

TAKUNI GROUP PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2016



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2016, the related consolidated and company statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated and company statement of changes in shareholders' equity, and cash flows for the six-month period then ended, and condensed notes to interim financial information of Takuni Group Public Company Limited and its subsidiaries, and of Takuni Group Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

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


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

Bangkok
10 August 2016

Takuni Group Public Company Limited
Statement of Financial Position
As at 30 June 2016

	Notes	Consolidated		Company	
		Unaudited 30 June 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 June 2016 Baht	Audited 31 December 2015 Baht
Assets					
Current assets					
Cash and cash equivalents		235,221,162	90,100,398	66,055,438	64,632,341
Temporary investments		232,108	232,108	-	-
Trade and other receivables	5	507,379,729	128,873,842	73,380,675	47,569,593
Short-term loans to related parties	17	-	84,448,425	146,370,000	123,418,325
Short-term loans to other party	17.2	202,698,425	-	187,798,325	-
Inventories	6	47,883,604	43,038,816	38,047,710	29,007,820
Other current assets		11,105,015	649,937	84,145	160,718
Total current assets		1,004,520,043	347,343,526	511,736,293	264,788,797
Non-current assets					
Pledged and restricted bank deposits	18	72,160,167	40,455,019	68,160,167	36,455,019
Investments in subsidiaries	7.1	-	-	240,359,470	240,359,470
Investments in associates	7.2	-	167,244,543	-	-
Investment properties	8	4,690,396	4,862,259	-	-
Property, plant and equipment	9	232,651,845	203,144,239	93,286,406	95,223,226
Goodwill	20	5,612,285	-	-	-
Intangible assets	9	3,275,534	718,446	101,607	182,412
Deferred income tax assets	10	3,593,960	6,004,778	-	-
Other non-current assets		63,897,848	604,947	425,974	425,974
Total non-current assets		385,882,035	423,034,231	402,333,624	372,646,101
Total assets		1,390,402,078	770,377,757	914,069,917	637,434,898

Director


นางสาวกาญจนา ริมพณิชยกิจ
กรรมการ

Director


นางสาวนิตา ศรีวิธานวัฒน์
กรรมการ

The accompanying condensed notes are integral part of these interim financial information

Takuni Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2016

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	12	-	61,500	-	-
Trade and other payables	11	313,644,130	84,684,915	67,039,227	65,572,029
Short-term borrowings from financial institutions	12	94,588,462	214,167,306	94,588,462	214,167,306
Short-term borrowings from related parties	17	400,000	-	-	-
Current portion of long-term bank borrowings	12	36,360,000	6,000,000	6,000,000	6,000,000
Current portion of finance lease liabilities	12	1,701,908	788,015	809,260	788,015
Current income tax payable		1,361,047	9,882,849	1,046,034	2,039,669
Other current liabilities		11,540,901	756,139	-	-
Total current liabilities		459,596,448	316,340,724	169,482,983	288,567,019
Non-current liabilities					
Long-term bank borrowings	12	43,540,000	28,100,000	500,000	3,500,000
Finance lease liabilities	12	4,500,837	3,113,092	2,703,079	3,113,092
Employee benefit obligations		2,144,648	1,671,066	955,131	865,660
Deferred income tax liabilities	10	1,036,590	1,008,321	302,284	250,843
Other non-current liabilities		21,272,446	4,962,174	324,811	324,811
Total non-current liabilities		72,494,521	38,854,653	4,785,305	8,054,406
Total liabilities		532,090,969	355,195,377	174,268,288	296,621,425

The accompanying condensed notes are integral part of these interim financial information

Takuni Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2016

	Note	Consolidated		Company	
		Unaudited 30 June 2016 Baht	Audited 31 December 2015 Baht	Unaudited 30 June 2016 Baht	Audited 31 December 2015 Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share Capital	13				
Authorised share capital					
1,200,000,000 ordinary shares at par value of Baht 0.50 each (2015 : 1,200,000,000 ordinary shares at par value of Baht 0.50 each)		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up					
800,000,000 ordinary shares paid-up of Baht 0.50 each (2015 : 400,000,000 ordinary shares paid-up of Baht 0.50 each)		400,000,000	200,000,000	400,000,000	200,000,000
Share premium	13	305,527,766	106,643,230	305,527,766	106,643,230
Share surplus from business combination under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated - Legal reserve		4,320,000	4,320,000	4,320,000	4,320,000
Unappropriated		79,447,090	83,582,860	29,953,863	29,850,243
Total parent's shareholders' equity		809,931,146	415,182,380	739,801,629	340,813,473
Non-controlling interests		48,379,963	-	-	-
Total shareholders' equity		858,311,109	415,182,380	739,801,629	340,813,473
Total liabilities and shareholders' equity		1,390,402,078	770,377,757	914,069,917	637,434,898

