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

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

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

21 Legal reserve

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

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.

22 Components of other comprehensive income (loss)

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

23 Dividend paid

The Company

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

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

Subsidiaries

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

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

24 Other income

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

25 Expense by nature

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

26 Income tax

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

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

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

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

27 Basic earnings per share

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

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

28 Related-party transactions

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

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

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

The following transactions were significant to subsidiaries and related parties:

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

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

b) Short-term loans to related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	107,320,000	53,870,000
Associates	-	84,448,425	-	69,548,325
	<u>-</u>	<u>84,448,425</u>	<u>107,320,000</u>	<u>123,418,325</u>

1) Short-term loans to subsidiaries

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

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

2) Short-term loans to associates

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Opening balance	84,448,425	-	69,548,325	-
Loans decrease from acquisition				
of subsidiary - CAZ	(45,000,000)	-	(45,000,000)	-
Loans decrease from disposal				
of associate - WKE	(202,698,425)	-	(187,798,325)	-
Additions	181,818,000	114,748,425	181,818,000	89,548,325
Repayments	(18,568,000)	(30,300,000)	(18,568,000)	(20,000,000)
Ending balance	-	84,448,425	-	69,548,325

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

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

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

d) Purchases of goods and services, and interest expenses

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

e) Key management compensation

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

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

29 Commitments

a) Letters of guarantees

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

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

The Group has credit facilities for letter of credits or trust receipt, letter of guarantee, forward contracts. These credit facilities are pledged by subsidiaries' assets, subsidiaries' bank accounts, and directors (Notes 7 and 15).

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

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

30 Events after the reporting period

The Company

Establishment

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

Dividend

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

Subsidiaries

Land Purchase

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

Dissolution of Newman Green Co., Ltd.

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



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





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