

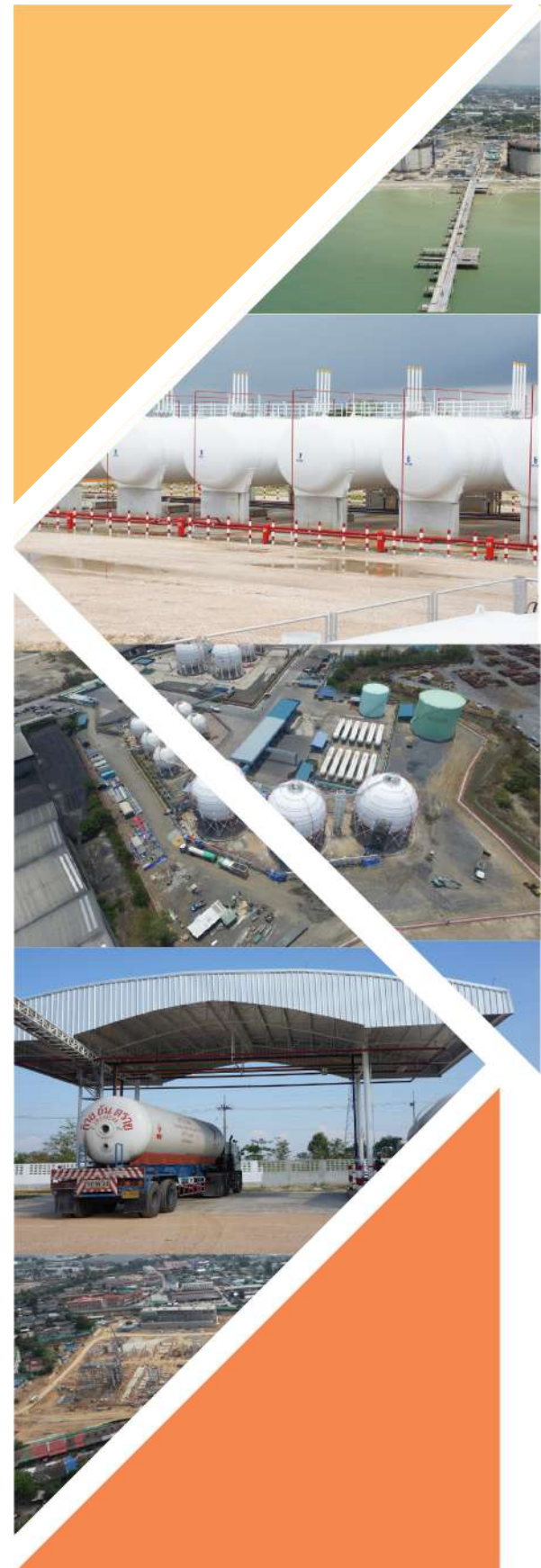
ANNUAL REPORT

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TAKUNI
Group

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Message from the Chairman of the Board of Directors



During the past year, Thai economy was affected by fluctuations in various factors especially the spread of coronavirus pandemic (COVID-19) to global, including Thailand effect to the reduction in purchasing power and the increase in household debt, resulting in participants in the business sector having to put much effort in strengthening their competitive capabilities.

The LPG trading and transportation business, which is the Company's key business, received significant impact from the sharp decline in oil prices coupled with price competition. However, the Company was able to maintain its revenues from LPG trading and transportation at a level similar to the previous year. Nevertheless, the Board of Directors were aware of such adverse factors and closely monitored the situation as well as instructed executives to find appropriate measures to reduce the impact, to seek additional revenue channels from related businesses such as expanding investment to construction businesses, providing transportation services of increased variety, expanding the market for non-destructive testing and inspection service to the Eastern region, and investing in property businesses, as well as to reduce unnecessary costs.

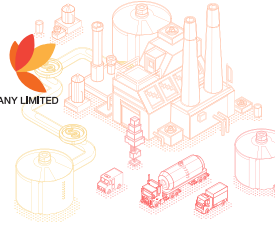
The Board of Directors places emphasis on business growth to create added value to shareholders by continuously monitoring Company policies and cautiously, prudently, and transparently overseeing business operations for the greatest benefit of all stakeholders.

On behalf of the Board of Directors, we would like to express our gratitude to shareholders, business partners, and all related parties who have continuously entrusted the Company and supported our business. I would also like to thank all executives and personnel who have dedicated their efforts and hard work for the Company. The Board of Directors will exert our best efforts in leading the Company and overcoming business challenges, striding forward towards sustainability.



Mr. Visit Akaravinak

Chairman of the Board of Directors



Message from the Chief Executive Officer

In the past year, the Group of Companies' revenues slightly increased from THB 3,076.89 million to THB 3,078.34 million, equivalent to a 0.05 % increase, due to the increase in revenues from the oil and gas construction as well as property development business. However, the impact of low oil prices together with COVID-19 pandemic resulted in no growth in revenues from the Group's liquefied petroleum gas (LPG) business since 2015. However, the Company still focuses on the strategy of diversifying investment to other businesses to alleviate the impact oil prices, such as expanding the market for non-destructive testing and inspection service to the Eastern region and investing in the property business.

LPG Trading Business by Takuni Group Public Company Limited

Since 2015, the Company slowed its investment in all LPG - related businesses from the expectation that demand for LPG in the transportation sector will face continuous decline and price competition. Moreover, COVID-19 spread during 2020 had made the decreased in revenues from LPG trading at THB 509.92 million in 2020, sharply decreased 31.31% from the previous year at THB 742.39 million in 2019. Nevertheless, the Company as expanded into the property business to diversify its risk from the LPG trading business.



Transportation Business by G Gas Logistics Company Limited

The Group has been continuously affected by the decline in LPG trading business. As a result, the Group set its strategy in expanding the transportation service to cover additional products, starting with the transportation of ammonia since late 2016. Revenues in 2017 amounted to THB 5.73 million and increased to THB 13.58 million and THB 13.94 million in 2019 and 2020, accordingly. In addition, the Group provided transportation service for construction materials starting in October 2016 which generated revenues of THB 3.91 million in 2019 and THB 3.83 million in 2020. In sum, the Group saw decreased revenue from transportation (according to separate financial statements) from THB 45.69 million to THB 41.47 million as the decrease in revenue from LPG transportation services

Construction Business by Takuni (Thailand) Company Limited and CAZ (Thailand) Public Company Limited

The Group strived to expand its construction business, especially oil and gas construction, and saw increased revenues from THB 1,405.33 million in 2018 to THB 2,228.33 million in 2019 and THB 2,326.54 million in 2020, as the Group's clients expanded their factory facilities. Moreover, the Group expects increased construction work from its existing clients as well as investment in the Eastern region in the next 4-5 years, prompting the listing of CAZ (Thailand) Public Company Limited on the Market for Alternative Investment (mai) in January 2019 to serve as a source of funds for business operations. As at 28 February 2021, the Company has backlog of THB 3,923.04 million.

Non-Destructive Testing and Inspection Service Business by Rajchapruet Engineering Company Limited

The Company started expanding its non-destructive testing and inspection service to the Eastern region since late 2016, having experienced personnel certified for NDT Level 3 testing to support the expansion of the client base from those originally geared towards testing and inspection for clients using LPG and CNG to testing and inspection for oil refinery projects, power plant projects, and petrochemical plants. Revenues from NDT testing and inspection service continuous increased from THB 78.23 million in 2018 to be THB 88.53 million in 2019 and THB 101.37 million in 2020.

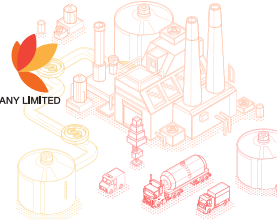
Property Development Business by Takuni Land Company Limited

The Company set up Exact Real Estate Co., Ltd, an associated company, with ACE Estate Co., Ltd who is an expert on modern residential project development to develop “Thawee Phetkasem-Kanchanapisek” as 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed. The booking amount was 88% of the total open booking.

Lastly, I would like to express my gratitude to shareholders who have shown interest in investing in the Company and would like to aver that executives and all personnel have worked tirelessly throughout the year for the greatest benefit of the Group of Companies, and will continue to do better going forward.



Mr. Prasert Treeveeranuwat
Chief Executive Officer



Board of Directors



1 Mr.Visit Akaravinak

Independent Director / Chairman of Director /
Member of Audit Committee/ Member of Remuneration
Committee

2 Mr.Chareon Prajumtan

Independent Director / Chairman of Audit Committee /
Member of Remuneration Committee

3 Mr.Kaveewat Songsakulkiat

Independent Director /Chairman of Remuneration
Committee / Member of Audit Committee

4 Mr.Prasert Treeveeranuwat

Director (Executive) /Chairman of Executive
Committee /Chairman of Risk Management
Committee / Chairman of Anti-Corruption Committee

5 Ms.Kanchana Rimpanichayakij

Director/ Executive Committee

6 Ms.Nita Treeweeranuwat

Director (Executive) / Executive Committee /
Company Secretary

7 Mr.Kanit Wattanavichien

Independent Director

Management and Executive Committee



1 Mr.Prasert Treeveeranuwat
Chairman of Executive committee ,
Chief Executive Office / President ,
Acting Vice President Business Development Department

2 Ms.Nita Treeweeranuwat
Executive committee ,
Vice President Administrative Department ,
Acting Vice President Human Resource Department

3 Ms.Charprapa Chansri
Executive committee ,
Vice President Sales Department

4 Mr.Udom Meephaungpol
Executive committee

5 Mrs.Thitima Tanapakit
Executive committee ,
Vice President Accounting Department and
Finance Department

6 Ms.Kanchana Rimpanichayakij
Executive committee

7 Mr.Somchai Kanbuakeaw
Executive committee

Operational structure of the group of companies

Business policies and business overview

Takuni Group Public Company Limited and its Subsidiaries ("Group of Companies") engages in the business of distributing liquefied petroleum gas and other related businesses. The company group has set a vision and operational goals. For future expansion and growth as follows

A vision has been formulated in running the business as a whole in order to achieve expanding and growing together at the same time by running the business in the way they can help each other. Emphasis is placed on running integrated business for each customer with regard to selling gas, delivering gas, gas installation service, inspection and testing and consulting service in safety engineering system in gas to ensure customers will receive maximum benefits, including building good relationship with customers. In the meantime, existing customer base is retained and new customer base is expanded.

Vision

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



Mission

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

Business goals

Takuni Group Public Company Limited: TG

sets its business goals in increasing an investment in other business not related to energy so as to diversify risks in running business caused by oil price fluctuation. The diversification will consider overall liquidity retention of business as much as possible. In 2019, an investment was made in associated company for developing “Thawee Phetkasem-Kanchanapisek” housing estate project, 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed. The booking amount was 88% of the total open booking.



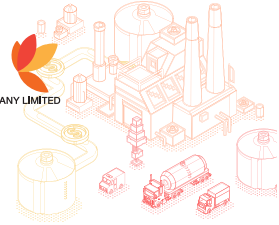
Takuni (Thailand) Company Limited: TT

sets its business goals by focusing on providing services in industrial gas pipeline system that includes new system installation and system maintenance. Emphasis is placed on expanding customer base into industrial factories so as to maintain total sales volume of the company.

Rajchapleuk Engineering Company Limited: RE

sets its business goals by expanding the business to the provision of engineering inspection and testing services in the form of non-destructive testing, especially the part involved with natural gas for vehicles (NGV) and oil to be consistent with a government policy that extends rules and regulations to increase safety in that part, including emphasizing services in training on inspection and testing in safety engineering system, building good image in running business of RE to gain more reliability.





G Gas Logistics

Company Limited : GG

sets its business goals by expanding the transportation service to third party, besides from LPG transportation service to the parent company (TG), in order to enlarge service income not only by providing transportation service for NGV, Ammonia, Sulfuric acid but also construction material and equipment.

CAZ (Thailand)

Public Company Limited : CAZ

sets its business goals as construction service provider as Engineering Procurement Construction (EPC) to support the customer requirement with expertise and high quality services in every production and installation process.

Takuni Land

Company Limited : TL

operates property development business. During 2020, TL has signed sales and purchase agreement of land to develop housing estate project with an associated company.



Takuni Trading

Company Limited : TD

operates manufacture, assembly, and sell parts of automobiles, motorcycles, electric car, electric motorcycles and or other related products. In 2019, TD has invested in an associated company in Taiwan to manufacture and sell electric motorcycle. Currently, it was in process of model designing and battery testing with the Department of Land Transport in Taiwan.

Significant changes and development

April 2014

Transform the company to be a public company and change the par value of ordinary shares from 10 baht per share to be 0.50 baht per share and increase registered capital to 200 million baht (400 million shares) to facilitate an offering of 100 new ordinary shares to general people and apply to be registered on the Market for Alternative Investment (mai).

January 2011

Relocate the head office to 140/1, Soi Naweecharoensap, Khanjanapisek Road, Bangkhae sub-district, Bangkhae district, Bangkok.

September 2011

Construct 1,000 tons LPG storage warehouse in lower north industrial estate in Phichit province and expand to sell LPG in central region and lower north region.

December 2013

Increase registered capital and paid up capital to 150 million baht to be operating working capital of the company and to buy gas transportation trucks of subsidiary companies.

2011

2012

2013

2014

2010

May 2010

Increase registered capital and paid-up capital to 50 million baht in order to apply for the license in being a LPG trader under Section 7 of Fuel Trade Act B.E.2543 and start to sell LPG to LPG stations in Bangkok and outskirts of Bangkok.

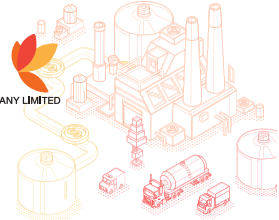
August 2012

Start to construct a gas warehouse in Pathum Thani province.

December 2012

Increase registered capital and paid-up capital of the company to 130 million baht to conduct business reengineering of the group of companies to be under the same supervision by issuing new share capital to pay off share buying of Takuni (Thailand) Company Limited, G Gas Logistics Company Limited and Rajchappleuk Engineering Company Limited from Treeweeranuwat family in order to merge into a subsidiary company under the same supervision.

To serve the business reengineering, the company shareholders sold the shares in gas stations and gas warehouses they were holding to existing company shareholders to eliminate conflict of interest.



March 2015

Invest in CAZ (Thailand) Company Limited to distribute investment to a group of gas and oil construction companies in eastern region.

January 2017

Invest in Takuni Land Company Limited (TL), a real estate business company, by 99.97% of the paid up capital, with 1 million baht registered capital, aiming to expand business growth in the group of companies.

December 2020

TL sold lands to an associated company to develop “Thawee Phetkasem-Kanchanapisek” housing estate project, 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed. The booking amount was 88% of the total open booking.

2015

2017

2016

2019

2020



January 2016

Increase registered capital to 600 million baht and paid up capital to 400 million baht to be the capital for business expansion of the company

Issue warrants for the subscription of new ordinary shares of Takuni Group Public Company Limited class 1 (TAKUNI-W) for 400,000,000 units and allocate to the company existing shareholders.

January 2019

CAZ (Thailand) Public Company Limited, a subsidiary company, offered to sell newly issued shares to general people for the first time for 80,000,000 shares and started trading on Market for Alternative Investment (mai) on 22 January 2019. After offering the sales of shares to general people, CAZ is still a subsidiary of the company. In this regard, combined financial statement is needed to prepare. Profit shares belong to the parent company from CAZ will decrease from 51.30% to 36.64% and the non-controlling interest will increase.

April 2019

Invest in Takuni Trading Company Limited (TD), a company running business in manufacturing, assembling and selling parts of automobiles, motorcycles, electric car, electric motorcycles and or other related products. The proportion of the investment is 99.70% of the paid up capital with 100,000 baht registered capital, aiming to expand business growth in the group of companies.

Business Operation

Revenue structure during 2018 – 2020 are as follows;

Revenue		2020		2019		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
1. LPG Trading	TG	509.92	16.56	742.39	24.13	773.68	33.97
2. Transportation	GG	17.59	15.38	15.58	0.50	15.98	0.70
3. Construction Service	TG,TT, CAZ,JKEC	2,326.54	75.58	2,228.33	72.42	1,405.03	61.70
4. Conversion Kit Installation	TT	3.70	0.12	2.06	0.07	4.62	0.20
5. Non-Destructive Testing and Inspection	RE	101.37	3.29	88.53	2.88	78.23	57.22
6. Property Development	TL	119.22	3.88	-	-	-	-
Total Sales and Service Income		3,078.34	100.00	3,076.89	100.00	2,277.55	100.00

LPG Trading business

Product and service

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 Transportation, households 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 54% of all LPG sales.

The Company has customers in about 84 stations across the country. Most of them are located around Bangkok, central and east of Thailand. As LPG usage in automotive sector has continuously decreased, the Company has expand market to industrial sector in order to maintain overall LPG volume.

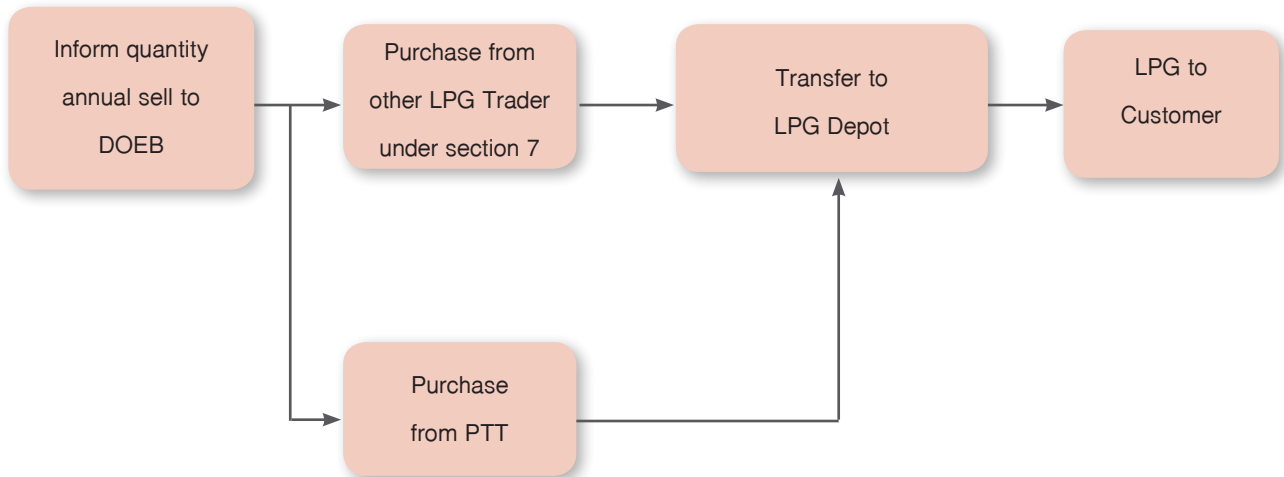
Presently, the Company is allowed to sell LPG volume of 50,000 tons per year and LPG Terminal in Pichit Industrial Estate, Pathum Thani Province is served as LPG reserve terminal pursuant to the laws.



Trademark
Champion Gas

Procurement Process

LPG Procurement



With regard to LPC provision in each year, the company must seek approval for LPG trade volume from Department of Energy Business and submit a report showing monthly sales volume of LPG and reserve LPG by 1% of the trade volume seeking for the approval. Department of Energy Business shall grant approval of the gas trade volume according to sales capacity of the company based on actual sales. The company is able to apply for additional trade volume if there is a tendency of a higher trade volume than the approved one. Currently, the company is granted permission to sell 50,000 tons of LPG per year by supplying LPG as required by the law gas storage warehouses of the company in the industrial estate in Phichit and Pathum Thani.

Later the company was granted approval for annual trade volume from Department of Energy Business, the company shall provide and receive gas from PTT or other LPG traders under Section 7. Currently, the company acquires LPG from two sources, i.e.

1. LPG traders under Section 7 who run gas separation plant and oil refinery plant such as PTT Public Company Limited and ESSO (Thailand) Public Company Limited. The proportion of average purchase is 49% of the total purchase amount, which most likely from PTT.