The accompanying condensed notes are integral part of these interim financial information

Takuni Group Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2016

	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		243,333,763	257,913,693	241,157,490	254,075,807
Revenue from services		227,909,611	57,077,140	-	-
Total revenues		471,243,374	314,990,833	241,157,490	254,075,807
Cost of sales					
Cost of sales		(225,512,095)	(242,113,517)	(225,416,564)	(239,689,266)
Cost of providing services		(198,095,632)	(45,220,544)	-	-
Total cost of sales		(423,607,727)	(287,334,061)	(225,416,564)	(239,689,266)
Gross profit		47,635,647	27,656,772	15,740,926	14,386,541
Other income		30,722,792	3,074,538	7,680,558	5,574,918
Profit before expenses		78,358,439	30,731,310	23,421,484	19,961,459
Selling expenses		(5,740,459)	(6,466,740)	(6,770,673)	(7,082,044)
Administrative expenses		(28,086,098)	(16,433,941)	(10,355,371)	(9,146,647)
Finance costs		(1,678,299)	(294,614)	(841,742)	(102,737)
Share of (loss) profit from associate		(13,882,156)	1,680,990	-	-
Profit before income tax		28,971,427	9,217,005	5,453,698	3,630,031
Income tax	16	(6,448,049)	(1,873,447)	(1,240,921)	(1,358,456)
Profit for the period		22,523,378	7,343,558	4,212,777	2,271,575
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		22,523,378	7,343,558	4,212,777	2,271,575
Profit attributable to:					
Owners of the parent		18,709,238	7,343,558	4,212,777	2,271,575
Non-controlling interests		3,814,140	-	-	-
Profit for the period		22,523,378	7,343,558	4,212,777	2,271,575
Total comprehensive income attributable to:					
Owners of the parent		18,709,238	7,343,558	4,212,777	2,271,575
Non-controlling interests		3,814,140	-	-	-
Total comprehensive income for the period		22,523,378	7,343,558	4,212,777	2,271,575
Earnings per share					
Basic earnings per share (Baht)	15	0.0234	0.0184	0.0053	0.0057
Diluted earnings per share (Baht)	15	0.0226	0.0184	0.0051	0.0057

The accompanying condensed notes are integral part of this interim financial information.

Takuni Group Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2016

	Notes	Consolidated		Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		479,498,216	526,227,811	474,964,092	519,379,896
Revenue from services		285,066,313	98,157,235	-	-
Total revenues		764,564,529	624,385,046	474,964,092	519,379,896
Cost of sales					
Cost of sales		(446,977,035)	(475,415,760)	(446,055,594)	(471,477,988)
Cost of providing services		(239,338,265)	(74,317,959)	-	-
Total cost of sales		(686,315,300)	(549,733,719)	(446,055,594)	(471,477,988)
Gross profit		78,249,229	74,651,327	28,908,498	47,901,908
Other income		33,901,834	5,141,433	35,232,626	20,529,691
Profit before expenses		112,151,063	79,792,760	64,141,124	68,431,599
Selling expenses		(11,494,780)	(13,127,438)	(13,462,725)	(14,443,446)
Administrative expenses		(44,959,152)	(31,597,169)	(21,278,199)	(18,413,037)
Finance costs		(3,013,506)	(595,956)	(1,793,017)	(213,880)
Share of (loss) profit from associate	7.2	(20,675,208)	8,549,100	-	-
Profit before income tax		32,008,417	43,021,297	27,607,183	35,361,236
Income tax	16	(8,553,708)	(7,265,529)	(1,347,563)	(5,566,678)
Profit for the period		23,454,709	35,755,768	26,259,620	29,794,558
Other comprehensive income		2,379,661	-	-	-
Total comprehensive income for the period		25,834,370	35,755,768	26,259,620	29,794,558
Profit attributable to:					
Owners of the parent		19,640,569	35,755,768	26,259,620	29,794,558
Non-controlling interests		3,814,140	-	-	-
Profit for the period		23,454,709	35,755,768	26,259,620	29,794,558
Total comprehensive income attributable to:					
Owners of the parent		22,020,230	35,755,768	26,259,620	29,794,558
Non-controlling interests		3,814,140	-	-	-
Total comprehensive income for the period		25,834,370	35,755,768	26,259,620	29,794,558
Earnings per share					
Basic earnings per share (Baht)	15	0.0254	0.0894	0.0339	0.0745
Diluted earnings per share (Baht)	15	0.0247	0.0894	0.0330	0.0745