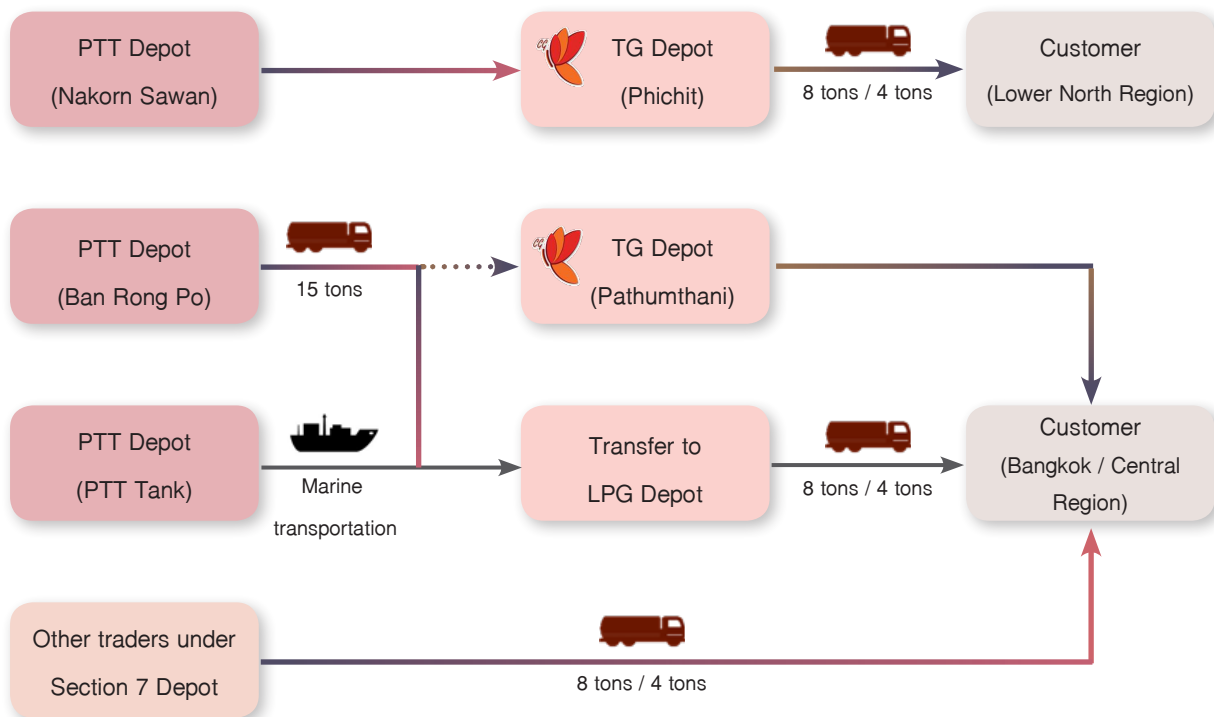
2. Other LPG traders under Section 7, the proportion of average purchase is 51% of the total purchase amount of LPG.

The company made a LPG purchase contract with PTT and other traders under Section 7 by informing a monthly purchase plan to the sellers while there are review and confirmation of a purchase volume every month.

Selling to customers and delivery of gas from gas storage warehouses

The company has sales department responsible for making direct contact with customers to inquire purchasing requirement and stimulate sales including offering other services in being sales promotion. Frequency of purchase from customers depends on a trade volume of each LPG station. As soon as customer purchase orders arrive, the company shall receive gas from gas storage warehouses of PTT or other traders under Section 7 to deliver to customers. Inclusion criteria of gas storage warehouses that the company will receive gas are considered from distance of delivery to customers, gas prices at each warehouse, and warehouse fee in case of gas transshipment. Currently, the company receives LPG from PTT at Ban Rong Po Gas Terminal, and PTT Tank Terminal and gas storage warehouses of other traders under Section 7 in Bangkok and outskirts of Bangkok. Every time of gas delivery from gas terminals requires a transportation certificate identifying gas volume to be delivered and final destination.

Overview of LPG purchasing and delivery of the group of companies



As for gas delivered to customers in Bangkok and outskirts of Bangkok or provinces in the central region, the company shall receive gas from Bangpakong gas storage depot in Chachoengsao province using land transportation by a gas truck with 15 tons load capacity or water transportation by a boat. All gas will be delivered to warehouses of the company to receive and load gas to a truck with 8 tons load capacity or 4 tons load capacity including using as a distribution point for delivering to customers.

The service of gas warehouse to transfer the company gas is transportation cost management due to characteristics of running business of LPG traders under Section 7. The law prescribed not to transfer gas between tanker trucks, making each time gas will be delivered to only one customer. However, in case customers live near the gas terminals or depots that the company buy, the company shall use a truck with 8 tons load capacity or 4 tons load capacity to deliver gas directly to customers.

For gas delivery to customers in the upper central region or lower north region, in most cases the company shall receive gas from PTT gas terminal in Nakhon Sawan by using a truck with 8 tons load capacity to deliver to customers and receive gas from the company gas storage warehouse in Phichit to deliver to customers in lower north region.

The company land transportation of gas is carried out by G Gas Logistics Company Limited, a subsidiary company and LPG transporter under Section 12 of Fuel Trade Act B.E. 2543.

The Company's gas warehouse

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

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



Both LPG terminals at Phichit and Pathum Thani are used for LPG distribution and LPG reserve terminal pursuant to the laws, which is currently 500 tons.

Distribution channel

Since most of the company customers are LPG station and factories, the company makes a direct contact with customers by having a sales team responsible for making contact with customers, divided by areas of responsibility to ensure customers are thoroughly taken care of. As LPG stations and factories require LPG continuously, the sales team has to coordinate with customers regularly to learn about the volume of gas required by customers and offer sales by the time they expect that customers will additionally purchase gas so as to stimulate purchasing. Besides, the sales team is able to offer other services of the group of companies that are associated with customer business as well to ensure services are given to customers integrally; for example, safety equipment inspection service for gas system in LPG stations or factories that operators need to inspect according to the requirements of the law.

Approaching new customers

The company makes direct contact with customers. The sales team will make contact with customers to sell LPG and offers services to customers in their areas of responsibility. For new customers, it is required to check customers' documents such as company certificate, business license, commercial registration certificate, etc., and evaluate distance and transportation cost from the nearest gas depots being the company gas storage warehouses or gas storage warehouses of LPG traders under Section 7 that the company has a sales contract with. Next, executives shall consider sales price determination, credit limit giving, the length of time to pay off debt based on types of customers' business. Averagely, customers have the length of time to pay off debt by 15-30 days.

Competition in the Industry

Due to the volatility of oil price during the past year and Corona Virus (COVID-19) spread in 2020, 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.

Qualifications of persons applying for being LPG traders under Section 7

- Have registered capital more than 50 million baht and 100 million baht or higher working capital
- Have trade volume per year from 50,000 tons or higher reported to Department of Energy Business
- Have gas supply by 1% of trade volume per year.

Due to the above-mentioned qualifications, it is more difficult for small operators to enter into the business. In addition, competition in LPG trading is not only in prices but also in the quality of services, speed of gas delivery including other technical services to customers that make new business operators compete with existing business operators in a more difficult manner. Also, 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. This helps the Company create value to customers and make differentiate from other competitors.

Market Share and Competitors

Currently, there are 18 LPG traders under section 7 for industrial sector, automotive sector and household sector in Thailand which has quantity sold as follows;

(Units : Thousand Tons)

	Name	2020		2019		2018	
		Quantity	%	Quantity	%	Quantity	%
1	PTT Oil and Retail Business Public Company Limited	1,437.68	42.59	1,570.83	41.33	828.15	21
2	WP Energy Public Company Limited	611.42	18.12	673.41	17.72	721.85	23
3	Unicgas and Petrochemicals Public Company Limited	437.77	12.97	517.75	13.62	547.34	14
4	Siamgas and Petrochemicals Public Company Limited	365.22	10.82	433.96	11.42	432.07	11
5	PAP Gas and Oil Company Limited	134.19	3.98	152.56	4.07	139.43	3
6	Orchid Gas (Thailand) Company Limited	130.82	3.88	145.75	3.83	155.20	4
7	Atlas Energy Company Limited*	45.13	1.34	-	-	-	-
8	Thaigas Corporation Company Limited	41.63	1.23	53.56	1.41	81.65	2
9	Biggas Technology Company Limited	39.60	1.17	73.71	1.94	86.94	2
10	UNO Gas Company Limited	34.50	1.02	40.51	1.07	43.40	1
11	Takuni Group Public Company Limited	30.58	0.91	39.53	1.04	41.28	1
12	Esso (Thailand) Public Company Limited	22.27	0.66	21.89	0.58	23.49	1
13	NS Gas LPG Company Limited	15.72	0.47	43.56	1.15	44.53	1
14	Saengthong Petroleum Company Limited	10.11	0.30	16.40	0.42	20.97	1
15	Bangchak Corporation Public Company Limited	9.08	0.27	9.10	0.24	9.08	0
16	IRPC Public Company Limited	3.77	0.11	3.50	0.09	3.69	0
17	PTT Public Company Limited	3.34	0.10	3.50	0.09	818.96	26
18	PTG Energy Public Company Limited*	2.62	0.08	-	-	-	-
	Total	3,375.48	100	3,800.90	100	4,006.13	100

* New LPG traders under section 7 in the year 2020

Source : Department of Energy Business, Ministry of Energy

Competitive strategies

Since LPG is not different in each manufacturer, target customers of the group of companies, i.e. gas stations and factories are sensitive to change in prices and make a comparison of LPP prices sold by each LPG trader under Section 7. Therefore, they set selling prices to be similar for benefits of price competition. In this regard, price is not the only major factor for competing in LPG supply and selling business but also the quality of services and reliability in LPG traders. Consequently, executives of the group of companies take factors affecting business competition into consideration so as to set strategies for making a difference and strengthen their competitive advantage as follow:

1. Increase gas depots for gas storage and transfer

Since acquiring gas or using services from gas depots of other LPG traders under Section 7 gives rise to additional operating costs such as transfer depot fee, gas storage fee, etc., including limitation in the length of service hours and volume of gas purchase from each depot, contributing to lack of agility and limitation in increasing sales volume. To have their own gas storage warehouses or depots brings competitive advantage to LPG traders under Section 7.

The group of companies is aware of the importance in possessing own gas depots. Therefore, an investment is made into the construction of additional gas depot in Pathum Thani province, an area of major customers of the group of companies. This depot is capable of storing 400 tons of gas. Gas supply will be moved to Pathum Thani gas depot which can help reduce expenses, especially transfer depot fee, reduce risk of gas supply shortage, and can expand customer bases to the north and west areas of Bangkok in which today there are no gas depots of LPG traders under Section 7 located in these areas.

2. Deliver gas in a timely manner

For LPG stations and factories, major customers of the company, reliability of gas distributors in supplying and delivering gas in a timely manner that meet requirements is very important to business operations. Though in general customers have gas purchase plans in advance, for customers who are LPG stations, sales volume in each period is uncertain, giving rise to a case that customers urgently need to purchase gas, especially customers in Bangkok having limitation in duration of delivery as gas tanker trucks are allowed to be on road during 22.00 — 05.00 hours only. Therefore, ability in supplying gas and delivery management of gas distributors are important factors in building trust to customers and retaining customer bases.

The company gives importance to building trust and reliability in running business by means of skills in transportation management from more than 10 years of experience in transportation business. Having numbers of gas tanker trucks to facilitate increasing order quantities from customers including the construction of gas depot in Pathum Thani to reserve gas and a destination for loading gas will ensure that the company will be able to supply and deliver gas to customers at all times.

3. Provide services to customers closely and integrally

Services provided to customers closely and integrally is one of important factors in making a difference to how the company runs the business. With regard to the LPG supply and delivery business, the company has a policy to have the sales team make contact with customers regularly to maintain good relationship with them and encourage repeat purchases. Besides, the company runs many businesses related to LPG, being able to offer other services in addition to selling and delivering LPG so as to provide convenience to customers being LPG stations and factories; for example, installation service for industrial gas piping system, safety inspection required by laws, safety training for employees, etc.

4. Efficient cost management

As product characteristics are not different among manufacturers, LPG traders must try to control sales prices in a competitive level. As a consequence, cost and expense control, especially cost of LPG, cost of transportation and management expenses have a considerable impact on profitability of the group of companies. The company employs various guidelines to control such costs and expenses; for example, planning to acquire and deliver LPG from sources with the lowest cost of LPG and cost of transportation, setting routes and using GPS tracking for trucks to check transportation routes and speed including setting appropriate quantity of fuel used in each time of delivery to ensure transportation cost management is efficient.

As for management expenses, the company uses centralization strategy by combining all agencies supporting company business operations and subsidiaries to be at the company only so as to reduce the number of employees, job redundancy and to increase work efficiency while management expenses between each other are calculated as proper.

Price setting policy

Costs incurred in acquiring gas of LPG traders under Section 7 are wholesale depot prices and other expenses related to the acquisition. Wholesale depot prices are announced by Energy Policy and Planning Office (EPPO) Ministry of Energy. Therefore, factors affecting different costs incurred in acquiring gas of LPG traders under Section 7 come from other expenses incurred in acquiring and delivering gas such as depot fee (Throughput) is service fee for loading gas to-from each depot, transportation cost between gas depots, management cost, etc.

Overview of LPG consumption in Thailand

Liquefied petroleum gas or LPG is used as a material in petrochemical industry and fuel in transportation, industry, and household sectors due to country economic growth and increasing fuel prices. The use of LPG as a fuel for vehicles has considerably decreased since 2015 due to a high decline of global oil prices in conjunction with the spread of coronavirus 2019 (COVID-19) that have an effect on the LPG consumption in transportation sector. However, LPG consumption in petrochemical industry increases continually in harmony with economic growth.

Relevant laws and regulatory agencies

Being a LPG trader under Section 7 of Fuel Trade Act B.E. 2543 (2000), the company is required to follow relevant laws. Important laws, rules, regulations, and notifications are as follow:

1. Fuel Trade Act B.E. 2543 (2000) and Fuel Trade Act (No.2) B.E. 2550 (2007).
2. Fuel Control Act B.E. 2542 (1999).
3. Emergency Decree on Remedy and Prevention of Shortage of Fuel Oil B.E. 2516 (1973).
4. Industrial Estate Authority of Thailand Act B.E. 2522 (1979).
5. Ministerial Regulation and Notification of Ministry of Energy on fuel trading and transportation.

Environmental impact

Each procedure of operations starting from LPG acquisition and storage does not involve any process related to emission from waste to external environment. However, due to characteristics of the company business operations that are associated with storage and transportation of inflammable objects, the company is required to follow safety rules and regulations issued by regulatory agencies such as Department of Energy Business, Department of Industrial Works, Department of Land Transport, and Industrial Estate Authority of Thailand to prevent health and environmental hazards. The company does not have any disputes related to environment.

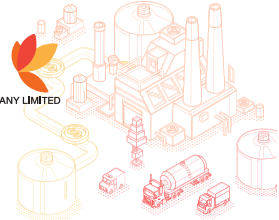
Hazardous and Construction Equipment transportation service

Products and services

All of land transportation of LPG is operated by GG the Company's subsidiary and transporter under Section 12 of Fuel Trade Act, B. E. 2543. LPG transportation to the Company and its subsidiaries is accounting for 57% and other LPG trader and LPG station is accounting for 9%, while Ammonia transportation service is 34% of the total revenue. Currently, number and detail of trucks owned by the Group is as follows:

Type of Truck	Number	Loading Capacity (Ton)
LPG trucks		
Semi - Trailer	5	15.0
10 — wheel truck	8	8.0
6 — wheel truck	4	4.3
Ammonia trucks		
10 — wheel truck	4	10.0
Construction Material trucks		
Semi - Trailer	4	50.0

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 a timely manner.



Transportation service income during 2018 -2020 were as follow;

	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Transportation Service Income	41.47	100	45.36	100	48.61	100
- LPG to the Parent Company	20.07	48	26.20	57	30.52	63
- LPG to third party	3.63	9	2.00	4	4.48	9
- Ammonia	13.94	34	13.58	30	11.50	24
- Material and Equipment for Construction	3.83	9	3.91	9	2.11	4

Marketing and Competition

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.

Procurement of product and service

As soon as GG receives orders from customers, GG shall receive gas from PTT gas terminal or gas depots of other LPG traders under Section 7 to deliver to customers:

To deliver gas to customers in Bangkok and outskirts of Bangkok or provinces in the central region, the company shall receive gas from Ban Rong Po Gas Terminal or Takuni Gas Depot in Pathum Thani or gas depots of other LPG traders under Section 7 to deliver to the company gas depot for transferring to 8 tons or 4 tons loading capacity tanker trucks before delivering to customers. In case customers are located near gas depots that the company purchases, the company shall use 8 tons or 4 tons loading capacity tanker trucks to directly transport gas to customers.

To deliver gas to customers in upper central region or lower north region, in most cases the company shall receive gas from PTT gas terminal in Nakhon Sawan and Takuni gas depot in Phichit to deliver to customers by using 8 tons loading capacity tanker trucks.

Relevant laws and regulatory agencies

As a fuel carrier under Section 12 of Fuel Trade Act B.E. 2543 (2000), GG is required to follow relevant laws. Important laws, rules, regulations, and notifications are as follow:

1. Fuel Trade Act B.E. 2543 (2000) and Fuel Trade Act (No.2) B.E. 2550 (2007).
2. Fuel Control Act B.E. 2542 (1999).
3. Emergency Decree on Remedy and Prevention of Shortage of Fuel Oil B.E. 2516 (1973).
4. Ministerial Regulation and Notification of Ministry of Energy on fuel trading and transportation.

Environmental impact

Each procedure of LPG transportation operations does not involve any process related to emission from waste to external environment. However, due to characteristics of the company business operations that are associated with transportation of inflammable objects, the company is required to follow safety rules and regulations issued by regulatory agencies such as Department of Energy Business, Department of Industrial Works, Department of Land Transport, and Industrial Estate Authority of Thailand to prevent health and environmental hazards. The company does not have any disputes related to environment.

Construction service

Products and Services

Takuni (Thailand) Co., Ltd. provides construction service as oil and gas 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.

The Group has invested in CAZ (Thailand) Company Limited which also provides Oil and Gas construction (Engineering Procurement Construction) including Engineering Design, Fabrication, Civil and Erection work. These products are served customers in various industries, especially energy business 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.



Business operations of TAKUNI Group and its subsidiaries - CAZ (Thailand) Public Company Limited (CAZ) and Takuni (Thailand) Company Limited (TT) - may seem similar in the provision of construction service. However, the businesses of both parties differ in terms of expertise and standard of work. Thus, clients would decide to engage the services based on suitability to the job.

CAZ operates its business as construction service provider with its clients being large operators in the oil, gas, and petrochemical industry. This requires experience, emphasis on standards of raw materials, controlled manufacturing process, teams of engineers with expertise and understanding in various products able to advise clients and teams of craftsmen standard-certified for welding various types of products, enabling the Company to ensure high quality services with quality control exercised in every production and installation process. In addition, the Company received certificates of standard from renowned organizations such as ASME and NBIC, with regular checks every 3 years, resulting in high cost of service.

TT, like CAZ, also operates its business in construction service. However, the scope of construction business is limited to LPG pipe construction system such as shopping centers, hospitals, and restaurants. In addition, the standards regarding construction, raw materials, and labor quality are at a level as required by law. As such, TT is not able to deliver standards comparable to CAZ due to limitations such as expertise other than in LPG pipe system, engineers' capabilities, and specialized labor qualifications.

However, should TAKUNI Group plan to engage the services of its subsidiary in the future in any matter, TT and CAZ will consider market prices, normal terms of trade, and appropriateness of the transaction. In such case, The Audit Committee and internal auditor of both TAKUNI and CAZ will review such related party transaction, disclose information to the public, and proceed in accordance with the regulations on the matter.

Marketing and Competition

For LPG 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 management team as well as 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.

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

Products and Services

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.

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.



NGV Supply control system



Quick joint/ Gas pipe head
/ Gas pipe head cover



Gas leak alarm

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.

Testing service and engineering safety inspection service business

Products and services

Rajchapleuk Engineering Co., Ltd. ("RE") provides testing service and engineering independent testing service (Third Party Engineering/Inspection Service) as independent specialists for organizations to inspect safety or evaluate status for maintenance and repair which is probably governed by legal regulations or requirements of customers.

RE services can be divided into 2 characteristics as

1. Non-destructive testing

It is a testing process to find mistakes or defects of work pieces using physics process that does not destroy those work pieces such as

- Radiographic testing is a method using either x-rays or gamma rays to examine the internal structure of manufactured components for identifying any flaws or defects. A film is used to record information. It is most likely used to examine weld connection in oil refinery plants or oil pipelines.
- Sound waves test: It is used to test the thickness of the test objects to identify any flaws or defects of texture of the test objects such as tanks, pipeline system and other equipment.
- Magnetic particle testing: It is a non-destructive testing process for detecting surface and slightly subsurface flaws in most ferromagnetic materials. It is mostly used in testing pipeline or metal structure work.
- Penetrant testing: It is an effective means for detecting discontinuities which are open to the surface of nonporous metals and other materials using liquid penetrant testing.
- Visual inspection: This method involves the visual observation of the surface of a test object such as corrosion, physical damage, cracks which may affect the strength of work pieces.

2. Inspection and Certification

It is an inspection process to certify the quality of work including non-destructive testing process to certify operating condition of work pieces according to the objectives of inspection. Inspection is probably conducted prior to the opening of new factories, during installation or after use. Inspection is also conducted to serve legal certification for customers such as LPG/NGV tank certification, tank inspection at gas depots, gas filling plant inspection, gas station inspection, etc.

The inspection process to certify the quality of work includes inspection and certification of boilers or boilers in which the heat transfer media (fluid) is heated imported from abroad, inspection/control/monitoring construction /repair/ transform to meet designs and details certified to international standards, inspection of installation plans and component parts to be in accordance with engineering principles, testing, analyzing, and preparing reports on safety-in-use and advising correct solving methods according to engineering principles.

Inspection and testing service of RE depends on characteristics of the test work. In case of inspecting gas pipeline system in gas depots or gas stations to detect leakage on pipelines, general instruments can be used instead of using special instruments required by non-destructive testing (NDT). In case of work for detecting flaws in material structure that cannot be seen by the naked eye, the NDT process is required. Examples of NDT are inspecting and testing safety system for the use of high-pressure storage containers such as NGV (Natural Gas Vehicle) tanks, LPG (Liquefied Petroleum Gas) tanks, sizes or boilers, etc.

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.

Distribution channel

Distribution channel to access customers of RE can be classified into 2 characteristics as

1. Customers of the group of Takuni Company such as gas stations purchasing petroleum gas from TG, customers from industrial gas pipeline installation of TT, customers from gas system installation for cars of TT, etc.
2. General customers to whom RE make direct contact by means of a disclosed database of government agencies such as Department of Industrial Works, lists of operators in the group of energy business, etc. RE engineers will make contact to offer services determined by laws. Currently, most of RE customers are the ones to whom RE made direct contact.

Business strategy

RE has a policy to expand its scope of services to more sophisticated NDT inspection and testing in order to add more value to work for achieving the set goals. RE has a strategy to develop company employees on the basis of on the job training and different patterns of training to improve employees' work skills including considering an investment in instruments used in inspection and testing so as to increase opportunities and service patterns in other aspects.

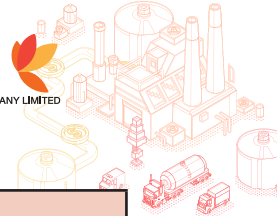
Procurement of products and services

To provide services related to testing and inspection of engineering safety, potential of each business operator in providing services depends on 2 major factors, i.e.

1. Being licensed to test in various aspects, which can be divided into 2 subgroups as a corporate license and a license for testing practitioners. Most of RE licenses are valid for 3 years and renewal will be implemented when they are due. RE is considered a company holding experience and qualification in testing and inspection that meet international standards such as ASNT, PCN, ASME, and is ISO9001:2008 certified in non-destructive testing and inspection.

License and Certificate as at 15 March 2021 are as follows:

Department	Type of Certificate/License
Department of Energy Business (DOEB)	Inspection and Testing according to Fuel Control Act B.E 2542, registered with Department of Energy Business LPG filling Station -Category 1 LPG use Facilities--Category 1 Oil Fuel - Class 3 NGV Gas Station-Inspection and testing NGV use facilities-Category 1
Department of Land Transport	License for CNG Vehicle Inspection and Testing Agency
	License for CNG Bus Inspection and Testing Agency
	License for LPG Vehicle Inspection and Testing Agency
	License for LPG Bus Inspection and Testing Agency
Building Control Board	Certified third party inspection company
Council of Engineers Thailand (COET)	Registered with Council of Engineers since 2003 Control Engineering Professional Under Thai Laws
Department of Industrial Works (DIW)	License for Engineering Certification Body for Boiler
Office of Atoms for Peace (OAP)	The License of Possession and Use of Radioactive & Nuclear Materials
Ministry of Industry, Thai Industrial Standards Institute	Certificate of Inspection Body Accreditation by virtue of National Standardization Act B.E.2551 (2008). Accredited according to Inspection Body Type A Conformity Assessment-Requirements for the operation of various types of bodies performing inspection TIS17020-2556 (ISO/IEC 17020:2012).Accreditation No. INSPECTION 0048



Department	Type of Certificate/License
The American Society for Nondestructive Testing Inc. (ASNT)	Certification for Mr. Udom Meephaungpol, Mr. Satish Kumar Dornal, Mr. Supan Namuangrak as NDT Level III including Magnetic Particle Testing (MT), Liquid Penetration Testing (PT) , Visual Testing (VT), Ultrasonic Testing (UT), Radiographic Testing (RT), Water Pressure Testing (LT), Eddy Current Testing (ET), Acoustic Emission (AE), Magnetic Flux Leakage (MFL), and Infrared (IR) Methods.
The American Petroleum Institute (API)	Certification for Mr. Satish Kumar Dornal as API 653 Inspector
The American Welding Society (AWS)	Certification for Mr. Udom Meephaungpol, Mr. Bunjob Chansathep, Mr. Sarawut Chiangma, Mr. Wasan Thaisahnga, Mr. Krittaboonyasit Pamuta as AWS Certified Welding Inspector (CWI) with code endorsement, ASME IX, B31.1, B31.3 and ASME VIII DIV.1.
The British Institute of Non-Destructive Testing (BINDT)	Certification to Mr. Sutin Tongjantanam, Mr. Jua Saetho, Mr. Chotiwit Litchapon, Ms. Sutharat Kamyoo, and Ms. Ploypailin Khomaroon as PCN Level 2 (EN ISO 9712) in RI, UT, PAUT, PT and MT Methods.
Number of Engineer, NDT Operators and Welding/QC Inspector/Inspector (at 31 December 2020)	<ul style="list-style-type: none"> - 21 Engineers - 37 NDT Operators - 10 Welding/QC Inspector/Inspectors

2. Adequacy of instruments and equipment. Most of RE services are services related to system testing which depends on a person's ability. Therefore, the instruments and equipment will be basic instruments that a level 3 NDT technician must supply and prepare as an asset to supplement in applying for NDT service certification. Most of instruments do not require a high investment such as welding connection detector using ultrasonic wave, welding connection detector using radiation, welding connection detector using magnetic particle, welding connection detector using penetrant, hardness tester, high pressure water pump, depth gauge, gas tank expansion testing equipment, etc.

Process of engineering safety testing and inspection services

The process of RE services can be briefly summarized as follow:

1. RE makes contact with customers and offer prices of services.
2. Implement all matters related to testing and inspection, especially the ones identified by laws that require government sector officials to participate in the testing and inspection. RE shall coordinate with Department of Energy Business to set a date for inspection.
3. Perform testing and issue a certificate to customers. In case customers' work pieces or equipment have defects which are not compliant with the standards, RE shall offer additional services for making improvement and correction.

Testing and inspection services at RE require approximately 2-3 days except the case of testing and inspection of a large gas storage system which will depend on gas tank sizes and testing and inspection tasks.

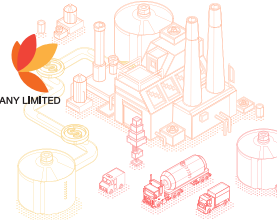
Property Development Business

Product and service

Takuni Land Company Limited (TL) is a subsidiary company running real estate development business in 2020. The company sold a land to an associated company for developing “Thawee Phetkasem-Kanchanapisek” housing estate project, 3-storey semi-detached houses in modern luxury style. The project was launched in the beginning of February 2021 and was warmly welcomed. The booking amount was 88% of the total open booking.

Marketing and competition

The cost of land purchase of the group of companies is not so high. The location is near main roads and electric train stations. The group of companies holds experience in construction work, making the company confident that construction cost control will be efficiently implemented and can compete with other real estate business operators. The group of companies selects to co-invest with those who have experience in real estate development business to address brand risk as the company’s brand has not gained reputation, affecting the setting of sales prices lower than what other famous operators did.



Assets used in business operation

As at 31 December 2020, the Group has property, plants, and equipment used in the operation as follows;

Description	Ownership	Net Book Value (Million Baht)	Commitments
1. Land and Land Improvement			
1.1 Land 2 plots at Ban Pathum District, Pathum Thani Area 7 Rai Used for LPG Depot	TG	26.50	Collateral for Letter of Guarantee of CAZ, TT, TG, GG, RE, totaling of 160 Million Baht
1.2 Land 7 plots at Soi Naveechoensup Kanchanapisek Rd., Bangkai, Bangkok Used for Head Office of the Group and Investment Property	TT	24.47	Collateral for Overdraft and Letter of Guarantee for CAZ, TT, TG, GG, RE, totaling of 465 Million Baht
1.3 Land 1 plots at Soi Naveechoensup Kanchanapisek Rd., Bangkai, Bangkok	TT	0.59	N/A
1.4 Land 1 plots at Muang Rayong District, Rayong Area 6 Rai 9/10 Square wa	GG	6.85	N/A
1.5 Land 3 plots at Bangchang District, Rayong Area 65 Rai 2 Ngan 2.10 Square wa Land 1 plot at Huaypong Sub-District, Muang Rayong District, Rayong Area 43 Rai 3 Ngan 16 Square wa	CAZ	183.80	Collateral for Overdraft, Short-term and Long-term Borrowing, and Letter of Guarantee of CAZ, totaling of 1,491.60 Million Baht
1.6 Land 5 plots at Pluakdaeng District, Rayong Area 79 Rai 47 Square wa	CAZ	76.52	N/A
1.7 Land lease recorded as Right of Use in financial statements	TT / GG / CAZ	7.08	N/A
Total Land		325.81	

Description	Ownership	Net Book Value (Million Baht)	Commitments
2 Buildings and Building Improvements			
2.1 LPG Depot at Phichit	TG	3.51	N/A
2.2 LPG Depot at Pathum Thani	TG	3.37	Collateral for Letter of Guarantee of CAZ, TT, TG, GG, RE, totaling of 160 Million Baht
2.3 6 floor, Building on Land item 1.2 used as Head Office and Investment Property	TT	10.31	Collateral for Overdraft and Letter of Guarantee for CAZ, TT, TG, GG, and RE, totaling of 465 Million Baht
2.4 1 Floor Building on Land item 1.5 used as Head Office and shop	CAZ	68.75	Collateral for Overdraft, Short-term and Long-term Borrowing, and Letter of Guarantee of CAZ, totaling of 1,491.60 Million Baht
2.5 2 Floor Building on Land item 1.6 used as shop	CAZ	48.23	N/A
Total Buildings and Building improvements		134.17	
3. LPG Cylinders and equipment	TG	19.06	N/A
4. Equipment and office supplies	TG / TT / GG / RE / CAZ/JKEC	188.30	N/A

Description	Ownership	Net Book Value (Million Baht)	Commitments
5. Vehicles			
5.1 For Transportation services 25 trucks - 4 trucks for 5 tons - 8 trucks for 8 tons - 4 trucks for 10 tons - 5 trucks for 15 tons - 4 trucks for 50 tons	GG	18.26	N/A
5.2 For internal used in operation	TG / TT / GG / RE / CAZ / JKEC	31.80	N/A
Total Vehicles		50.06	
6. Construction in Progress	RE / CAZ / JKEC	3.95	N/A
Total Property, plant, and equipment		721.36	

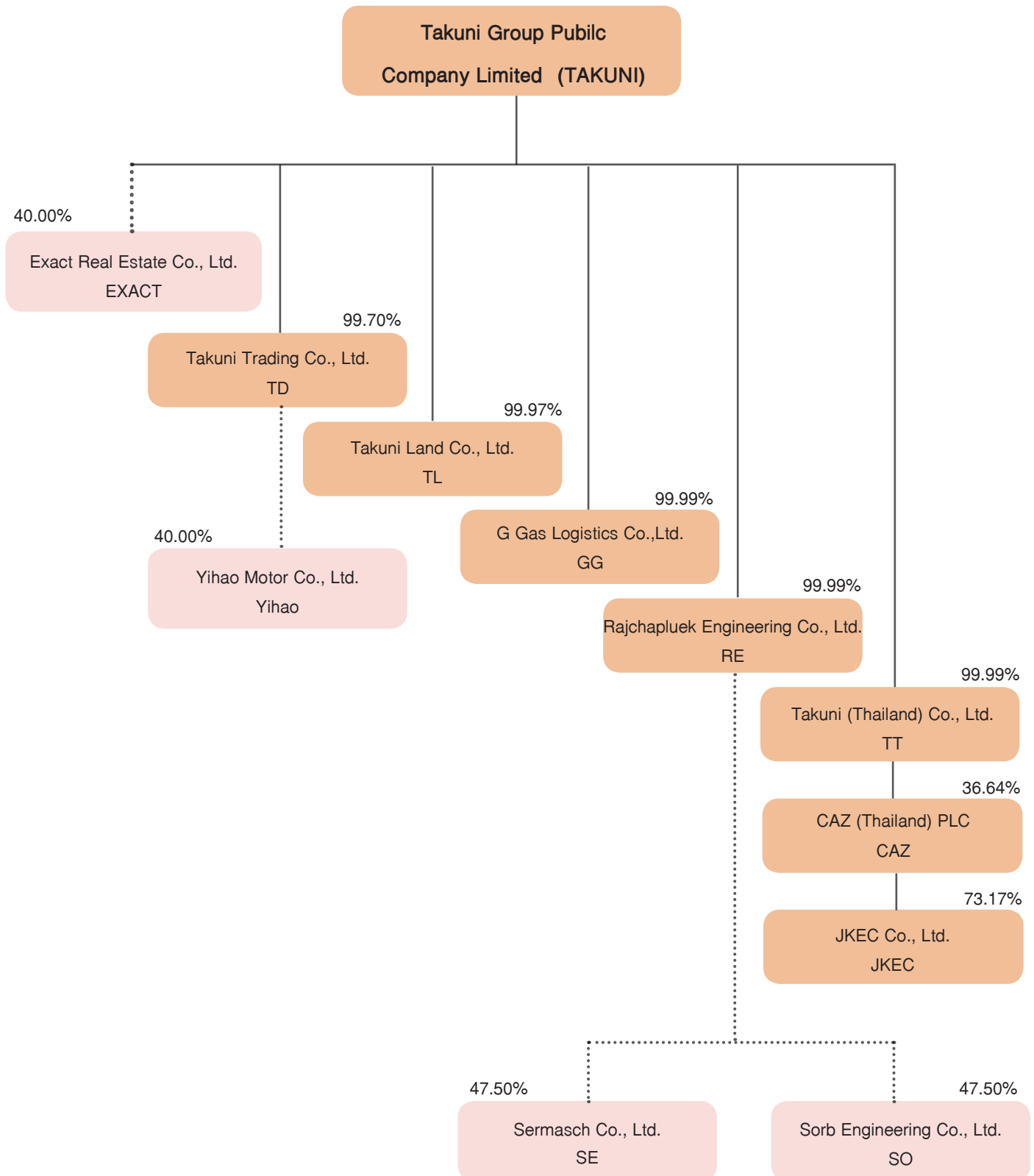
Investment policy in subsidiary and associated companies

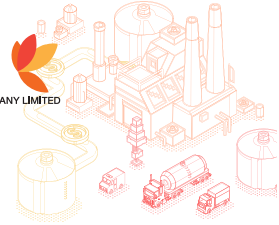
The company has a policy to invest in businesses beneficial to the company so as to increase competitive advantage. The policy is set as follow:

- Investment in subsidiaries - The Company shall have power to control and set management policies. The Board of Directors appoints Chief Executive Officer/Managing Director and top executives of the company to be committee in the subsidiaries. Policies and practice guidelines are brought to the subsidiaries to ensure the operations and management are carried out in the same direction.
- Investment in associated companies - The Company shall have the rights to assign the company's representatives to be committee according to the size of shareholding to oversee and audit the management to meet the strategies jointly determined.

Company Structure

As at 31 December 2020, the Group structure are as follows;





Relationship with the group of businesses of major shareholder

After the reorganize of the Group in 2012, the Group and the major shareholder, family of Khun Prasert Treeweeranuwat, has no businesses having the same characteristics as the company's businesses or businesses that can compete with the company. In the past the major shareholder's family conducted gas station and gas filling plant businesses, i.e. Middle G Company Limited, Praksa Company Limited, Wangvichit Petroleum Company Limited and Pioneer Petroleum Company Limited with their siblings and friends as a minor shareholder. However, in the business reengineering, the group of businesses of Khun Prasert family sold ordinary shares of those companies to major shareholders of each company so as to eliminate conflict of interest that may occur.

Besides, to prevent conflict of interest among the family, the company, and subsidiaries and to retain the rights of shareholders and to treat shareholders equitably and fairly, Treeweeranuwat family by Khun Prasert, Khun Kanchana, Khun Nita and Khun Takool made a contract with the company that each person including related persons referred to in Section 258 shall not conduct businesses which are in competition with the businesses of the company and businesses of the subsidiaries and shall not conduct businesses associated with liquefied petroleum gas, natural gas and oil. This contract has a legal binding until all 4 persons in Treeweeranuwat family shall hold shareholders altogether amounting to less than 10% of paid up capital of the company and no one is company executive.

Shareholders

Takuni Group PLC. has registered capital of 600,000,000 baht and paid-up capital of 400,000,118 Baht at 0.5 Baht per share.

Top Fifteen of The Shareholders as of March 18, 2021 are as follow:

	Shareholders	No. of Shares	%
1.	Treeweeranuwat Family	414,677,396	51.83
2.	Mr. Jumroen Rungwattanasat	11,222,500	1.40
3.	Mr. Somchai Kittidutsaditham	9,100,000	1.14
4.	Thai NVDR Co., Ltd.	6,275,037	0.78
5.	Mr. Thanet Charoenchai	6,100,900	0.76
6.	Ms.Nisita Singha	6,100,000	0.76
7.	Mr. Atiphat Tangchalermkul	5,554,800	0.69
8.	Ms. Ampon Srephothong	5,300,000	0.66
9.	Mr. Sakon Tungmunphuwadol	4,440,200	0.56
10.	Mr. Thawee Narissirikul	4,100,000	0.51
11.	Mrs. Koplab Tungmunphuwadol	4,089,000	0.51
12.	Mrs. Jintana Ananprakrit	4,000,000	0.50
13.	Mr. Wichain Srimuninnimit	4,000,000	0.50
14.	Mrs. Suwimon Yingthanaphibun	4,000,000	0.50
15.	Mr. Samawat Panyanukul	4,000,000	0.50
	Total	492,959,833	61.62

Share Capital

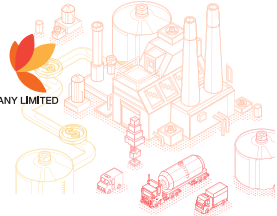
Initial	:	TAKUNI
Name	:	Takuni Group Public Company Limited
Registered Capital	:	600,000,000 Share
Paid-up Capital	:	400,000,118 baht
Common Shares	:	800,000,236 Share
Par Value	:	0.50 baht
Offering Date	:	19 August 2014

Other security

The Extraordinary General Shareholders Meeting No. 1/2558 on 2 December 2015 has the resolution to issue warrant to purchase ordinary shares of TAKUNI with the following detail:

Warrant to purchase ordinary shares of Takuni Group Public Company Limited No.1 ("TAKUNI-W") not exceed 400,000,000 units allocated to the existing shareholders who subscribed for new ordinary shares that offered to the existing shareholders by right offering without charge. The exercise ratio was 1 unit of warrant to 1 ordinary share. As the right offering period expired on 8 January 2016, there were shareholders who subscribed for new ordinary shares of 399,999,874 shares. The Company also issue TAKUNI-W of 399,999,874 units with detail as follows;

Category of Warrants	:	Warrant to purchase the ordinary shares of Takuni Group Public Company Limited No.1 (TAKUNI-W)
Type of Warrants	:	Specify warrant holders and transferable
Number of Offering Warrants	:	399,999,874 units
Exercise Ratio	:	1 unit of warrant to 1 ordinary share, subject to any adjustment of exercise price and exercise ratio
Exercise Price	:	2 Baht
Date of Issue of Warrants	:	29 January 2016
Term of Warrants	:	Not exceed 5 years from the Date of Issue of Warrants. At expiry of Warrants it will not extend the term of Warrants
Exercise Period	:	Warrant Holders can exercise the right to purchase ordinary shares of the Company totaling of 6 time as <ol style="list-style-type: none"> 1. The last working day of December 2016 2. The last working day of December 2017 3. The last working day of December 2018 4. The last working day of December 2019 5. The last working day of December 2020 6. 28 January 2021, which is the last exercise period



Period of Declaration of Intention	:	Not less than 5 business days period prior to
to Exercise Warrants		each exercise date
Date of Expiry of Warrants	:	29 January 2021 onward

Adjustment of Exercise Price and Exercise Ratio

The Company has adjusted exercise price and exercise ratio of TAKUNI-W because the Company pays dividends in excess of 40% of its net profit after tax in any accounting period during the tenor of the Warrants

The Adjustment 1 Effective since 13 March 2017

Existing condition	:	Exercise Price	2	Baht per share
		Exercise Ratio	1	unit per 1 share
New Condition	:	Exercise Price	1.97	Baht per share
		Exercise Ratio	1	per 1.02 share

The Adjustment 2 Effective since 23 March 2018

Existing condition	:	Exercise Price	1.97	Baht per share
		Exercise Ratio	1	per 1.02 share
New Condition	:	Exercise Price	1.93	Baht per share
		Exercise Ratio	1	unit per 1.04 share

The Adjustment 3 Effective since 13 March 2019

Existing condition	:	Exercise Price	1.93	Baht per share
		Exercise Ratio	1	unit per 1.04 share
New Condition	:	Exercise Price	1.88	Baht per share
		Exercise Ratio	1	per 1.07 share

The Adjustment 4 Effective since 11 March 2020

Existing condition	:	Exercise Price	1.88	Baht per share
		Exercise Ratio	1	per 1.07 share
New Condition	:	Exercise Price	1.79	Baht per share
		Exercise Ratio	1	unit per 1.12 share

The Exercise of TAKUNI-W

As at 30 December 2016, the first exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.