The accompanying condensed notes are integral part of this interim financial information.

Takuni Group Public Company Limited
Statement of Changes in Shareholders' Equity
For the six-month period ended 30 June 2016

Consolidated (Unaudited)								
Note	Attribute to owner of the parent					Total owners of the parent Baht	Non-controlling interests Baht	Total shareholders' equity Baht
	Issued and paid-up capital Baht	Premium on paid-up capital Baht	Share surplus from business combination under common control Baht	Retained earnings				
				Appropriated-Legal reserve Baht	Unappropriated Baht			
Opening balance at 1 January 2016	200,000,000	106,643,230	20,636,290	4,320,000	83,582,860	415,182,380	-	415,182,380
Proceeds from share issued	13 200,000,000	198,884,536	-	-	-	398,884,536	-	398,884,536
Acquisition of subsidiaries	20 -	-	-	-	-	-	44,565,823	44,565,823
Dividends	19 -	-	-	-	(26,156,000)	(26,156,000)	-	(26,156,000)
Total comprehensive income for the period	-	-	-	-	22,020,230	22,020,230	3,814,140	25,834,370
Closing balance at 30 June 2016	<u>400,000,000</u>	<u>305,527,766</u>	<u>20,636,290</u>	<u>4,320,000</u>	<u>79,447,090</u>	<u>809,931,146</u>	<u>48,379,963</u>	<u>858,311,109</u>
Opening balance at 1 January 2015	200,000,000	106,643,230	20,636,290	2,900,000	44,183,544	374,363,064	-	374,363,064
Dividends	19 -	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)
Total comprehensive income for the period	-	-	-	-	35,755,768	35,755,768	-	35,755,768
Closing balance at 30 June 2015	<u>200,000,000</u>	<u>106,643,230</u>	<u>20,636,290</u>	<u>2,900,000</u>	<u>55,939,312</u>	<u>386,118,832</u>	<u>-</u>	<u>386,118,832</u>

The accompanying condensed notes are integral part of this interim financial information.

Takuni Group Public Company Limited
Statement of Changes in Shareholders' Equity
For the six-month period ended 30 June 2016

Company (Unaudited)						
	Note	Issued and paid-up capital Baht	Premium on paid-up capital Baht	Retained earnings		Total shareholders' equity Baht
				Appropriated- Legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2016		200,000,000	106,643,230	4,320,000	29,850,243	340,813,473
Proceeds from share issued	13	200,000,000	198,884,536	-	-	398,884,536
Dividends	19	-	-	-	(26,156,000)	(26,156,000)
Total comprehensive income for the period		-	-	-	26,259,620	26,259,620
Closing balance at 30 June 2016		400,000,000	305,527,766	4,320,000	29,953,863	739,801,629
Opening balance at 1 January 2015		200,000,000	106,643,230	2,900,000	26,994,179	336,537,409
Dividends	19	-	-	-	(24,000,000)	(24,000,000)
Total comprehensive income for the period		-	-	-	29,794,558	29,794,558
Closing balance at 30 June 2015		200,000,000	106,643,230	2,900,000	32,788,737	342,331,967

The accompanying condensed notes are integral part of this interim financial information.

Takuni Group Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2016

	Notes	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Cash flows from operating activities					
Profit before income tax		32,008,417	43,021,297	27,607,183	35,361,236
Adjustments for:					
Depreciation and amortisation charge	8,9	9,019,041	8,064,580	2,871,281	3,088,764
Reversal of allowance for doubtful accounts		(803,106)	(501,613)	(778,505)	(652,959)
(Reversal of) allowance for net realisable value and obsolete and slow moving inventories	6	(4,957,456)	2,095,620	-	-
Loss on disposal and write-off of equipment		(315,813)	(30,336)	-	-
Share of (loss) profit from associate	7.2	20,675,208	(8,549,100)	-	-
Gain on sale investment in associate	7.2	(25,421,961)	-	-	-
Gain on bargain purchase	20.2	(175,801)	-	-	-
Interest income		(6,591,463)	(1,560,470)	(6,867,388)	(1,835,464)
Finance costs		3,013,506	595,956	1,793,017	213,880
		26,450,572	43,135,934	24,625,588	36,175,457
Changes in operating working capital					
- Trade and other receivables		(127,175,320)	(11,450,193)	(21,313,540)	4,704,520
- Inventories		2,438,706	(2,637,789)	(9,039,890)	694,327
- Other current assets		(3,486,869)	(584,774)	76,573	38,359
- Other non-current assets		(32,801,923)	(66,500)	-	-
- Trade and other payables		83,258,340	(56,459,546)	1,459,387	(54,757,820)
- Other current liabilities		5,248,882	(146,215)	89,471	22,977
- Employee benefit obligations		215,523	40,923	-	-
- Other non-current liabilities		1,440,548	1,311,983	-	-
Cash generated from operations		(44,411,541)	(26,856,177)	(4,102,411)	(13,122,180)
- Interest paid		(3,013,506)	(595,956)	(1,793,017)	(213,880)
- Income tax paid		(19,536,376)	(4,839,244)	(2,289,758)	(1,619,629)
Net cash used in operating activities		(66,961,423)	(32,291,377)	(8,185,186)	(14,955,689)

The accompanying condensed notes are integral part of this interim financial information.

Takuni Group Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2016

	Notes	Consolidated		Company	
		Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Cash flows from investment activities					
Pledged and restricted bank deposits		(31,705,148)	(13,445,300)	(31,705,148)	(14,445,300)
Purchase of property, plant and equipment		(9,294,193)	(1,806,324)	(840,645)	(102,659)
Purchase of intangible assets		(29,700)	(103,931)	(5,200)	(103,931)
Proceeds from disposal of property, plant and equipment		554,393	147,510	-	-
Payments for temporary investment		-	(914,700)	-	(914,700)
Interest received		4,013,699	1,170,960	3,148,352	949,820
Short-term loans to related parties	17	(181,818,000)	(60,300,000)	(250,318,000)	(76,010,000)
Loan repayments received from related parties	17	18,568,000	-	39,568,000	10,010,000
Acquisition of subsidiary, net of cash acquired		(1,225,684)	-	-	-
Payments for acquisition of associate	7.2	-	(26,010,000)	-	-
Proceeds from sale investment in associate		134,735,000	-	-	-
Net cash used in investing activities		<u>(66,201,633)</u>	<u>(101,261,785)</u>	<u>(240,152,641)</u>	<u>(80,616,770)</u>
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions		94,588,462	-	94,588,462	-
Repayments on short-term borrowings from financial institutions		(214,167,306)	-	(214,167,306)	-
Proceeds from long-term borrowings from financial institutions	12	30,000,000	-	-	-
Repayments on long-term borrowings from financial institutions	12	(4,200,000)	(3,285,936)	(3,000,000)	(3,000,000)
Dividends paid	19	(26,156,000)	(24,000,000)	(26,156,000)	(24,000,000)
Finance lease principal payments		(604,372)	(1,472,725)	(388,768)	(1,472,725)
Proceeds from increase capital	13	200,000,000	-	200,000,000	-
Proceeds from share premium	13	198,884,536	-	198,884,536	-
Net cash generated from (used in) financing activities		<u>278,345,320</u>	<u>(28,758,661)</u>	<u>249,760,924</u>	<u>(28,472,725)</u>
Net decrease in cash and cash equipments		145,182,264	(162,311,823)	1,423,097	(124,045,184)
Cash and cash equivalents at the beginning of the period		<u>90,038,898</u>	<u>186,775,947</u>	<u>64,632,341</u>	<u>138,691,309</u>
Cash and cash equivalents at end of the period		<u>235,221,162</u>	<u>24,464,124</u>	<u>66,055,438</u>	<u>14,646,125</u>