As at 29 December 2017, the second exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.

As at 28 December 2018, the third exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.

As at 30 December 2019, the forth exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.

As at 30 December 2020, the fifth exercise of TAKUNI-W, no warrant holder exercise TAKUNI-W.

As at 28 January 2021, the last exercise of TAKUNI-W, there were warrant holder exercise TAKUNI-W 211 units to purchase ordinary share of TAKUNI 236 shares.

The utilization of capital increase

The Extraordinary General Shareholders Meeting No. 1/2558 on 2 December 2015 has the resolution on the right offering (RO) to existing shareholders of the Company during 4 - 8 January 2016, offering 400 Million shares at the price of 1.00 Baht per share which is 400 Million Baht in total. The objectives for the utilized of capital increase were to use as working capital and to invest in renewable energy business. As at 31 December 2020, the Company still remain cash for invest in renewable energy business of 134 Million Baht. The Company expect to use this fund to invest in the electronic motorcycle manufacture and assembly in Taiwan.

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

Detail of dividends payment during 2018 -2020 are as follows;

Performance	Statement of Comprehensive Income (Company)	Share Capital	Dividend per share (Baht)	Amount (Baht)	% Paid Dividends
2020	32,056,843	800,000,236	0.0375	30,000,009	93.58
2019	21,962,289	800,000,000	0.0274	21,920,000	99.81
2018	31,826,529	800,000,000	0.0375	30,000,000	94.26

Risk Management

Risk Factors

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

1. 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.

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

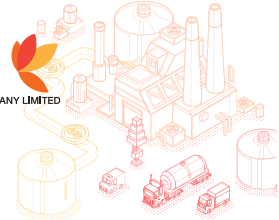
As the Record date on 18 March 2021, Treeweeranuwat family was the Company major shareholder holding 414,677,396 of shares which accounted for 51.83% of the outstanding shares. This made Treeweeranuwat family able to exert significant control over the board's decisions in appointing directors or influence 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% 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.

3. Risk from technological change

As of today technologies in automobile grow rapidly, especially technology in electrical energy, making consumes have more choices of fuel types with cheaper prices such as E85 or B20 while they do not have difficulty in modifying car engines. In this regard, gas consumption in transportation sector decreases significantly. Meanwhile, a way of life of people in urban areas also changes; they live in condominiums and have electrical appliances for cooking without using gas, contributing to a decline in gas consumption of household sector and affecting gas selling business and related businesses like gas system installation in cars and testing of gas safety system businesses that face a decrease in sales volume.

The company expands its business to construction business and real estate development business to diversify risks in conducting business including recruiting and developing qualified personnel to facilitate customer expansion to a group that does not belong to the energy business only. In the meantime, the market for services of engineering safety testing is expanded to the east region so as to expand the customer base.



Driving business to sustainability

Policy and goal for sustainability management

The group of companies sets a vision to run businesses as a whole for being able to expand and grow together by adhering to social responsibility, environmental responsibility and taking all stakeholders into consideration including promoting free competition, not to take any action that leads to market distortion resulting in a negative effect on consumers in order to grow the businesses securely and sustainably.

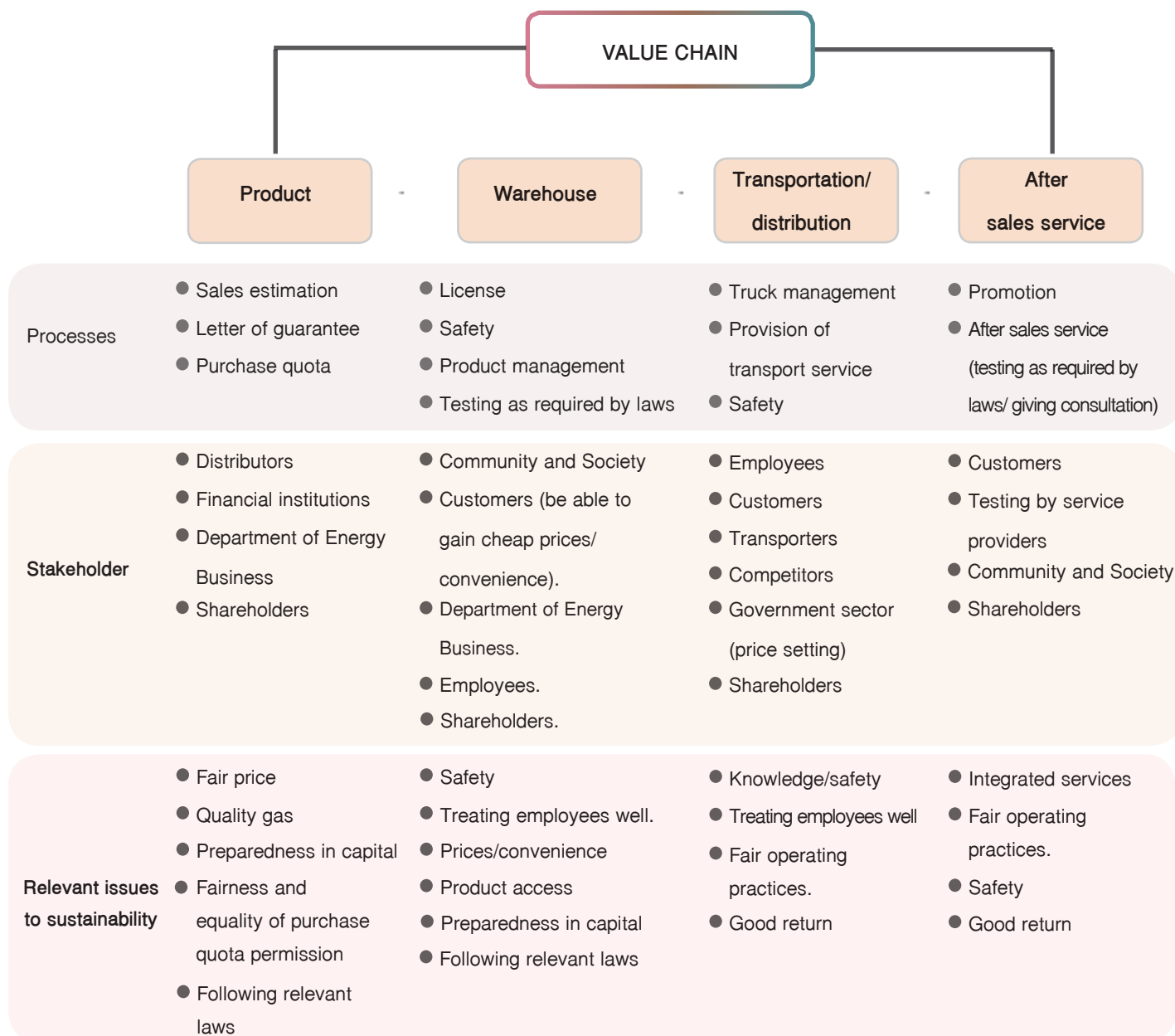
The Company appointed corporate social responsibility and sustainability committee (ESG) comprising management executives, managers, and employees to have power and duty to develop social, environmental, and economic responsibilities and produce reports summarizing performance to Board of directors. Besides, ESG committee communicated with employees including stakeholders for acknowledgement using communication channels such as website, email, Skype, Facebook, or public relations announcement, etc.

		Long-term goals	Goals for 2020	Performance in 2020
Employees	Exercise hour	8 hours/person/month.	8 hours/person/month	0.6 hours/person/month*
	Training hour	32 hours /person/year	20 hours/person/year	25 hours/person/year
Business	Retain sales volume	Non-decreasing	Non-decreasing.	Increase by 0.05%.
	Increase products	more than 1 product	more than 1 product	Real estate development
	(business)	(business)/year	(business)/year	business.
Environment	Green space	Increase the number of trees and water animals in the area 10% per year.	150 plants	161 plants

* Exercise hours of employees were available in February and March 2020 only due to the spread of Coronavirus 2019 (COVID-19).

Impact management on stakeholders in business value chain

“Fueling our society safety and clean”



Company value chain starts from providing products which the company shall inform sale volume to distributors and Department of Energy Business to ensure the company shall be granted permission of gas purchase quota in an equitable manner similar to other LPG traders under Section 7. With regard to purchase and sale of goods, the company must have a financial institution issue a letter of guarantee in accordance with the value of purchasing and selling by the time that a distributor sets a credit term in order to be the collateral of purchasing.

After receiving gas, the company shall store gas in warehouses that meet standard and safety and are licensed by Department of Energy Business including passing safety testing required by law to ensure hazard will not occur to employees, customers, and neighboring communities. Safety training is held regularly for employees and customers who receive services in the warehouses. The company distributes goods in many areas, enabling customers to access goods conveniently, fast, and in a timely manner.

As for goods delivery, the company has quality gas tanker trucks that are safe and environmentally friendly. Employees responsible for delivery service are required to own a driving license of hazardous goods and regularly receive safety training, and must be able to deliver goods to customers to meet a required schedule. Energy Policy and Planning Office (EPPO) Ministry of Energy shall set gas retail prices properly and fairly to ensure consumers in all sectors can access gas equitably.

The company focuses on after sales service to all groups of customer in terms of knowledge training in being gas filling attendants, safety testing service as required by laws including the provision of gas system maintenance and repair service to ensure that the gas system of customers is functional and meets standards and safety for neighboring communities and society. Quality products with safety are offered to customers as well as excellent services so that customers will receive maximum satisfaction for serving sustainable consumption.

Environmental dimension in sustainability management

The company gives importance to taking care of environment in all processes and external environment by taking account of social and environmental impact on the basis of international standards. The company is committed to developing green and modern technology to enable all processes of the company to achieve the highest efficiency.

The Company participated in Green Industry Project created by Ministry of Industry and was announced to achieve Green Industry in the 2nd level (Green Active) in developing environmental work plans to reduce environmental impact in a concrete manner. The Company implemented activities reducing environmental impact in accordance with the set goal by growing fruit trees, flowering trees, and kitchen vegetables to increase green spaces as plants provide shade and improve air circulation by absorbing carbon dioxide, a cause of global warming, and collecting some particles such as dust, or smoke. In addition, the kitchen vegetables can be eaten and rich in vitamins and minerals, chemical free, reduce household expenses and the important thing is it allows employees to enjoy doing activities together, bringing good relationship within the Company.



Green Industry Project — Pathum Thani Gas Depot, employees and executives work in collaboration to make green spaces.

Within Phichit and Pathum Thani Gas Depot, employees and managements together planted agricultural crops and horticulture for their own consume such as, mango, banana, lemon, jackfruit, coconut, longan, rambutan, star gooseberry, tomato, galangal, lemon grass and sadao.



Furthermore, in 2020 the company provided a green space by the sides of warehouse building at the head office. Rain trees and Korean banyan trees (*Ficus annulata*) were grown to reduce greenhouse gas emission and increase recreational space for employees.

5R principles that include Reduce, Reuse, Recycle, Repair and Reject have been adopted to activities under the project “TAKUNI Care”. Activities were organized under the environmental management policy and employees were encouraged to participate in the activities and were instilled consciousness to conserve environment in a sustainable manner.

Reduce	:	It is a way of waste reduction such as the purchase of a refillable product.
Reused	:	It is a way to extend product life cycle, learn to utilize them more efficiently, and use them again or more than once.
Recycle	:	It is a method to put used objects or materials through the process of converting waste materials into new materials and objects.
Repair	:	It is a way to fix or mend something suffering for damage or fault to be used again.
Reject	:	It is a approach to avuid using hazardous products.

Redeeming merit from waste activity

The objective of this activity was set to be consistent with the 5R policy (Reduce, Reuse, Recycle, Repair and Reject) and aimed for zero waste, generating income from waste separation, and saving more expenses by reuse or repair approaches. By the way, income from the waste separation was contributed to the donation made to Protection and Development of Disabled Persons at Ban Nontaphum.

Cloth bag activity for no plastic bag campaign

The objective of the activity is consistent with the 5R policy (Reduce, Reuse, Recycle, Repair and Reject) and reducing the use of single-use plastic bags. Cloth bags were made for employees of all sectors.



The Company has a policy to use resources economically and wisely by setting as KPI for employees in using resources most wisely. Moreover, notifications were made to encourage everyone to save water and electricity such as turn on the faucet only when necessary, do not leave the tap running or overflowing, water left from dish washing or floor cleaning can be used to water trees. The measures to save electricity were turning off lights, air conditioning, computers, and electrical appliances during lunch breaks or do not plug in an electric pot all day long, only boiling the amount of water that needed, regularly check electrical appliances for ready use, and clean air conditioners.

Statistics on the Company resource consumption

	2016 (Million baht)	2017 (Million baht)	2018 (Million baht)	2019 (Million baht)	2020 (Million baht)
Electricity consumption	2.26	2.36	2.12	2.32	2.13
Water consumption	0.22	0.21	0.18	0.18	0.23

The Company had a measure for hazardous waste disposal or waste that may cause ecosystem pollution by recalling hazardous waste to be eliminated by the third party who is legally certified with certain standards.

The company is aware of environmental responsibility in running transportation business. GPS tracking devices are installed in all company gas tanker trucks (the devices must be certified by Department of Land Transport) to help control a driving standard of the truck drivers such as controlling driving speed, controlling driving distance or not to leave the engine running while parked, etc. Reports will be submitted to the meeting of executives every month. Reflective stickers are attached around the trucks to increase safety while driving at night.



Social dimension in sustainability management

Treatment to employees and workers

The Group consider quality employees as the significant and valuable resource that can lead the sustainable growth to the company. As the result, the Group emphasis on human resource management, including safety and hygiene in the workplace, fair payment and benefits, non-discrimination from differences in race, religion, sex, and social status , work conditions and promoting rights. The Group also manages the business scrupulously and is aware of an impact on violation of rights of employees, communities, and society in conjunction with seeking preventive measures to monitor and oversee the Company business. A complaint mechanism is appropriately established for those who believe that their rights are violated or they receive unfair treatment through the following channels:

Channel 1: A written complaint can be sent by post addressed to Chairman of the Audit Committee or Secretary of the Audit Committee to Takuni Group Public Company Limited 140/1, Naveechoensap Alley, Kanjanapisek Road, Bang Khae Sub-district, Bang Khae District, Bangkok, 10160.

Channel 2: A written complaint can be sent to email address: auditcom@takuni.com

Channel 3: A written complaint can be sent to the Company website <http://www.takunigroup.com>

Respect to rule of laws and human rights principles

Running business on the basis of respect to laws is what all employees in the company are aware of and give importance to. It is required in the company ethics in the corporate governance manual that the company shall follow laws, rules, regulations, requirements and resolutions of the meeting of shareholders with honesty and carefulness.

The company is committed to the operations of the Board of Directors, executives, employees, and all stakeholders shall be carried out with respect and honor on the basis of human dignity or do not take any action that shall have an effect on rights and liberties of other people and against the provisions of laws. The mentioned above practice guidelines are organizational ethical standards that all employees shall strictly follow. In case of violation of failure to comply, punishment shall be imposed depending on severity of actions and deemed wrongful discipline.

The company gives importance to activities that possibly have an effect on human rights principles in all aspects, and follows relevant laws. The company has a clear policy not to employ child workers, adheres to freedom of religion, non-discrimination from differences in race, religion, sex, and social status. Besides, the company strictly pays respect to the principles of human rights of all levels of employees by protecting and not to disclose personal information of employees such as personal profile, salary, etc to other people outside or persons who are not associated with acknowledgement without being permitted by employees. Operational regulations are prepared in the form of a manual so that employees are well aware of rules and regulations at work through orientation training before start working.

The Company is aware of equality and human rights of the Company employees, the Company has adhered to enhancement of employee human rights with fair practices and equality starting from the process of recruitment, working, and career path without discrimination of any kind based on sex, age, race, religion, and physical appearance such as employing people with deformity and providing facilities in terms of safe and suitable workplace and work conditions including promoting rights and roles of female employees in the organization. Therefore, both male and female applicants are employed with fair and equal treatment or rights, duties, responsibilities, and chances.

Personnel of Takuni Group Public Company Limited and its affiliates

Currently there are 16 senior executive officers

Currently there are 639 employees



10 Male



6 Female



465 Male



174 Female

There are 2 employees being persons with disability and the Company opens chances to support career building for persons with disability to be self-reliant and able to reduce family and social burden as well.

The company implements development system of career path, knowledge competency and skill competency by notifying the policy so that all employees shall access and acknowledge.

The company has a policy to treat all employees equally and fairly by taking care of their livelihood, safety, and hygiene at workplace including giving importance to increasing knowledge, working skills, and expertise so as to elevate employees' work ability levels to a professional manner. The company has a policy to promote employees to have an opportunity to practice and develop themselves regularly to meet the field of jobs they are responsible for, both management level and operation level. Training is held both inside and outside the company.

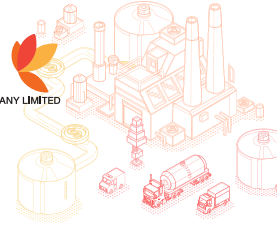


Development and increase of knowledge and working skills for professional expertise

Employee training	2017	2018	2019	2020
Internal training	63 times	42 times	3 times (30 persons)	14 times (250 persons)
External training	48 times	34 times	53 times (126 persons)	25 times (59 persons)



Fire evacuation and fighting rehearsal



Exercise activity

The company holds yoga and zumba activities to encourage employees to see the importance of exercising and to increase their concentration, leading to work efficiency.



Stop Office Syndrome Activity (SOS)

To help promote employees to have good health and get away from office syndrome, Video presenting exercise postures for muscle stretching is prepared and the time for exercising is divided into 10.30 hours and 15.00 hours.

Loan project

The Company has implemented the loan offer project for employees by making an agreement with G Capital Public Company Limited to provide personal loan (in the form of welfare loan) by receiving special interest rate, conditions of credit limit approval, and installment period better than asking loan from other financial institutions, which can reduce their debts from using credit cards, prevent informal loan or problems affecting their working performance that can lead to corruption problems in the Company.

Community or social responsibility

The Company is aware of being a part of a community or society and responsible for providing assistance or support public beneficial activities to a community including developing community and social environment for better living by creating employment and making diversity of economic activities that can improve the organizational strength.

Happiness sharing cabinet project

During the spread of COVID-19, the company held happiness sharing cabinet project to share consumer products to communities located nearby Pathum Thani gas depot, promoting the value of caring society and neighboring communities to employees.



Activities on Buddhist Lent Day (Khao Phansa Day)

The company encourages employees to participate in activities to strengthen unity in the organization, preserve nice tradition, and maintain culture.



Connectivity and generating employee commitment to organization and promoting favorable culture and value of the organization. Policies are transmitted to employees to encourage them to express their points of view (Leadership), be assertive to speaking, thinking, and doing from inside out to gain acceptance and practice, regardless of education levels or social status, leading to learning and further development; for example, a leader must make a leader and support (Empowerment) confidence and opportunity to people in empowering and increasing potential from idea, attitude to skills and practices using activities as a tool for connectivity



Employees are trained leadership, instilled consciousness to be good persons of the society.