Significant non-cash transactions

	Consolidated		Company	
	Unaudited 2016 Baht	Unaudited 2015 Baht	Unaudited 2016 Baht	Unaudited 2015 Baht
Purchase of property, plant and equipment (included in trade and other payables)	4,421,938	73,194	7,811	24,900
Purchase of intangible asset (included in trade and other payables)	-	42,600	-	-
Purchase of assets under finance lease	-	5,690,000	-	5,690,000

The accompanying condensed notes are integral part of this interim financial information.

1 General information

Takuni Group Public Company Limited (“the Company”) is a public company incorporated and resident in Thailand. The address of its registered office is as follows:

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

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Group are gas trading and transportation, construction services, gas systems installation and safety check services for vehicles and industries and holding company which invest in construction and renewable energy business.

This interim consolidated and company financial information was authorised for issue by the Board of Directors on 10 August 2016.

This interim consolidated and company financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

This interim consolidated and company financial information was prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statements of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34, ‘Interim Financial Reporting’ and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2015.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group.

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

TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 40 (revised 2015)	Investment property
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group, except for disclosures.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

4 Segment information

The Group presents segment information in accordance with business segment in the financial report by considering based on the grouping of related products and services as the basis for segment information.

Significant business segments are as follows:

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

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

4 Segment information (Cont'd)

	Consolidated						Total Baht
	For the three-month period ended 30 June 2016						
	Petroleum gas trading Baht	Transportation services Baht	Sales and construction services		Safety checking services Baht	Other Baht	
		Sales Baht	Construction services Baht				
Revenues from operation	241,157,490	10,023,679	2,985,537	211,059,915	14,514,715	-	479,741,336
Revenues from inter - segment	-	(6,986,841)	(809,264)	(606,667)	(95,190)	-	(8,497,962)
Total revenue	241,157,490	3,036,838	2,176,273	210,453,248	14,419,525	-	471,243,374
Segment result - gross profit	15,737,716	576,196	1,880,741	25,591,224	3,849,770	-	47,635,647
Operating profit							44,531,882
Financial cost							(1,678,299)
Share of loss of associates							(13,882,156)
Profit before tax							28,971,427
Income tax							(6,448,049)
Net profit							22,523,378

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

4 Segment information (Cont'd)

	Consolidated						Total Baht
	For the three-month period ended 30 June 2015						
	Petroleum gas trading Baht	Transportation services Baht	Sales and construction services		Safety checking services Baht	Other Baht	
		Sales Baht	Construction services Baht				
Revenues from operation	254,075,807	11,604,291	4,438,884	43,621,371	9,905,123	-	323,645,476
Revenues from inter - segment	-	(7,406,710)	(600,998)	(466,525)	(180,410)	-	(8,654,643)
Total revenue	254,075,807	4,197,581	3,837,886	43,154,846	9,724,713	-	314,990,833
Segment result - gross profit	14,450,546	460,137	958,371	8,940,180	2,847,538	-	27,656,772
Operating profit							7,830,629
Financial cost							(294,614)
Share of profit of associate							1,680,990
Profit before tax							9,217,005
Income tax							(1,873,447)
Net profit							7,343,558

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

4 Segment information (Cont'd)

	Consolidated						Total Baht
	For the six-month period ended 30 June 2016						
	Petroleum gas trading Baht	Transportation services Baht	Sales and construction services		Safety checking services Baht	Other Baht	
Sales Baht			Construction services Baht				
Revenues from operation	474,964,092	21,645,522	5,541,610	249,262,075	29,869,663	-	781,282,962
Revenues from inter - segment	-	(14,158,790)	(1,007,486)	(1,208,627)	(343,530)	-	(16,718,433)
Total revenue	474,964,092	7,486,732	4,534,124	248,053,448	29,526,133	-	764,564,529
Segment result - gross profit	29,137,705	1,607,441	3,105,452	33,136,536	11,262,095	-	78,249,229
Operating profit							55,697,131
Financial cost							(3,013,506)
Share of loss of associates							(20,675,208)
Profit before tax							32,008,417
Income tax							(8,553,708)
Net profit							<u>23,454,709</u>
As at 30 June 2016							
Property, plant and equipment	96,939,102	34,533,833	5,987,150	83,844,406	9,633,068	1,714,286	232,651,845
Total consolidated assets	526,094,000	53,535,865	16,493,487	599,761,289	42,317,737	152,199,700	<u>1,390,402,078</u>
Total consolidated liabilities							<u>532,090,969</u>

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

4 Segment information (Cont'd)

	Consolidated						Total Baht
	For the six-month period ended 30 June 2015						
	Petroleum gas trading Baht	Transportation services Baht	Sales and construction services		Safety checking services Baht	Other Baht	
Sales Baht			Construction services Baht				
Revenues from operation	519,379,896	26,277,109	7,946,006	64,943,816	23,123,201	-	641,670,028
Revenues from inter - segment	-	(14,762,270)	(1,098,091)	(1,032,000)	(392,621)	-	(17,284,982)
Total revenue	519,379,896	11,514,839	6,847,915	63,911,816	22,730,580	-	624,385,046
Segment result - gross profit	48,049,134	1,894,151	1,999,256	13,654,566	9,054,220	-	74,651,327
Operating profit							35,068,153
Financial cost							(595,956)
Share of profit of associate							8,549,100
Profit before tax							43,021,297
Income tax							(7,265,529)
Net profit							<u>35,755,768</u>
As at 31 December 2015							
Property, plant and equipment	98,994,115	32,168,010	6,139,475	58,712,876	5,415,476	1,714,287	203,144,239
Total consolidated assets	343,303,386	45,013,341	19,592,694	177,727,105	34,733,224	150,008,007	<u>770,377,757</u>
Total consolidated liabilities							<u>355,195,377</u>

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

5 Trade and other receivables

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Trade accounts receivables	153,492,077	57,130,399	53,491,570	42,859,941
<u>Less</u> Allowance for doubtful accounts	<u>(1,662,762)</u>	<u>(1,178,809)</u>	<u>(259,525)</u>	<u>(1,038,030)</u>
Trade accounts receivables - net	151,829,315	55,951,590	53,232,045	41,821,911
Receivable from related parties (Note 17)	-	400,000	952,300	1,595,200
Others receivables	1,103,613	151,710	167,717	150,709
Prepayments	18,363,286	6,493,183	953,802	983,999
Accrued interest income	3,489,387	911,623	6,736,811	3,017,774
Accrued income - Safety-checking services	6,653,455	9,853,792	-	-
Unbilled receivables under construction contracts	281,268,369	50,447,011	-	-
Account receivable - VAT and withholding tax	33,342,304	4,664,933	-	-
Advance payment	<u>11,330,000</u>	-	<u>11,338,000</u>	-
Trade and other receivables - net	<u>507,379,729</u>	<u>128,873,842</u>	<u>73,380,675</u>	<u>47,569,593</u>

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Trade accounts receivable				
Within credit term	103,593,139	33,823,310	26,846,864	25,086,836
Overdue				
- Up to 3 months	33,848,934	16,142,438	24,410,261	13,832,842
- 3 - 6 months	8,505,764	1,380,114	969,211	382,564
- 6 - 12 months	2,645,317	1,312,192	-	1,096,025
- Over 12 months	<u>4,898,923</u>	<u>4,472,345</u>	<u>1,265,234</u>	<u>2,461,674</u>
Total	153,492,077	57,130,399	53,491,570	42,859,941
<u>Less</u> Allowance for doubtful accounts	<u>(1,662,762)</u>	<u>(1,178,809)</u>	<u>(259,525)</u>	<u>(1,038,030)</u>
Trade accounts receivable - net	<u>151,829,315</u>	<u>55,951,590</u>	<u>53,232,045</u>	<u>41,821,911</u>

Management believe that the allowance provided for is sufficient based on its consideration of past debt collection experiences of the Group. Part of overdue receivables especially overdue more than 12 months is secured by postdated cheques received and the cash collection from those postdated cheques is still as usual.

Unbilled receivables are revenues under construction contracts, which will be collected from customers following the percentage of completion and money will be received in the following month.