Responsibility to customers

The company is committed to fair market practices by offering quality and safe products in conjunction with providing excellent services to customers, responding to customer requirements, giving suggestion in using products, providing consultation of how to solve problems, and handling complaints to ensure customers have maximum satisfaction for sustainable consumption by using one stop service strategy. In addition to acquisition of gas for customers, the company provides services related to gas and gas equipment systems in terms of installation, maintenance, safety testing and inspection required by laws.

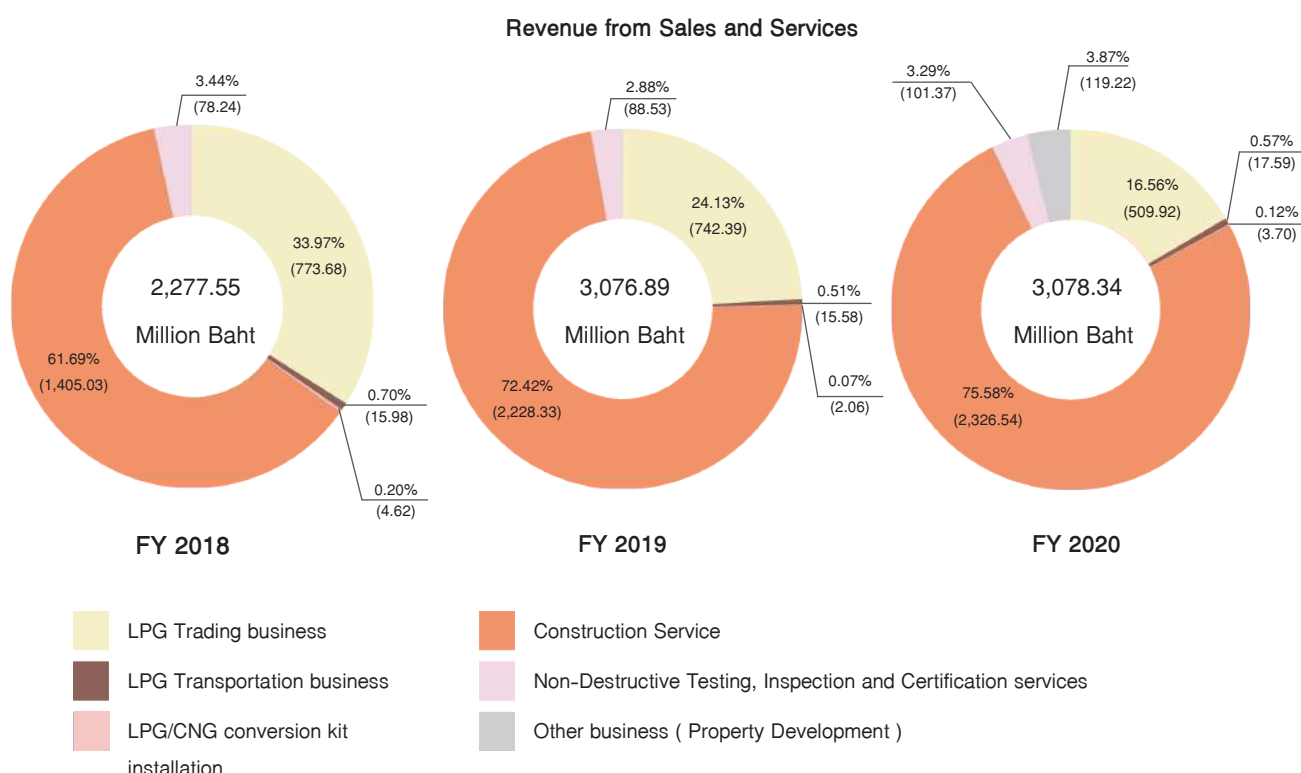
The company provides training courses to customers about “liquefied petroleum gas filling attendant training” and “personnel responsible for overseeing places using liquefied petroleum gas” to encourage customers to take into account of the safety use of petroleum gas.

The company is registered with Department of Energy Business to be a liquefied petroleum gas trainer. In 2020, to encourage employees to take into consideration of the safety use of petroleum gas, the following training courses were held:

1. The training course for workers in liquefied petroleum gas filling stations The first session was held during 18-19 February 2020, for 16 persons. The second session was held during 14-15 October 2020, for 15 persons.
2. The training course for workers working at places using liquefied petroleum gas In 2020, however, due to the spread of COVID-19 the training was temporarily suspended

Management Discussion and Analysis

The Company and its subsidiaries business are Liquid Petroleum Gas (LPG) trading and energy related business. Type of their business can be classified into 6 groups: LPG trading business, hazardous and construction equipment transportation service, LPG/CNG conversion kit installation for passenger cars, Construction services, Non-Destructive Testing and Inspection service and other business, which now mainly property development. The Company's revenue structure by business unit are as follow:

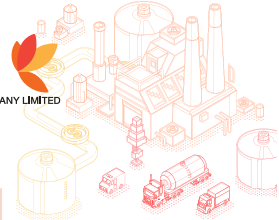


Total revenue of the Company and its subsidiaries increased from 2,277.55 Million Baht in 2018 to 3,076.89 Million Baht in 2019 and to 3,078.34 Million Baht in 2020 because the Group recorded revenue from construction service for the year 2020 amounting of 2,326.54 Million Baht, increased 4.41% and 58.60% from the previous year which was 2,228.33 Million Baht and 1,405.03 Million Baht, consequently. However, from the Company's revenue by business unit, construction services and LPG trading were the largest portion, which is 75.58% of total revenue, and 16.56% of total revenue, respectively.

Revenue

LPG Trading

Takuni Group Public Company Limited ("TG"), LPG trader under section 7 of Fuel Trade Act, B.E. 2543, is responsible for LPG procurement and trading business. Revenue from LPG trading is one of the major portion revenue of the Group. However, overall LPG volume for the year 2020 has decreased 22.64% and 6.28% from the previous year respectively as well as the average selling price decreased 11.21%. Structure of Revenue from LPG trading in 2018 to 2020 are as follow:

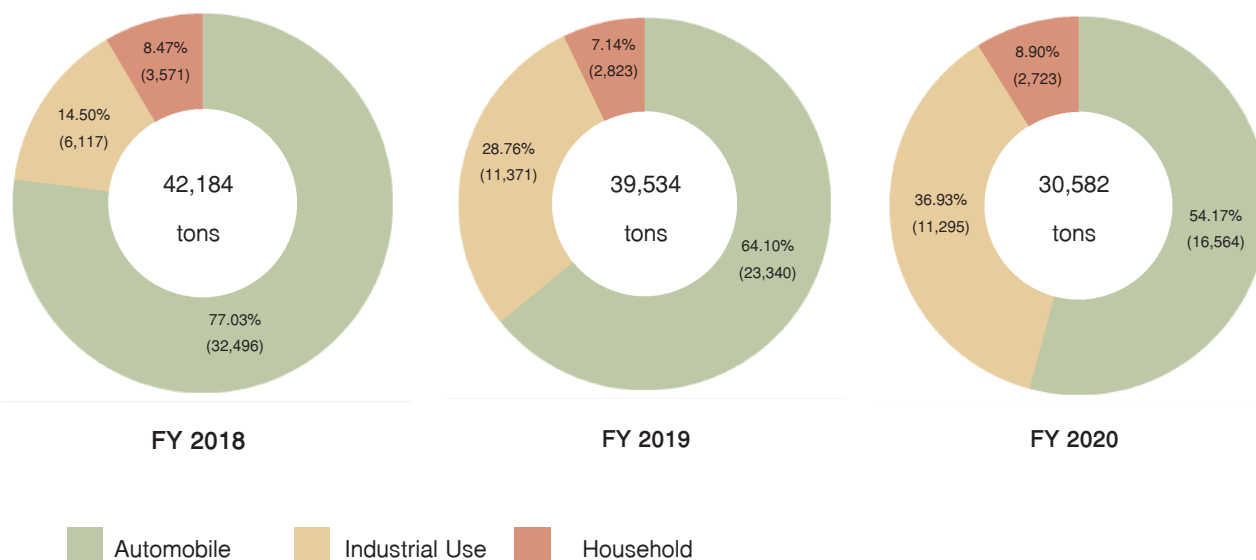


	2020	2019	2018
LPG sales volume (Tons)	30,582	39,543	42,184
Change in sales volume	(22.64%)	(6.28%)	(2.27%)
Selling Price (THB per ton)	16,674	18,779	18,341
Change in selling price	(11.21%)	(2.39%)	(2.37%)

The decreased in selling price compared to the last year was resulted from the board of National Energy Policy office has adjusted LPG selling price which cause a sharply decreased in selling price since the end of March 2020. However, the sales volume to LPG stations (automotive section) during 2020 decreased 34.58% and 19.80% from the previous year, in line with sales volume of other LPG traders under section 7 of the Fuel Trade Act, B.E.2543. One reason of the decreased in LPG volume in automotive section came from the spread of COVID-19 since the beginning of 2020 that made less transportation throughout the Kingdom. Meanwhile, the Company has expanded market to industrial sector in order to maintain overall LPG volume, resulted in increased LPG sold to industrial sector increased from 14.50% of total sales in 2018 to be 28.76% in 2019 and 36.92% in 2020.

The sales volume of 2018 to 2020 can be clearly seen through the graph.

LPG Sales Volume by section

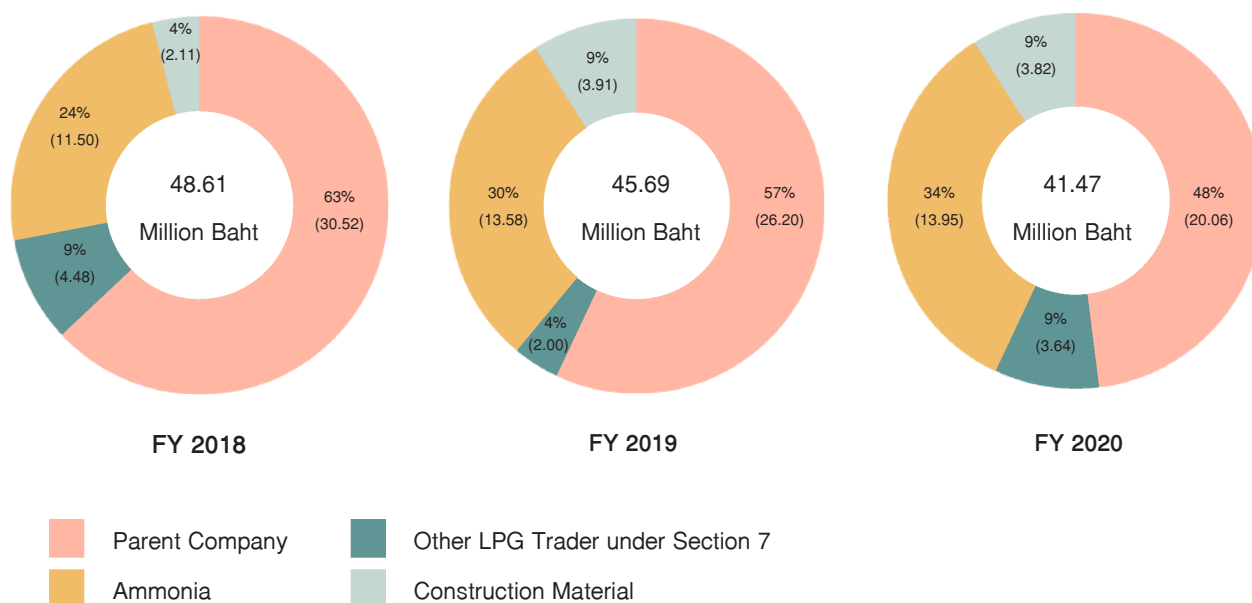


The Group believe that LPG usage in automotive section will continuously decrease because there are more options on fuel used as well as global oil price affect the usage in automotive section. However, the Company has expanded market to industrial sector in order to maintain overall LPG volume.

Hazardous and construction equipment transportation service

G Gas Logistics Company Limited ("GG") is responsible for providing hazardous and construction equipment transportation for the Company and other customers. Currently, the Company, with total 25 trucks, provides LPG transportation service mainly its subsidiaries. Transportation service income from related party were 20-30 Million Baht, which account for 48% - 63% of total transportation service income during 2018 -2020.

Revenue from LPG Transportation service



Revenue from transportation service to the third party which present in 2020 consolidated financial statement, amounting of 17.59 Million Baht, has been slightly increased from last year, amounting of 15.58 Million Baht, by 12.90% because the increased in Ammonia transportation service according to the Group's policy to provide other transportation service than LPG transportation due to the continuously decreased in LPG usage in automotive section. However, revenue from transportation service to the third party in 2019 slightly decreased from 2018 by 2.50% due to the decreased in LPG transportation service to third party.

Construction service

Takuni (Thailand) Company Limited ("TT") and CAZ (Thailand) Public Company Limited ("CAZ") are responsible for industrial oil and gas piping system construction as Engineering Procurement Construction. CAZ operates its business as construction service provider with its clients being large operators in the oil, gas, and petrochemical industry. This requires experience, emphasis on standards of raw materials, controlled manufacturing process, teams of engineers with expertise and understanding in various products able to advise clients and teams of craftsmen standard-certified for welding various types of products, enabling CAZ to ensure high quality services with quality control exercised in every production and installation process. While TT operates its business in construction service with scope of LPG pipe construction system such as shopping centers, hospitals, and restaurants. In addition, the standards regarding construction, raw materials, and labor quality are at a level as required by law. In the other word, the businesses of both parties differ in terms of expertise and standard of work. Thus, clients would decide to engage the services based on suitability to the job.

For 2020, revenue from construction service is the major portion revenue of the Group. Revenue from construction service for 2020 was 2,326.54 Million Baht, Significantly increased from 2019 and 2018 which were 2,228.33 Million Baht and 1,405.03 Million Baht, accounting for 4.41% and 58.60% respectively, because of the revenue recognition on progress measurement method towards complete satisfaction of the performance obligation on construction service contract that has continuously awarded since 2018.

During 2018, TG -which is LPG trader- has awarded LPG Depot construction project of 494.93 Million Baht as TG has financial capacity and management as well as met other condition of the customer. Revenue from this project during 2018 to 2020 was 12.32 Million Baht, 379.21 Million Baht, and 103.40 Million Baht consequently. The project has completed since the third quarter of 2020.

As at 31 December 2020, the Group has backlog for construction service in oil and gas sector totaling of 3,816.46 Million Baht. On 7 January 2021, the Group also notify the project award of 106.58 Million Baht. Total backlog was 3,923.04 Million Baht

Non-Destructive Testing and Inspection service

Rajchapluak 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. Revenue from Non-Destructive Testing and Inspection service to the third party increased from 78.24 Million Baht in 2018 to 88.53 Million Baht in 2019 and to 101.37 Million Baht in 2020, accounting for 13.15% and 14.15% respectively, due to the expansion of service into eastern region in order to enlarge service rather than Testing and Inspection service according to Department of Energy Business (DOEB) requirement. Non-Destructive Testing and Inspection service in eastern region represent 59.31% of Testing and Inspection service income, from the last year which was only 53.42% of Testing and Inspection service income.

Other business (Property Development)

The Group has revenue of 119.22 Million Baht in 2020 because the sale of land to an associated company for property development business as modern luxury 3-story detached house under "Thawee Petchkasem Kanchanaphisek" project. The project has launched in the beginning of February 2021 with large number of visitors and booked 88% of total Phase 1 house. However, this revenue from land disposal is non-recurring revenue.

Other revenue

Other revenue of the year 2020 was 10.31 Million Baht, comprised of interest income from financial institutions, training service income, and rental income and utility income from investment properties.

Cost of Sales/Services and Selling and Administration expense

LPG Trading

Cost of LPG trading are comprised of fuel, transportation to depot and to customer, and through-put charge. In 2020, the Company can maintain gross profit from LPG trading as the strategy of not engage in LPG price war together with well-planned on LPG transportation both to depot and to customer. Through-put cost for 2020 has decreased 54.07% and 38.94% from 2019 and 2018 respectively.

For selling and administrative expense of LPG trading are personnel and depreciation expense. Total selling and administrative expense in 2020 was 46.09 Million Baht, accounting for 9.04% of LPG sales, decreased 28.29 Million Baht from 2019, which was 74.38 Million Baht ,accounting for 10.02% of LPG sales, and from 2018 which was 75.53 Million Baht, accounting for 9.76% of LPG sales.

Moreover, the revenue on LPG trading from transportation sector, which is the main target group of the Company, continuously decreased, the estimation of recoverable amount of gas depot and related assets in LPG trading business based on value in use was lower than net book value, the Company recorded impairment of gas depot and related assets in LPG trading business amounting of 22.48 Million Baht. Therefore, operating loss for 2019 was 4.56%

Hazardous and construction equipment transportation service

The costs of transportation service are comprised of fuel, personnel, repair and maintenance and depreciation expense. The proportion of cost of transportation service during 2018 - 2020 were approximately 55%- 60% of service income. However, gain on disposal of over-demanded truck in 2020 was decreased from the previous year, while administrative expense has no significant change, operating profit ratio for 2020 was decreased from 32.95% in 2019 to be 11.92% in 2020.

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 86% to 88% of total cost of service during 2018 to 2020. Selling and administrative expense has decreased from 91.19 Million Baht in 2019 to be 82.05 Million Baht in 2020, or 10.02%. This result from the decreased in personnel expense of 4.44 Million Baht, or 10.15% compared to the last year, as the revised of cost and expense, including employee bonus, to be in line with the performance. However, selling and administrative expense in 2019 has increased 17.21 Million Baht, or 23.26%, from 2018 because the increased in personnel expense of 5.50 Million Baht as annual salary increment and increased in number of employee to support the construction service business.

Operating profit margin from construction service in 2020 was 3.72%, decreased from 6.05% in 2019 and 4.66% in 2018 because the effect of COVID-19 that the Group must revise the budget cost of some construction project. Also, decreased in work done that can be billed to clients, the Group need to use more short-term credit facility from both financial institutions and third party for working capital resulted in increased in financial cost of for the year.

Non-Destructive Testing and Inspection service

The costs of testing and inspection service are mainly comprised of personnel, subcontract cost, material and supplies, and depreciation expense at the ratio to cost of services of 79% - 87%. The personnel expense for 2020 has slightly decreased 1.40% from the prior year because the revised of cost and expense, including bonus, to be in line with the performance. While personnel expense for 2019 increased 32.41% compared to 2018 since the Group has got more engineer to support the business expansion to eastern region as well as training and development expense to improve qualification of engineering.

Operating profit margin from testing and inspection service in 2020 was 1.11%, increased from 2019 which has operating loss margin of 2.10%.

Profit Ability

The Group's gross profit according to the 2020 consolidated financial statements was 273.89 Million Baht, accounting for 8.90% per sales and service income. While gross profit of 2019 was 298.10 Million Baht, accounting for 9.69% per sales and service income, and gross profit of 2018 was 248.42 Million Baht, accounting for 10.91% per sales and service income.

The slightly decreased in gross profit in 2020 mainly resulted from the adjustment of estimated cost for oil and gas construction service business as the COVID-19 pandemic affect labour cost and consumable for construction as well as hygiene products used for preventing the spread of coronavirus.

Net profit attributable to the parent company in 2020 was 32.26 Million Baht, increased from 2019 which was 27.16 Million Baht, accounting for 18.77%, resulted from gain on sale of land to an associated company for property development. While net profit attributable to the parent company in 2019 decreased from 2018 which net profit was 32.13 Million Baht, accounting for 15.47% because the impairment of LPG asset amounting of 22.48 Million Baht recorded in 2019.