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

6 Inventories

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Finished goods - petroleum gas	37,927,364	28,860,102	38,047,710	29,007,820
- gas tank for installation and equipment	15,022,614	19,706,965	-	-
Work in progress - gas installations	152,014	1,343,678	-	-
Work in progress under construction contracts	3,891,255	7,576,542	-	-
Raw materials	3,864,316	3,450,839	-	-
General supplies	1,586,713	1,618,818	-	-
Total	62,444,276	62,556,944	38,047,710	29,007,820
<u>Less</u> Allowance for net realisable value of inventories	(14,560,672)	(19,518,128)	-	-
Allowance for slow-moving inventories	-	-	-	-
Inventories - net	47,883,604	43,038,816	38,047,710	29,007,820

As at 30 June 2016, the Group provided for an allowance for finished goods particularly those items relating gas installation and equipment of Baht 14.56 million (2015: Baht 19.52 million), in which allowance of Baht 4.96 million was reversed as related finished goods were sold in the second quarter of 2016 (2015: additional allowance of Baht 2.15 million for finished goods was reserved in the second quarter).

7 Investment in subsidiaries and associate

7.1 Investment in subsidiaries

The movement of investments in subsidiaries for the six-month period ended 30 June 2016 are as follows:

	Company Baht
Beginning net book amount	240,359,470
Acquisitions	-
Disposals	-
Ending net book amount	240,359,470

7 Investment in subsidiaries and associate (Cont'd)

7.1 Investment in subsidiaries (Cont'd)

Subsidiary establishment and investment in subsidiary

Establishment of NMG

On 16 October 2015, the Board of Directors' meeting no. 8/2015 passed a resolution to establish and register Newman Green Co., Ltd. ("NMG") which is investing company. The new company registered with Ministry of Commerce on 28 October 2015 with authorized share capital Baht 150 million to purchase ordinary shares of Well-Korat Energy Co., Ltd. ("WKE").

Additional investment in CAZ

On 26 February 2016, the Board of Directors' meeting no. 2/2016 of Takuni (Thailand) Co., Ltd. passed a resolution to increase the investment in CAZ (Thailand) Co., Ltd. ("CAZ") from 47.72% of paid-up share capital to 51.30% of paid-up capital. The Group has purchased the additional 40,000 shares at par value of Baht 100 per share on 7 April 2016 by cash payment of Baht 4 million. This transaction made CAZ be the subsidiary of the Group. As a result of acquisition, the Group is expected to expand business opportunity in construction in the future.

Acquisition of JKEC

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

7.2 Investment in associate

The movements of investment in associate for the six-month period ended 30 June 2016 are as follows:

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Beginning net book amount	167,244,543	-	-	-
Acquisitions	-	166,010,000	-	-
Disposals - WKE	(109,313,039)	-	-	-
Decrease from the acquisition subsidiary - CAZ	(39,635,957)	-	-	-
Share of profit (loss)	(20,675,208)	1,234,543	-	-
Share of comprehensive profit	2,379,661	-	-	-
Ending net book amount	-	167,244,543	-	-

7 Investment in subsidiaries and associate (Cont'd)

7.2 Investment in associate (Cont'd)

Acquisition of investment in associate

Acquisition of CAZ

On 19 March 2015, the Board of Directors of Takuni (Thailand) Co., Ltd. passed a resolution to acquire shares of CAZ (Thailand) Co., Ltd. ("CAZ") which operates a construction contractor business totalling 260,100 shares at a par value of Baht 100 per share, total consideration paid is Baht 26.01 million, representing 47.72% of paid-up share capital. The payment of the investment in associate was made on 26 March 2015.

The Group had engaged an independent financial advisor to assess the fair value of CAZ related valuation report was completed on 22 July 2015. Consequently, the Group recognised the difference between consideration paid and acquired identifiable net assets as gain on bargain purchase amount of Baht 6.4 million. The gain on bargain purchase arising from a need of short-term financial support of the CAZ at that time.