Financial Position

(Unit: Million Baht)	31 December 2020	31 December 2019	31 December 2018	Changes from 2019	Changes from 2018
Assets					
Cash and cash equivalents	472.61	138.27	212.68	334.34	(74.41)
Short term investments	-	-	59.90	-	(59.90)
Trade and other receivables - net	265.18	305.58	255.88	(40.40)	49.70
Contract assets	524.09	707.29	286.04	(183.20)	421.25
Inventories - net	61.08	222.17	308.56	(161.09)	(86.39)
Pledged and restricted bank deposits	29.82	48.85	37.35	(19.03)	11.50
Investment in associates	1.45	5.21	-	(3.76)	5.21
Investment Properties	4.29	11.04	22.28	(6.75)	(11.24)
Property, plant and equipment	721.36	692.02	564.97	29.34	127.05
Goodwill	19.38	19.38	19.38	-	-
Receivable from sale of land	76.24	-	-	76.24	-
Withholding tax deducted at source	151.19	118.56	80.35	32.63	38.21
Other assets	111.53	51.27	66.23	60.26	(14.96)
Total assets	2,438.22	2,319.64	1,913.62	118.58	406.02

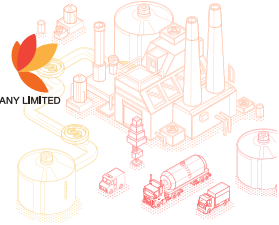
(Unit: Million Baht)	31 December 2020	31 December 2019	31 December 2018	Changes from 2019	Changes from 2018
Liabilities and shareholders' equity					
Overdraft and Short term borrowing	509.11	238.95	59.18	270.16	179.77
Trade and other payables	277.02	397.38	346.27	(120.36)	(141.27)
Contract liabilities	141.44	243.75	385.02	(102.31)	(141.27)
Borrowing from financial institutions	122.94	143.70	182.34	(20.76)	(38.64)
Financial Lease Liabilities	60.70	32.15	5.93	28.55	26.22
Deferred income	14.24	-	-	14.24	-
Other liabilities	83.13	66.81	46.04	16.32	20.77
Shareholders' equity	1,229.64	1,196.90	888.84	32.74	308.06
Total liabilities and shareholders' equity	2,438.22	2,319.64	1,913.62	118.58	406.02

Total Asset

The value of total assets as at December 31, 2020 was 2,438.22 Million Baht, increased 118.58 Million Baht and 406.02 Million Baht from 2019 and 2018 by 5.11% and 21.22%, respectively. The major assets of the Group were Cash and cash equivalents, Trade and other current receivables, Contract assets and Property, plant and equipment totaling of 81.34% of total assets.

Cash and cash equivalents

As at 31 December 2020, Cash and cash equivalents increased 334.34 Million Baht from the previous year because the Group has more Short-term borrowing from financial institution and net cash from operation activities for working capital as well as partially receipt cash form sale of land from an associated company.



Trade and other current receivables, Contract assets

	FY2020		FY2019		FY2018	
	Million Baht	%	Million Baht	%	Million Baht	%
TG	37.68	24.67	249.89	24.67	85.65	15.80
TT	1.44	0.13	15.58	0.13	2.04	0.38
RE	26.62	3.57	36.17	3.57	23.78	4.39
GG	6.42	0.31	3.11	0.31	2.92	0.54
CAZ	717.11	71.31	722.32	71.31	427.45	78.88
GG	0.00	0.00	0.03	0.00	0.08	0.01
Trade and other current receivables, Contract assets	789.27	100.00	1,012.87	100.00	541.92	100.00

At the end of 2018 - 2020, the Group has Trade and other current receivables and Contract assets of 541.92 Million Baht, 1,012.87 Million Baht, and 789.27 Million Baht, respectively, which accounting for 28-44 of total assets. Trade and other current receivables comprised of net trade receivable, prepaid expense, advance payments to subcontracts and accrued income. Contract assets (unbilled receivable) were revenue recognized under TFRS 15 (Revenue from contracts with customer) but still not billing under the clients process.

Trade receivable of TG mainly are LPG stations which has 7-10 days credit term, and industries filling plant which has 30-60 days credit terms. The decreased in TG receivable resulted from the decreased in LPG sales in 2020. As of 31 December 2019, TG as Trade receivable and Unbilled receivable from LPG Depot construction project of 184.28 Million Baht, which were all receipt during 2020 as the project completed. Trade receivable of RE mainly are industries and LPG trader under section 7 of Fuel Trade Act, B.E. 2543 which has 30-60 days credit terms. Receivable of CAZ composed of Trade receivable from construction service of 190.95 Million Baht which has 30-60 days credit terms and Contract assets of 512.28 Million Baht.

A receivable is measured at transaction price less allowance for expected credit loss (allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments.

Property, plant and equipment

	FY2020		FY2019		FY2018	
	Million Baht	%	Million Baht	%	Million Baht	%
TG	59.45	8.24	61.28	8.86	85.65	15.16
TT	36.15	5.01	37.12	5.36	59.28	10.49
RE	40.19	5.67	37.10	5.36	29.27	5.18
GG	27.45	3.81	28.55	4.13	33.62	5.95
CAZ	557.39	77.27	527.97	76.29	357.14	63.21
Property, plant and equipment	721.35	100.00	692.02	100.00	564.97	100.00

At the end of 2018 - 2020, the Group has Property, plant and equipment of 564.97 Million Baht, 692.02 Million Baht and 721.35 Million Baht, consequently. In 2019, Property, plant and equipment sharply increased 127.05 Million Baht because the Group has purchased property and plant (in Chonburi province) for construction service business approximately 98 Million Baht and purchase of tools and equipment for construction service and testing and inspection service business to support its business expansion amounting of 99.76 Million Baht to support the business expansion. However, the decreased in Property, plant and equipment resulted from impairment on gas depot and related assets in LPG trading business amounting of 22.48 Million Baht (in the first quarter of 2019) and depreciation expense during the year amounting of 63.05 Million Baht. Moreover, the Group has reclassified land that will be sold for the property development project amounting of 20.66 Million Baht to be inventory.

In 2020, the Group record Right-of-use assets amounting of 14.33 Million Baht according to the initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases, purchase of tools and equipment amounting of 104.58 Million Baht to support the business expansion and depreciation expense during the period as well as disposals of 89.58 Million Baht. Net effect of PPE was increased of 29.33 Million Baht from the last year.

Capital Structure

At the end of 2018 — 2020, the Group has capital structure as follow;

	FY2020		FY2019		FY2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade and other current payable	277.02	11.36	397.37	17.13	346.27	18.09
Contract Liabilities	141.44	5.80	243.75	10.51	385.02	20.12
Short-term borrowing from financial institutions	509.11	20.88	238.95	10.30	59.18	3.09
Other current liabilities	158.06	6.48	340.86	4.27	51.97	2.72
Long-term borrowing from financial institutions	122.94	5.04	143.70	6.19	182.34	9.53
Total Liabilities	1,208.57	49.57	1,122.74	48.40	1,024.78	53.55
Total Equity	1,229.64	50.43	1,196.90	51.60	888.85	46.45
Total liabilities and Equity	0.98		0.94		1.15	

Capital structure of the Group composed both from liabilities and shareholder's equity, with debt to equity ratio of 1.15, 0.94 and 0.98 during the year 2018-2020. In January 2019, the subsidiary has issued common share as Initial Public Offering for the listing in the Market for Alternative Investment (mai) together with comprehensive income resulted in the increased of shareholder's equity from 888.85 Million Baht in 2018 to be 1,196.90 Million Baht in 2019 and 1,229.64 Million Baht in 2020.

As at 31 December 2020, the Group has total liabilities of 1,208.57 Million Baht, increased from the previous year which has 1,122.74 Million Baht and 1,024.78 Million Baht- accounting for 7.64% and 9.56% incremental. Major liabilities of the Group were Trade and other current payable, Contract Liabilities, and Borrowing from financial institutions. The change in liabilities come from;

- Bank overdraft and Short-term borrowing from financial institutions and third party increased 287.66 Million Baht in 2020 compared to 2019 and increased 182.27 Million Baht in 2019 compared to 2018. However, long-term borrowing from financial institutions decreased 20.76 million Baht, and 38.64 Million Baht respectively. During 2020 and 2019, the Group has cash flow proceeded from short-term borrowing of 1,120.79 Million Baht and 674.55 Million Baht for working capital, also repayment borrowings of 853.90 Million Baht and 547.63 Million Baht, respectively.
- Trade and other current payable decreased from the previous year amounting to 120.36 Million Baht as the Group paid for material and subcontract cost during the year.
- Contract liabilities (Unearned income and Advance received from construction service) slightly decreased 102.31 Million Baht and 141.27 Million Baht from the previous year, respectively because the deduction with revenue recognition and payment received during the period.

Shareholders' equity as at 31 December 2020 was 1,229.64 Million Baht, which equity attributable to owners of the parent was 892.87 Million Baht. It has been increased from 2019 which was 882.54 Million Baht, or 1.17% and from 2018 which was 808.22 Million Baht, by 9.20% due to the comprehensive income to the parent company amounting to 32.26 Million Baht in 2020 and 27.16 Million Baht in 2019. Moreover, there were dividend payment of 21.92 Million Baht and 30.00 Million Baht in 2020 and 2019, respectively. However, the Group has changed in non-controlling interest proceeds from Initial Public Offering by issue common share for the listing in the Market for Alternative Investment (mai) of the subsidiary in January 2019 amounting of 80.78 Million Baht.

Source and Used of Funds

The Group used long-term source of funds, not only from liabilities but also shareholder's equity, for long-term assets. As during 2018 — 2020, the Group applied long-term loan and shareholder's equity at the ratio of 55.98%, 57.79% and 55.47% of total assets to invest in non-current asset, which mainly are property, plants, and equipment or approximately 29% of total asset.

Liquidity

From the capital structure together with source and used of funds mention above, the Group has high liquidity, some of short-term loan were used for current assets. Most of current asset composed of cash and cash equivalence at the ratio of 6%-20% of total assets during 2018 -2020. Moreover, Trade Receivable mainly in not yet due classification. Thus, the liquidity of the Group is high.

For cash flow during 2018 -2020, the Group has net cash from (used in) operating activities of 32.74 Million Baht, (295.20) Million Baht, and 199.88 Million Baht and net cash flow used in investing activities of 131.86 Million Baht, 157.03 Million Baht, and 61.55 Million Baht, respectively. Mainly investing activities in 2019 was the new plant for construction service business in Chonburi province. For financing activities in 2020, the Group has net cash from financing activities of 212.71 Million Baht from the proceeds from short-term borrowing 1,120.79 Million Baht, repayment of borrowing from financial institutions 853.90 Million Baht, and dividend payment totaling of 40.92 Million Baht.

Financial Ratio

Consolidated Financial Statements				
		31 December	31 December	31 December
		2020	2019	2018
LIQUIDITY RATIO				
Current Ratio	(times)	1.29	1.45	1.32
Quick Ratio	(times)	0.70	0.46	0.62
Operating Cash Flow to Current Liabilities	(times)	0.28	(0.23)	0.13
Receivable Turnover	(times)	10.79	10.96	8.77
Average Collection Period	(days)	33.84	33.30	41.61
Inventory Turnover	(times)	19.80	10.47	11.92
Average Holding Period	(days)	18.43	34.86	30.62
Payable Turnover	(times)	8.32	7.47	7.11
Average Payment Period	(days)	43.89	48.84	51.36
Cash Cycle	(days)	8.38	19.32	20.88
PROFITABILITY RATIO				
Gross Profit Margin	(%)	8.90	9.69	10.91
Operating Profit Margin	(%)	3.91	3.91	4.01
Cash to Profitability Margin	(%)	6.49	-9.59	1.44
Net Profit Margin	(%)	2.39	2.40	2.59
Return on Equity	(%)	3.63	3.21	3.98
EFFICIENCY RATIO				
Return on Assets	(%)	3.10	3.48	3.42
Return on Fixed Assets	(%)	22.80	22.13	19.99
Assets Turnover	(times)	1.29	1.45	1.32
FINANCIAL POLICY RATIO				
Debt to Equity Ratio	(times)	1.35	1.27	1.27
Interest bearing debt to EBITDA ratio	(times)	3.43	2.25	1.75
EBITDA Coverage ratio	(times)	0.35	0.64	1.41
Dividend Payment Ratio	(%)	58.87	39.97	61.18

Company Information and Other Information

Initial	: TAKUNI
Name	: Takuni Group Public Company Limited
Corporate Identification	: 0107557000110
Head Office	: 140/1 Soi Naveechareonsap, Kanchanapisak rd, Bangkae Bangkok 10160
Major Business	: LPG Trading, Transportation service, Construction service, LPG/CNG conversion kit installation for vehicles, Non- Destructive Testing and Inspection service as well as invested in property development and electronic motorcycle
Website	: www.takunigroup.com
Paid up capital	: 400,000,118 Baht
Number of shares	: 800,000,236 shares
Par Value	: 0.50 Baht
First day Trade	: 19 August 2014
Telephone	: 02-455-2888 / Fax : 02-455-2763
Investor Relation	: Ms. Nita Treeweeranuwat 092-252-1277 / nita@takuni.com
Company Secretary	: Ms. Nita Treeweeranuwat 02-455-2888 / nita@takuni.com
Common Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Dindaeng, Bangkok 10400 Telephone 02-009-9000
Auditor	: Ms. Vipavan Pattavanvivek Certified Public Accountant (Thailand) No. 4795 KPMG Phoomchai Audit Ltd. 48th — 51st Floor Empire Tower 1 South Sathorn Road, Bangkok 10120 Telephone 02-677-2000

Corporate Governance

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, which approved by Board of Directors meeting no .2/2563 on 27 February 2020, 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 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.

<u>Shareholder</u>	:	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.
<u>Employee</u>	:	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.
<u>Executive</u>	:	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.



<u>Business Partners</u>	:	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.
<u>Customers</u>	:	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.
<u>Trade Partners</u>	:	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.
<u>Creditors</u>	:	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.
<u>Competitors</u>	:	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.
<u>Environment</u>	:	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.
<u>Community/Society</u>	:	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.
<u>Government Sectors and Related Units</u>	:	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.

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

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.

Anti- Corruption

The Company is aware of and gives importance to anti-corruption both inside and outside the organization. The Company commits to conduct business with transparency and accountability which can be audited in all working processes and procedures and the Company does not accept all forms of corruption. Besides, the Company regulates policies and measures to prevent and combat corruptive activities. The Company communicates with employees of all levels and the organizational ethics is determined to encourage all employees to be aware of corruptive actions as the Company realizes that corruption destroys business, society, and the country. Therefore, the implementation of anti-corruption must come from the intention of all agencies and sectors to join their forces to drive, instill, and enhance corruption-free for Thai society

The Board of Director meeting no.1/2557 on 4 March 2014 has approved the Anti-Corruption policy and the Company has shown its intention in joining Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in August 2015 and was certified as a member of CAC on 7 February 2020 in which the certification is valid for a period of 3 years.

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.

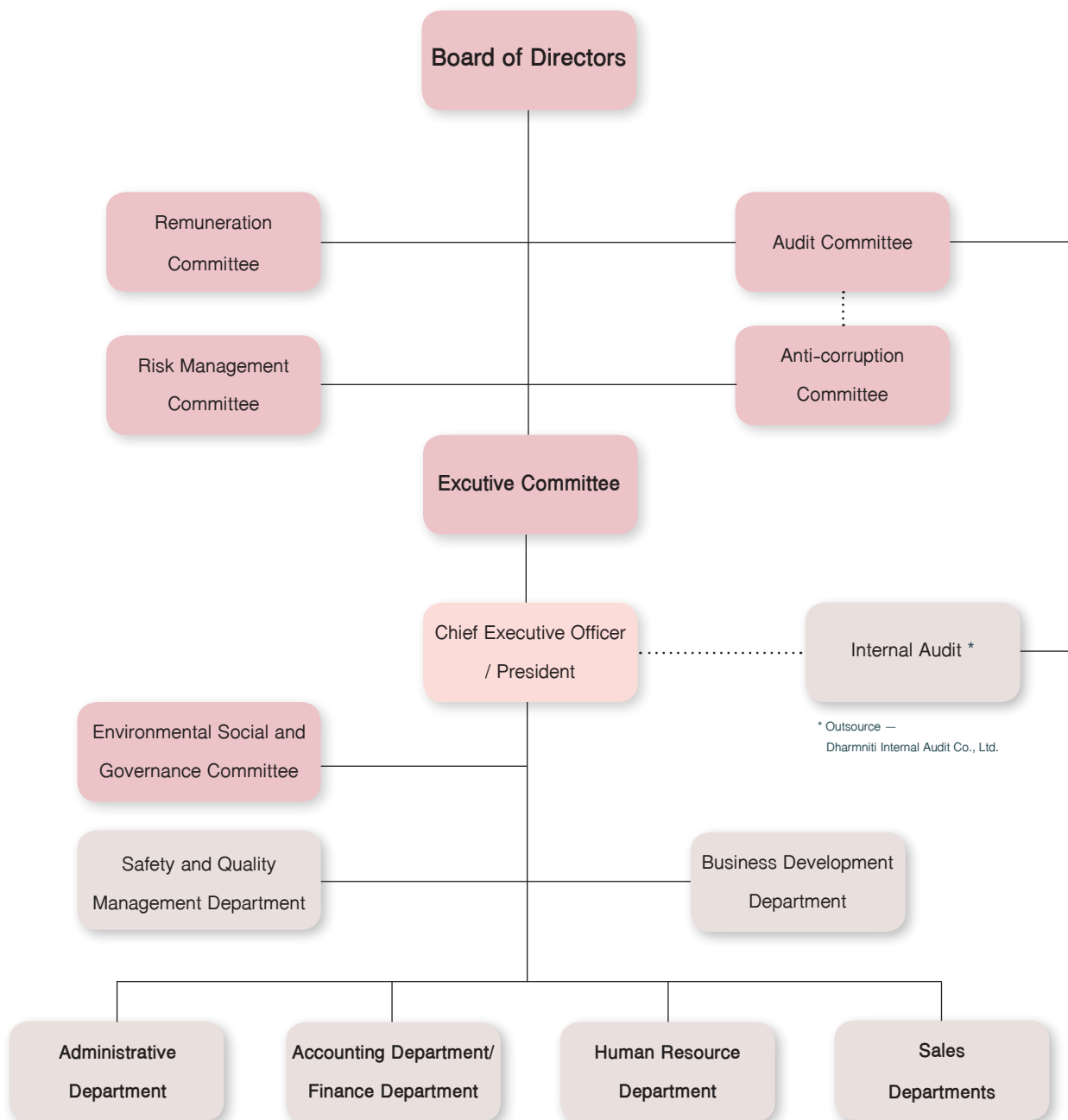
Code of Conduct

The Company has set the ethical practices of the Board of Directors, executives and employees to all relevant guidance in the performance of its mission with integrity and equitable treatment to company and all groups of stakeholders. The mentioned ethical practices were approved by the Board of Directors meeting no. 1/2559 on 19 January 2016. Also, the company has announced and informed to all employees to know and practice strictly.

Governance Structure and The Board of Directors and Management Team

Organisation Chart

The Executive Committee has approved the organization chart on the Executive Committee Meeting no. 6/2563 on 9 November 2020 as follow;



Committees

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

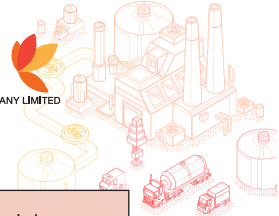
Board of Directors

As of December 31, 2020, the Board of Directors consists of 7 directors.

- 4 independent directors (57% Of the entire board)
- 2 Directors (Executive) (29% Of the entire board)
- 1 Directors (14% Of the entire board)

Board Lists and Training Detail

First Name - Surname	Position	Date of placement	Training Role and function Skills of director ^{4/}
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 Term 4 23/4/2018 Term 5 15/5/2020	DCP / RCP
2. Mr. Chareon Prajumtan	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 Term 4 26/4/2017 Term 5 25/4/2019	DAP / DCP / ACP / QFR
3. Mr.Kaveewat Songsakulkiat ^{2/}	Independent director / Chairman of Remuneration Committee / Member of Audit Committee	Term 1 3/5/2016 Term 2 23/4/2018 Term 3 15/5/2020	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 Term 3 26/4/2017 Term 4 25/4/2019	DAP



First Name - Surname	Position	Date of placement	Training Role and function Skills of director ^{4/}
5. Ms. Kanchana Rimpanichayakij	Director/ Executive Committee	Term 1 26/3/2007 Term 2 27/4/2015 Term 3 26/4/2017 Term 4 15/5/2020	DAP
6. Ms.Nita Treeweeranuwat ^{1/}	Director (Executive)/ Executive Committee Member of Risk Management Committee / Member of Anti-Corruption Committee	Term 1 19/12/2012 Term 2 4/4/2013 Term 3 26/4/2016 Term 4 23/4/2018	DAP / DCP / CSP / EDP
7. Mr. Somchai Kanbuakeaw ^{3/}	Director/ Executive Committee	Term 1 26/4/2016 Term 2 25/4/2019	DAP
8. Mr.Kanit Wattanavichien ^{3/}	Independent Director	Term 1 9/11/2020	DCP / ACP

- Note**
- : ^{1/} Ms. Nita Treeweeranuwat is Corporate Secretary
 - : ^{2/} Mr.Kaveewat Songsakulkiat is an Audit Committee who had knowledge and experience to review the financial statements
 - : ^{3/} Mr. Somchai Kanbuakeaw has regined from Director on 31 October 2020, the Board of Directos has appoint Mr.Kanit Wattanavichien to replace since 9 November 2020.
 - : ^{4/}
 - 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
 - EDP = Executive Development Program

The Company's authorized signatories

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

Scope of duty and responsibility

Board of Directors

The company's Board of Directors directs, oversees and monitors the company's business operations to be in line with what shareholders approve and laws that govern the company including the objectives, regulations, resolutions in the meetings of shareholders and resolutions of the company's Board of Directors, and set policies, vision, strategies, goals, missions, and business plans, directs and monitors the management team to manage the company operations to meet the determined policies in an efficient manner. The company's Board of Directors must use their discretion and prudence to make business decision and perform their duty with responsibility, honesty, carefulness in accordance with best practices so as to increase highest economic value to the business and maximum security to shareholders.

Audit committee

The company's Board of Directors is well aware of the importance of corporate governance. Consequently, audit committee is appointed which comprises independent committee who audits the operations of the company, verifies the effectiveness of internal control to ensure business affairs of each agency are conducted efficiently, legally and in line with best practice rules and regulations. Audit committee performs its duty to verify financial statements of the company with auditors to ensure that the company's financial statements are reliable, disclose information accurately and correctly in accordance with relevant standards and requirements including building trust and reliability among investors and stakeholders that the business affairs are audited and monitored carefully with fairness and transparency and the business is conducted following corporate governance.

Nomination and Remuneration Committee

The company's Board of Directors requires nomination and remuneration committee to recruit and select appropriate persons to hold the positions of committee, executive committee, Chief Executive Officer/Managing Director and top executives of the company, to consider succession planning steps of top executives including determining principle of the company's Board of Directors evaluation, sub-committee, Chief Executive Officer, and to approve patterns, criteria, and value of remuneration with regard to salary and other benefits paid to committee, Chief Executive Officer, and Managing Director.

Executive committee

The company's Board of Directors appoints and assigns executive committee to supervise and monitor the conduction of business and the company operations including setting organizational structure, policies, directions, and strategies for conducting business of the company, business expansion, determination of financial plans, budget, human resource management, investment in information technology to meet the objectives, regulations, policies, rules, requirements, orders, and resolutions of the meetings of the Board of Directors and/or resolutions of the meetings of shareholders of the company including monitoring the operations of the company to comply with the policies of the Board of Directors and set goals, directing and monitoring the operations to achieve the highest quality and efficiency.

Risk management committee

Risk management committee has duty to evaluate risks and impacts that may arise, set policies on risk management to cover various risks in management, to monitor the implementation of risk management including analyzing, evaluating, preparing systematic monitoring and report, and reporting risks and suggestion in risk management to audit committee and the company's Board of Directors on a regular basis.

Anti-corruption committee

Anti-corruption committee has duty to set policies and practice guidelines to cover all forms of corruption in management, to provide support and develop personnel to have knowledge about anti-corruption, to monitor practice guidelines in anti-corruption including analyzing, evaluating, preparing systematic monitoring and report, and reporting complaints of corruption arising in the organization directly to the audit committee.

Environment Social and Governance committee

Environment Social and Governance committee has duty to set policies, directions, and guidelines to implement social and environmental responsibility and company sustainability, to give approval to strategies and activities of the company to achieve goals pursuant to sustainability and social activity policies, to consider the preparation of budget and expenses in operating social and environmental responsibility and sustainability, to monitor the progress of implementation and evaluate the effectiveness of the implementation pursuant to sustainability and social activity policies of the company and report to the executive committee including verifying and giving approval to disclosure of social and environmental responsibility reports in the company annual reports.

Executive

The Executive Committee meeting no. 2/2563 on 13 February 2020, has appointed the Company's executives as follow:

First Name - Surname	ตำแหน่ง
1. Mr.Prasert Treeveeranuwat	Executive Chairman/ Chief Executive Officer/ Managing Director Acting Vice President Property Development Business
2. Ms. Nita Treeweeranuwat	Executive Committee/ Vice President Administrative Department/ Acting Vice President Human Resource Department/ Managing Director TAKUNI LAND CO,LTD Managing Director TAKUNI TRADING CO,LTD Acting managing director TAKUNI THAILAND CO,LTD
3. Ms. Chatprapa Chansri	Executive Committee/ Vice President Sales Department/ Managing Director G-GAS LOGISTICS CO,LTD
4.Mrs. Thitima Tanapakit	Executive Committee/ Vice President Accounting Department / Financial Department

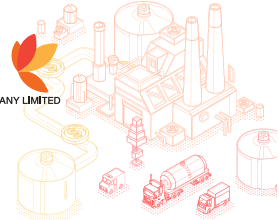
Management Remuneration

In 2018 - 2020, 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	2020 16 person	2019 19 person	2018 19 person
- Remuneration			
Salary	29.36	33.26	31.93
Bonus	2.45	3.12	2.22
- Other compensation			
Provident Fund ^{1/}	0.29	0.26	0.28
Car allowance	Yes	Yes	Yes
Total	32.10	36.64	34.43

Note : ^{1/} The Company and its subsidiaries Provident fund is provided by the contribution company at a rate of 2% of salary. CAZ (Thailand) Public Company Limited Provident fund is provided by the contribution company at a rate of 3-5% of salary



Staff

As of December 31, 2018 - 2020, 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 2020	31 December 2019	31 December 2018
Sales	4	5	4
Human Resources	6	5	5
Finance and Accounting	17	16	17
Purchasing	2	3	2
IT	3	3	3
Compliance	-	2	2
Warehouse-Gas	10	12	11
Executive Secretary	1	1	1
Safety and Quality Management	1	1	1
Gas Terminal Construction Project	-	12	7
Total	44	60	53

Takuni (Thailand) Company Limited

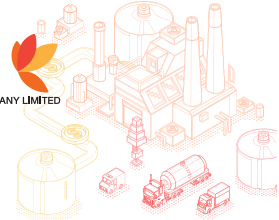
Division	Number of Staff		
	31 December 2020	31 December 2019	31 December 2018
Administrative	1	6	12
Engineering	4	7	-
Warehouse	-	1	1
Conversion kit installation	3	-	-
Industry service	1	-	-
Maid	3	6	7
Total	12	20	20

G Gas Logistics Company Limited

Division	Number of Staff		
	31 December 2020	31 December 2019	31 December 2018
Transportation	28	29	27
Security	1	1	1
Total	29	30	28

Rajchapluak Engineering Company Limited

Division	Number of Staff		
	31 December 2020	31 December 2019	31 December 2018
Operation	151	144	111
Administration	9	19	23
Safety	2	1	1
Sales	6	7	6
Finance and Accounting	3	3	3
Total	171	174	144



CAZ (Thailand) Public Company Limited

Division	Number of Staff		
	31 December 2020	31 December 2019	31 December 2018
Executive Secretary	1	1	1
Marketing	-	1	1
Construction Department	270	319	200
Finance and Accounting	5	5	5
Purchasing	5	5	5
Appraisal Department	4	2	6
Warehouse and Delivery Department	1	2	2
Human Resources	9	7	6
Drawing Department	14	14	16
IT	3	2	2
Planing	-	2	-
Total	312	360	244

JKEC Company Limited ^{1/}

Division	Number of Staff		
	31 December 2020	31 December 2019	31 December 2018
Human Resouce	6	10	3
Finance and Accounting	2	2	2
Project Control	3	4	3
Construction Department	60	45	35
Total	71	61	43

Note : ^{1/} JKEC is a subsidiary of CAZ (Thailand) PLC , holding 73.17% of paid-up capital

As of 31 December 2020, 2019 and 2018, the total number of the Company's employees (not include executive) is 639 employees, 705 employees and 532 employees, respectively. Total amount of compensation which is in cash form (salary, bonus, contribution fund, and social insurance and overtime fee) is 330.64 Million Baht for 2020, 267.67 Million Baht for 2019, and 205.80 Million Baht for 2018. 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 -

Other Significant information

Company secretary	Ms.Nita Treeweeranuwat (appointed by Board of Directors meeting no. 6/2563 on 9 November 2020) <i>Note Ms.Thanasa Kittiradanan has resigned on 28 September 2020</i>
Chief Financial Officer	Mrs. Thitima Tanapakit
Accounting Manager	Ms. Chorsuda Jitchawan
Internal Audit	Outsource, Dharmniti Internal Audit Co., Ltd.
Head of Compliance	Ms.Nita Treeweeranuwat <i>Note Ms.Thanasa Kittiradanan has resigned on 28 September 2020</i>
Investor relations	Ms.Nita Treeweeranuwat 092-252-1277 / nita@takuni.com
Audit Fee	6.57 Million Baht (Audit fee 6.21 Millin Baht, Olther compensation 0.36 Million Baht)

Legal Disputes

As at 31 December 2020, the Group has no legal dispute that effect more than 5% of total shareholders' equity.

Report on significant operations in corporate governance

Summary of performance of the Board of Directors in the recent year

In 2020, the company's Board of Directors directed and monitored the business operations, sub-committee including management team to meet the set policies in an efficient manner and comply with corporate governance.

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 company's Board of Directors took responsible for financial reports of the company and subsidiaries including information appeared on the annual report, 56-1 One report, and financial statements that the audit committee verified the quality of financial reports, internal control system, and the full disclosure in the footnotes of the financial statements by presenting to the company's Board of Directors in every quarter. The preparation of the financial statements was audited by auditors permitted by The Securities and Exchange Commission Thailand and complied with generally accepted accounting principles in Thailand. Significant information related to financial and non-financial information were disclosed and implemented accurately, completely, rationally, in a reliable manner while accounting policies were used.

Besides, the company's Board of Directors required to have preparation of performance evaluation of the company's Board of Directors at least once a year. Evaluation results shall be used as a frame in considering roles and performance in duties, problems, and obstacles of the Board of Directors. Suggestion shall be used to improve and develop the operations.

During 2020, the Nomination and Remuneration Committee comprising 3 independent committees who are responsible for recruiting and selecting appropriate persons in conjunction with considering characteristics of business and future plans. Qualifications of the committee were required to be persons who have knowledge and hold extensive about automobile business for such a long time, and proposed to the company's Board of Directors to seek approval in appointing the mentioned independent committee to replace the committee who resigned during the year.

Board of Directors' Meeting and Sub-Committee in 2020

First Name - Surname	Number of Attendance / Number of Meetings			
	Board of Directors Meeting (7 person) 6 meetings	Audit Committee Meeting (3 person) 5 meetings	Remuneration Committee Meeting (3 person) 3 meetings	Executive Committee (7 person) 12 meetings
1. Mr. Visit Akaravinak	6/6	5/5	3/3	-
2. Mr. Chareon Prajumtan	6/6	5/5	3/3	-
3. Mr.Kaveewat Songsakulkiat	6/6	5/5	3/3	-
4. Mr. Kanit Wattanavichien ^{1/}	0/6	-	-	-
5. Mr.Prasert Treeveeranuwat	6/6	-	-	11/12
6. Ms. Kanchana Rimpanichayakij	6/6	-	-	11/12
7. Ms. Nita Treeweeranuwat	6/6	-	-	12/12
8. Mr. Somchai Kanbuakeaw ^{1/}	5/6	-	-	12/12
9. Ms. Chatprapa Chansri	-	-	-	11/12
10. Mrs. Thitima Tanapakit	-	-	-	12/12
11. Mr. Udom Meephaungpol	-	-	-	12/12

Note : ^{1/} Mr. Somchai Kanbuakeaw has resigned from Board of Director since October 31, 2020. The Board of Directors had appointed Mr. Kanit Wattanavichien to replace the resigned director since November 9, 2020.

Director Remuneration

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

1. Financial Remuneration

The following remuneration for the Board of Director and Audit Committee was approved at the 2020 Annual General Meeting of Shareholders on May 15, 2020 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 2,200,000 baht.

For the year 2020, the Board of Directors Audit Committee and Nomination and Remuneration Committee in the form of meeting allowances as follows:

First Name - Surname	Monthly Compensation	Meeting allowance	The directors' Gratuities (based on Performance of FY 2020)	Total (Baht)
1. Mr. Visit Akaravinak	360,000.00	-	195,282.05	555,282.05
2. Mr. Chareon Prajuntan	360,000.00	-	195,282.05	555,282.05
3. Mr.Kaveewat Songsakulkiat	300,000.00	-	195,282.05	495,282.05
4. Mr. Kanit Wattanavichien	43,333.33	-	-	43,333.33
5. Mr. Prasert Treeveeranuwat	-	60,000.00	83,692.31	143,692.31
6. Ms. Kanchana Rimpanichayakij	-	60,000.00	83,692.31	143,692.31
7. Ms. Nita Treeweeranuwat	-	60,000.00	83,692.31	143,692.31
8. Mr. Somchai Kanbuakeaw	-	50,000.00	69,743.59	119,743.59
Total	1,063,333.33	230,000.00	906,666.67	2,200,000.00

2. Other forms of compensation or welfare

- No -

Report of Audit Committee

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. The Audit Committee carried out the responsibilities by using knowledge, prudence, and adequate independence for interests of stakeholders equally for review of the financial statements, risk assessment, review of internal control and audit system, review of the Corporate Governance and regulatory compliance, appointment of the certified external auditors, review of the connected transactions or transactions with potential conflicts of interest.

In year 2020, the Audit Committee held eight meetings, occasionally with the management, internal auditors, and independent auditors to discuss on relevant issues. The Audit Committee agrees that the Financial Reports of the Company for the year 2020 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.

Internal Control and Connected Transactions

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. During Audit Committee meeting, in agenda relating to the approval of internal control system and transactions, the Company's external auditor and internal auditor are invited to attend the meeting to present, acknowledge follow-up, and explore remedial measures to promptly respond to observations on timely manner in the perspective of 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 approved by Audit committee with adequate qualifications and expertise in accounting system and internal control, monitored the Company's internal control system. The company appointed Dharmniti Internal Audit Company Limited by Khun Ruethaichanok Supamong to be the internal auditor in 2020 to verify the internal control system and internal auditing to be appropriate and effective to ensure the financial control and operations shall comply with the determined guideline in an efficient manner including auditing legal practices and requirements related to the company. The outsourced internal auditor has performed its duties independently and reported directly to the Audit Committee. The Audit Committee agreed to the same opinions as that of the Board of Director that the internal control system of the company was adequate, appropriate and has preventive measure against misappropriation of assets of the Company. The Company has also provided enough employees to efficiently implement the system.

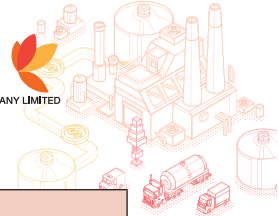
Connected Transactions

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

Connected Person	Relationship
Mr. Prasert Treeveeranuwat	As of March 18, 2021 Mr. Prasert Treeveeranuwat, his wife and daughter holds 51.80% of paid-up capital of company and Mr. Prasert take a position of company's Chairman of Executive Committee and Chief Executive Officer
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 Kalpapluak Petroleum Co, .Ltd. (Gas Station)	Mr. Prapat Treeveeranuwat, a shareholder, is a younger brother of Mr. Prasert Treeveeranuwat who is a company's shareholder and Managing Director. However, Mr. Prapat has sold all shares in SVP Kalpapluak Petroleum Co, .Ltd to third party during 2020.

Related Party Transactions

Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			2020	2019	2018	
Revenue from LPG Trading	- Middle G	TG provides LPG to this related-party.	10.60	18.12	17.09	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.
	-Pranee Petroleum		10.46	12.15	9.54	
	-SVP Kanlapapluak Petroleum		-	0.91	3.99	



Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			2020	2019	2018	
Revenue from LPG Transportation	- Vera	GG provides LPG transportation service to this related party.	0.08	0.13	0.17	<p>This is considered as normal business transaction. The service fee 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>
Revenue from sell and services	- Middle G	TT sells spare parts of gas piping system to these related party.	0.006	0.017	0.053	<p>This is considered as normal business transactions. All selling price and sales 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>
Revenue from sell and services	- Middle G	RE provides testing and inspection service to these related parties.	-	-	0.006	<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>
	- Vera		0.006	-	0.005	
	-Pranee Petroleum		-	-	0.006	
	-SVP Kanlapa pluek Petroleum		-	0.058	0.006	

Transactions	Related Party	Descriptions	Transaction (Million Baht)			Audit Committee's Opinion
			2020	2019	2018	
Other income	-Vera	TG provides training service to these related parties	-	0.005	-	These are considered as normal business transactions. All service rate and condition are the same as other customers.
	-SVP Kanlapapluak Petroleum		-	0.002	-	The Audit Committee has considered and viewed that the above transaction was fair and in line with normal trading policy of price mechanism.

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.
- Financial assistance transaction must operate under necessity, reasonableness, fair terms and conditions and gives the Company the highest benefit. For Guarantee transaction according to the requirement of loans from financial institutions to use as working capital which is a normal condition for providing loans to business whether by direct guarantee or placing collateral, the Company shall not incur any costs arising from the guarantee and shall not lose any benefits. The guaranteed transactions must be necessary for business operations. Moreover, the Audit Committee must consider and give opinion on the reason and necessity for the mentioned financial assistance transaction for the Company's maximum benefit. For provided and guaranteed transactions shall be treated as a normal transaction with third parties, including the consideration of fairness and complying with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and regulations, notifications, including compliance with the disclosure requirements 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 connected transactions and acquisition and disposal of the Company and its subsidiaries asset transactions to avoid conflict of interest and maximize all shareholders benefit.

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

Financial statements for the year ended

31 December 2020

and

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Takuni Group Public Company Limited

Opinion

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

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

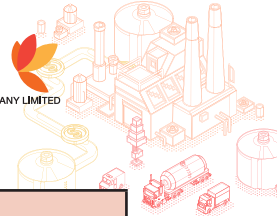
Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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



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

Other Matter

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

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

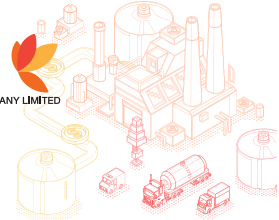
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2021



Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

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

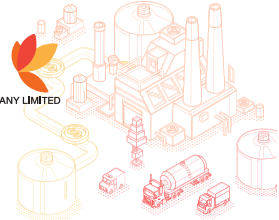
The accompanying notes form an integral part of the financial statements.

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

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

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



Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

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

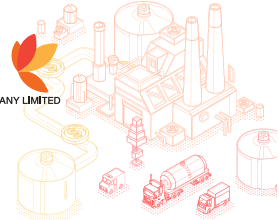
The accompanying notes form an integral part of the financial statements.

Takuni Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

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

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



Takuni Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans		-	(5,366,067)	-	(3,554,086)
Income tax relating to items that will not be reclassified	22	-	1,073,214	-	710,817
Other comprehensive income for the year, net of tax		-	(4,292,853)	-	(2,843,269)
Total comprehensive income for the year		73,666,369	69,458,159	32,056,843	21,584,257
Profit attributable to:					
Owners of parent		32,255,634	27,158,513	32,056,843	24,427,526
Non-controlling interests	12	41,410,735	46,592,499	-	-
		73,666,369	73,751,012	32,056,843	24,427,526
Total comprehensive income attributable to:					
Owners of parent		32,255,634	23,278,811	32,056,843	21,584,257
Non-controlling interests	12	41,410,735	46,179,348	-	-
		73,666,369	69,458,159	32,056,843	21,584,257
Basic earnings per share	23	0.04	0.03	0.04	0.03

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

Takuni Group Public Company Limited and its Subsidiaries
Statement of changes in equity

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

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

Other components

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of changes in equity

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

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

Takuni Group Public Company Limited and its Subsidiaries
Statement of changes in equity

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

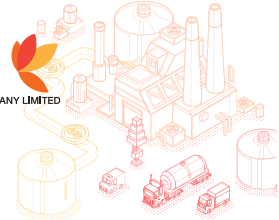
The accompanying notes form an integral part of the financial statements.

Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

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

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



Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Cash flows from investing activities					
Decrease (increase) in restricted deposits at financial institutions		19,027,020	(11,498,209)	(3,901,000)	660,000
Acquisition of current investments		-	(124,000,000)	-	(30,000,000)
Proceeds from sale of current investments		-	184,808,143	-	90,406,059
Proceeds from loans to related parties	5	-	-	409,634,000	136,276,000
Loans to related parties	5	(18,000,000)	(320,000)	(296,840,000)	(179,220,000)
Acquisition of associates net of cash acquired		(1,560,847)	(6,522,839)	-	(4,000,000)
Acquisition of subsidiary net of cash acquired	11	-	-	(19,999,800)	(99,700)
Acquisition of property, plant and equipment		(66,116,541)	(208,108,748)	(227,363)	(2,077,485)
Acquisition of intangible assets		(3,199,864)	-	(78,000)	-
Proceeds from disposal of investment properties		4,260,500	3,423,308	-	-
Proceeds from disposal of property, plant and equipment		3,622,456	3,867,916	171,417	32,716
Dividend received		-	-	16,249,982	30,749,990
Interest received		417,736	1,322,396	11,612,919	2,367,990
Net cash from (used in) investing activities		(61,549,540)	(157,028,033)	116,622,155	45,095,570
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions		1,076,113,301	666,054,730	-	-
Repayment of short-term borrowings from financial institutions		(789,257,007)	(502,987,167)	-	-
Repayment of long-term borrowings from financial institutions		(20,760,000)	(38,640,000)	-	-
Proceeds from short-term borrowings from other party		20,000,000	5,000,000	-	-
Repayment of short-term borrowings from other party		-	(5,000,000)	-	-
Proceeds from short-term borrowings from related party	5	24,684,940	3,500,000	-	-
Repayment of short-term borrowings from related party	5	(27,184,940)	(1,000,000)	-	-
Repayment of lease liabilities		(29,967,670)	(4,058,345)	(2,085,296)	(1,528,062)
Proceeds from issue of shares		-	287,593,922	-	-
Dividends paid to owners of the Company		(21,922,920)	(30,000,016)	(21,919,937)	(29,999,993)
Dividends paid to non-controlling interests		(18,999,454)	(19,350,002)	-	-
Net cash from (used in) financing activities		212,706,250	361,113,122	(24,005,233)	(31,528,055)

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of cash flows

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

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

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

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

1 General information

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

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

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

The principal activities of the Group are:

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

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

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

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

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

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

(i) Judgements

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

4 (k) and 13 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;

- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
 - 4 (s) and 18 Revenue recognition:
 - whether performance obligations in a bundled sale of products and services are capable of being distinct;
 - whether revenue from service is recognised over time or at a point in time; and
 - 11 Consolidation: whether the Group has control over an investee even the Group hold less than a majority of shares.
- (ii) Assumptions and estimation uncertainties
- Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:
- 4 (s) Revenue recognition: total cost estimation of the contracts and assessment of percentage of completion for overtime revenue recognition;
 - 4 (m) and 13 Impairment test of property, plant and equipment: key assumptions underlying recoverable amounts;
 - 4 (m) and 14 Impairment test of goodwill: key assumptions underlying recoverable amounts;
 - 7 and 25 Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;
 - 25 Determining the fair value of financial instruments on the basis of significant unobservable inputs; and
 - 28 Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

3 Changes in accounting policies

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

(a) TFRS - Financial instruments standards

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

Impairment - Financial assets and contract assets

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

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

(b) TFRS 16 Leases

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

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

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

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

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

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

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

4 Significant accounting policies

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

(a) Basis of consolidation

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

Business combinations

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

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

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

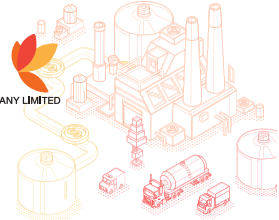
A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

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

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

Acquisitions from entities under common control

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



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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

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

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

Loss of control

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

Interests in equity - accounted investees

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

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

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity - accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

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

(b) Investments in subsidiaries and associates

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

Disposal of investments in the separate financial statements

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

(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

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

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

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

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

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

(d) **Financial instruments**

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

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

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

(d.2) Classification and subsequent measurement

Financial assets - classification

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

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

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

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

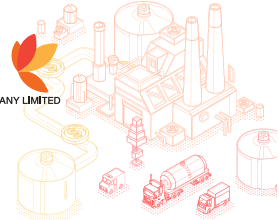
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so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

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

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

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

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



Financial assets - subsequent measurement and gains and losses

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

Financial liabilities - classification, subsequent measurement and gains and losses

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

(d.3) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(d.4) Offsetting

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

(e) Cash and cash equivalents

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

(f) Trade and other receivables and contract assets

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

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

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

(g) Inventories

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

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

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

(h) *Investment properties*

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

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

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

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

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

Buildings	20 years
Condominium	40 years

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

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

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

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

Subsequent costs

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

Depreciation

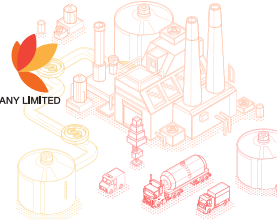
Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

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

No depreciation is provided on assets under construction and installation.

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



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(j) **Intangible assets**

Goodwill

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

Other intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

The estimated useful lives for the current and comparative periods are as follows:

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

(k) **Leases**

Accounting policies applicable from 1 January 2020

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

As a lessee

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made

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to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

As a lessor

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

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

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

Accounting policies applicable before 1 January 2020

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

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

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

(i) Impairment of financial assets

Accounting policies applicable from 1 January 2020

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

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

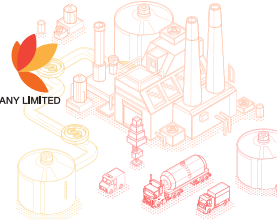
- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

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

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

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

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



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

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

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

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

Credit-impaired financial assets

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

Write-off

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

Accounting policies applicable before 1 January 2020

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

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

The impairment loss is recognised in profit or loss.

Reversal of impairment

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

(m) Impairment of non-financial assets

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

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

The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

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

Reversal of impairment

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

(n) Contract liabilities

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

(o) Employee benefits

Defined contribution plan

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

Defined benefit plans

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

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

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

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

Short-term employee benefits

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

(p) Provisions

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

Warranties

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

Onerous contracts

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

(q) Fair value measurement

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

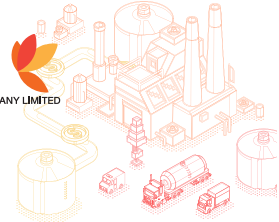
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for



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which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

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

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

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

(r) **Share capital**

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

(s) **Revenue**

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

Sale of goods and services

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

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

(t) **Other income**

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

(u) **Interest**

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

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

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

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

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

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

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(v) **Income tax**

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

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

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

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

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

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

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

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

(w) **Earnings per share**

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

(x) **Related parties**

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

(y) **Segment reporting**

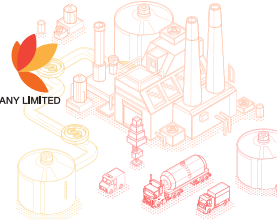
Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 **Related parties**

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

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

Transactions	Pricing policies
Sales of goods and rendering of service	Market price
Purchases of goods and receiving of services	Market price



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Transactions	Pricing policies
Transportation expense	Market price
Rental expense	Contractual price
Dividend income	Declared dividend payment
Interest income and interest expense	Interest rates determined in intercompany loan agreements
Other income and other expense	Agreed price

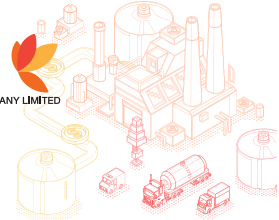
Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries				
Purchases of goods and receiving of services	-	-	17,425	192,518
Other income	-	-	9,671	13,531
Dividend income	-	-	37,897	20,000
Rental expense	-	-	1,068	1,068
Transportation expense	-	-	20,044	26,206
Interest income	-	-	7,309	4,480
Other expenses	-	-	808	666
Associates				
Sales of goods and rendering of services	101	-	-	-
Purchases of goods	10	-	10	-
Other income	91	-	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	35,436	39,454	12,682	14,829
Post-employment benefits	961	4,220	302	3,623
Total key management personnel compensation	36,397	43,674	12,984	18,452
Other related parties				
Interest expense	256	20	-	-

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

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



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Loans to	Interest rate	Separate financial statements			
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
<i>(in thousand Baht)</i>					
2020					
Subsidiaries	3	286,474	278,840	(409,634)	155,680
Associate	-	320	18,000	-	18,320
Total		286,794	296,840	(409,634)	174,000
2019					
Subsidiaries	3	243,850	178,900	(136,276)	286,474
Associate	-	-	320	-	320
Total		243,850	179,220	(136,276)	286,794

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

Significant agreements with related parties

The Company entered into a general management agreement with related parties to provide business services in solving the problem, providing assistance and giving advice in business operations.

The agreement covers a period of 1 year and will be renewed for a period of 1 year until it is terminated by either party after given 1 month written notice to other party. The Company will receive management fees as indicated in the agreement.

6 Cash and cash equivalents

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

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

7 Trade and other current receivables

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

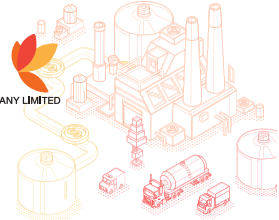
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Impairment loss				
(2019: Bad and doubtful debts)	3,385	2,363	327	1,342

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

8 Contract assets and contract liabilities

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Contract assets				
Total project value	7,770,394	4,962,823	494,935	494,935
Accumulated amount recognised as revenue on percentage of	4,458,463	2,844,391	494,935	391,531



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

Revenue recognition from contract balance

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

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

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

Takuni Group Public Company Limited and its Subsidiaries
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9 Inventories

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

According to related regulations issued by the Ministry of Energy, the Group and the Company are required to reserve petroleum gas at 1% of the total trading volume in each period. As at 31 December 2020, the Group and the Company have reserved petroleum gas amounting to Baht 4.16 million which is represented as finished goods - petroleum gas in the consolidated and separate financial statements (2019: Baht 7.15 million).

10 Investments in associates

Consolidated financial statements										
Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)									
Associates										
Sermasch Co., Ltd.	47.5	47.5	2,000	2,000	1,419	1,419	422	558	-	-
Sorb Engineering Co., Ltd.	47.5	47.5	2,000	2,000	1,104	1,104	1,025	727	-	-
Exact Real Estate Co., Ltd.	40.0	40.0	10,000	10,000	4,000	4,000	-	3,921	-	-
Yi Hao Motor Co., Ltd.	40.0	-	3,914	-	1,561	-	-	-	-	-
Total					8,084	6,523	1,447	5,206	-	-

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements				
	Ownership interest		Paid-up capital		Dividend income for the year
	2020	2019	2020	2019	
	(%)				
Associate					
Exact Real Estate Co., Ltd.	40.0	40.0	10,000	10,000	-
				4,000	-
				4,000	-

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

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

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

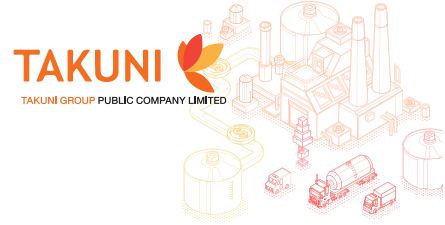
On 13 May 2019, the Executive Committee's meeting approved the acquisition of Sermasch Co., Ltd. totaling 9,500 shares at a par value of Baht 100 per share, total consideration paid of Baht 1.42 million, representing 47.5% of paid-up share capital and the acquisition of Sorb Engineering Co., Ltd. totaling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

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

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

11 Investments in subsidiaries

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



Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

All subsidiaries were incorporated and operate in Thailand.

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

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

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

12 Non-controlling interests

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

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

13 Property, plant and equipment

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

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

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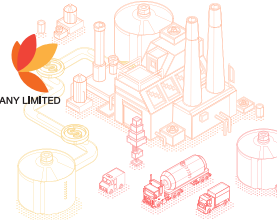
	Separate financial statements					Total
	Land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Furniture, fixture and office equipment	Assets under construction and installation	
						(in thousand Baht)
Net book value						
At 31 December 2019						
Owned assets	26,479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

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

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

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

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



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

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

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

14 Goodwill

Impairment testing for CGUs containing goodwill

Construction services

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

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

	Consolidated financial statements	
	2020	2019
	(%)	
Discount rate	8.36	11.00
Growth rate	1.00	1.00
Gross profit margin (average of next ten years)	9.10	10.00

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

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

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Baht 245.69 million (2019: Baht 1,000.00 million). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount.

The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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	Consolidated financial statements	
	2020	2019
	(%)	
Discount rate	15.69	10.46
Growth rate	(1.39)	(2.39)
Gross profit margin	7.90	8.34

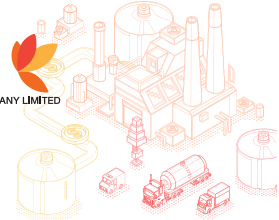
15 Receivable from sale of land

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

16 Interest-bearing liabilities

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

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



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Assets pledged as security for liabilities as at 31 December	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		(in thousand Baht)			
Investment properties		4,287	4,754	-	-
Property, plant and equipment	13	296,632	327,221	33,483	34,196
Total		300,919	331,975	33,483	34,196

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

Borrowings from financial institution

In April 2020, the subsidiary amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020.

The final repayment date of long-term borrowings from financial institution will be due within February 2024 which is replaced the formal one in September 2023.

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

17 Reserves

Share premium

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

Legal reserve

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

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18 Segment information and disaggregation of revenue

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

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

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

Geographical segments

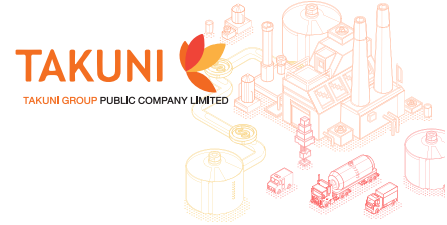
The Group is managed and operated mainly in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major customers

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

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



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

19 Warrants

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

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

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

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

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

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

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20 Employee benefit expenses

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

Defined contribution plan

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

21 Expenses by nature

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

22 Income tax

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

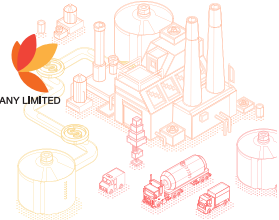
Takuni Group Public Company Limited and its Subsidiaries
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For the year ended 31 December 2020

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

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

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

Reconciliation of effective tax rate				
Separate financial statements				
	2020	2019		
	Rate	(in thousand	Rate	(in thousand
	(%)	Baht)	(%)	Baht)
Profit before income tax expense		32,236		33,111
Income tax using the Thai corporation tax rate	20.00	6,447	20.00	6,622
Income not subject to tax		(7,579)		(4,000)
Income subject to tax		887		895



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For the year ended 31 December 2020

Reconciliation of effective tax rate

	Separate financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Expenses not deductible for tax purposes		203		5,178
Expenses deductible at a greater amount		(15)		(11)
Current year losses for which no deferred tax asset was recognised		236		-
Total	0.56	179	26.23	8,684

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

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

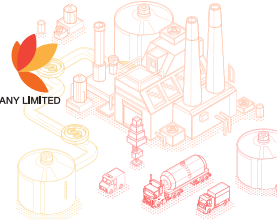
2019				
<i>Deferred tax assets</i>				
Trade receivables	986	473	-	1,459
Inventories	2,080	(285)	-	1,795
Provision for warranty	40	31	-	71
Non-current provisions for employee benefits	1,540	669	1,073	3,282
Total	4,646	888	1,073	6,607

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

	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other	
			comprehensive income	
<i>Deferred tax</i>				
		<i>(in thousand Baht)</i>		
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(666)	(333)	-	(999)
Total	(666)	(333)	-	(999)
Net	3,980	555	1,073	5,608

	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss	Other	
			comprehensive income	
<i>Deferred tax</i>				
		<i>(in thousand Baht)</i>		
2020				
<i>Deferred tax assets</i>				
Trade receivables	1,029	65	-	1,094
Provision for warranty	67	369	-	436
Non-current provisions for employee benefits	1,767	(812)	-	955
Total	2,863	(378)	-	2,485
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(695)	199	-	(496)
Total	(695)	199	-	(496)
Net	2,168	(179)	-	1,989

2019				
<i>Deferred tax assets</i>				
Trade receivables	760	269	-	1,029
Provision for warranty	36	31	-	67
Non-current provisions for employee benefits	695	361	711	1,767
Total	1,491	661	711	2,863
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(237)	(458)	-	(695)
Total	(237)	(458)	-	(695)
Net	1,254	203	711	2,168



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

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

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

23 Basic earnings per share

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

24 Dividends

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

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

25 Financial instruments

(a) Carrying amounts and fair values

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

		Consolidated financial statements			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
(in thousand Baht)					
At 31 December 2020					
Long-term borrowings from					
financial institutions	122,940	-	-	123,635	123,635

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

		Consolidated financial statements			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
(in thousand Baht)					
At 31 December 2019					
Long-term borrowings from					
financial institutions	143,700	-	-	143,520	143,520

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

Financial instruments measured at fair value

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

(b) Financial risk management policies

Risk management framework

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

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

(b.1) Credit risk

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

(b.1.1) Trade accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18. The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 90 days.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets.

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

Separate financial statements								
Trade receivables								
Overdue								
Fully allowance for impairment loss on trade receivables								
	Contract assets	Within credit terms	Less than 3 months	3-6 months	6-12 months	Over 12 months		Total
At 31 December 2020								
(%)								
Weighted average loss rate	-	0.79	2.17	56.80	-	-	100	
(in thousand Baht)								
Total carrying amounts	-	18,571	18,676	125	-	-	4,847	42,219
Allowance for impairment loss	-	(147)	(406)	(71)	-	-	(4,847)	(5,471)
At 31 December 2019								
(in thousand Baht)								
Total carrying amounts	145,065	72,280	24,951	737	1,034	3,373	(5,144)	97,231

In 2020, loss rates are based on actual credit loss experience over the past 5 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The normal credit term granted by the Group ranges from 7 days to 60 days.

(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a credit rating, for which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities.

At 31 December 2020, the Group guaranteed to certain banks in respect of credit facilities granted to the subsidiaries (see note 16).

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b.2) Liquidity risk

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

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

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

Separate financial statements						
At 31 December 2020	Contractual cash flows					Total
	Carrying amount	1 year or less	More than	More than 2	More than 5 years	
			1 year but	years but less		
			less than 2	than 5 years		
			years			
(in thousand Baht)						
<i>Financial liabilities</i>						
Trade and other						
current payables	24,787	24,787	-	-	-	24,787
Lease liabilities	5,921	1,288	1,288	1,587	3,905	8,068
	30,708	26,075	1,288	1,587	3,905	32,855

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

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

		Separate financial statements		
		Maturity period		
	Effective interest rate	Within 1 year	After 1 year but within 5 years	Total
At 31 December 2019	(% per annum)	(in thousand Baht)		
<i>Financial assets</i>				
Loans to related parties	0 - 3	256,304	30,490	286,794
Total		256,304	30,490	286,794
<i>Financial liabilities</i>				
Finance lease liabilities	4.57 and 5.37	1,231	1,888	3,119
Total		1,231	1,888	3,119

(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b.3.2) Interest rate risk

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

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

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

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

26 Capital management

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

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

27 Commitments with non-related parties

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

28 Contingent liabilities

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

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

29 Event after the reporting period

On the Board of Director's meeting held on 23 February 2021, the Board approved the dividend payment from the operating results for the year ended 31 December 2020 for 800,000,236 shares at the rate of Baht 0.0375 per share, amounting to Baht 30 million. The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2021.

Certification of the correctness of the information

"The company reviewed the content and information in this annual report and certified that such content and information are complete and correct. There is no omission of any material facts that should have been stated therein. The company certified that

(1) the financial statements and all financial information which form part of this annual report have been truly, accurately, and completely disclosed and contain all material facts concerning the financial status, business operation and the cash flows of the company and the subsidiaries.

(2) The company provided good information disclosure system to ensure that the company disclosed information that contain all material facts of the company and the subsidiaries truly, accurately and completely including overseeing the practices in accordance with the mentioned system.

(3) The company provided good internal control and controlled the practices in accordance with the mentioned system. The company informed the information related to internal control system evaluation as at 23 February 2021 to the auditor and the company audit committee which cover defects and significant changes in the internal control system including malfeasance that may have an effect on the preparation of the company financial statements and the subsidiary financial statements.

To serve as evidence that all documents are the same ones that the company certified correctness, the company assigned Ms. Nita Treeweeranuwat to sign her name on every page of the documents. Any documents do not contain Ms. Nita Treeweeranuwat's signature, the company shall consider they are not information that the company certified the correctness as mentioned above.

Name	position	signature
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Mr.Prasert Treeveeranuwat Director/
Chairman of Executive Committee



Ms.Nita Treeweeranuwat Director /
Vice President General
Administration Department




บริษัท ทากูนิ กรุ๊ป จำกัด (มหาชน)
Takuni Group Public Company Limited

Attorney

Name	position	signature
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Ms.Nita Treeweeranuwat Director /
Vice President General
Administration Department



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