Disposal investment in associate

Disposal of WKE

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

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

7 Investment in subsidiaries and associate (Cont'd)

Investments in subsidiaries and associate as at 30 June 2016 are as follows:

Company's name	Type of business	Nature of relationship	Percentage of holdings	
			30 June 2016	31 December 2015
Subsidiaries				
Takuni (Thailand) Co., Ltd. ("TT")	Industrial and car gas systems installation and construction services	Direct shareholders	99.99	99.99
G Gas Logistics Co., Ltd. ("GG")	Transportation services by land	Direct shareholders	99.99	99.99
Rajchapluak Engineering Co., Ltd. ("RE")	Industrial and car gas systems safety checking services	Direct shareholders	99.99	99.99
Newman Green Co., Ltd ("NMG")	Investing company	Direct shareholders	99.99	99.99
CAZ (Thailand) Co., Ltd. ("CAZ")	Construction contractor	Indirect shareholding via TT	51.30	47.72
JKEC Co., Ltd. ("JKEC")	Construction contractor	Indirect shareholding via CAZ	51.22	-
Associates				
Well-Korat Energy Co., Ltd. ("WKE")	Power plant business	Indirect shareholding via NMG	-	45.00

All subsidiaries and associate are incorporated in Thailand.

8 Investment properties

The movement of investment properties for the six-month period ended 30 June 2016 can be summarised as follows:

	Consolidated
	Buildings
	Baht
Opening net book amount	4,862,259
Depreciation charge	(171,863)
Closing net book amount	<u>4,690,396</u>
Fair value at 30 June 2016	<u>43,000,000</u>

Investment properties at net book values of Baht 4.69 million has been pledged as a security for borrowings (Note 12).

Fair values of the Group's investment properties, the building located at head office leased to the external parties, were assessed by an independent valuer. According to its report dated 22 December 2014, fair value is assessed using income approach.

As at 30 June 2016, management believes the Group has no significant factors that may affect the fair value as previously assessed.

9 Property, plant, equipment and intangible assets

The movement of property, plant, equipment and intangible assets for the six-month period ended 30 June 2016 is summarised as follows:

	Consolidated		Company	
	Property, plant and equipment Baht	Intangible assets Baht	Property, plant and equipment Baht	Intangible assets Baht
Opening net book amount	203,144,239	718,446	95,223,226	182,412
Acquisition of subsidiary - CAZ	24,757,659	2,801,989	-	-
Additions	13,561,104	29,700	848,456	5,200
Written offs	(238,580)	-	-	-
Depreciation charge	(8,572,577)	(274,601)	(2,785,276)	(86,005)
Closing net book amount	<u>232,651,845</u>	<u>3,275,534</u>	<u>93,286,406</u>	<u>101,607</u>

On 14 March 2016, the Company already received a license to operate building and gas equipment in gas warehouse in Pathum Thani province from a local authority after the disputes had occurred since July 2015. The gas warehouse has been operated since May 2016.

As at 30 June 2016, Takuni (Thailand) Co, Ltd., a subsidiary, had pledged certain plots of land and buildings with net book value of Baht 46.83 million (31 December 2015: Baht 47.49 million) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts, long-term borrowings from a financial institution for the Group (Note 12).

As at 30 June 2016, G Gas Logistics Co., Ltd., a subsidiary, had pledged its gas trucks and gas transportation vehicles with their net book value of Baht 9.03 million (31 December 2015: Baht 9.80 million) as collateral for long-term borrowings from a financial institution.

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

10 Deferred tax assets (liabilities)

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Deferred tax assets	3,593,960	6,004,778	-	-
Deferred tax liabilities	(1,036,590)	(1,008,321)	(302,284)	(250,843)
Deferred tax assets (liabilities), net	<u>2,557,370</u>	<u>4,996,457</u>	<u>(302,284)</u>	<u>(250,843)</u>

Deferred tax assets arise from temporary differences of the allowance for doubtful accounts, allowance for inventories and reserve obligations for employee benefits. Deferred tax liabilities arise from temporary differences of finance lease and gains and losses arising from the acquisition of assets between the Group.

11 Trade and other payables

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Trade accounts payable	137,987,199	72,167,363	59,233,534	55,832,943
Trade accounts payable - related parties (Note 17)	-	-	2,857,354	3,013,570
Amounts due to related parties (Note 17)	-	-	51,665	77,643
Other payables	5,308,916	3,033,252	2,145,774	2,499,941
Unearned revenues - construction contracts	150,703,812	119,375	-	-
Accounts payable - revenue department	995,433	1,031,448	227,168	330,764
Accrued expenses	18,648,770	8,333,477	2,523,732	3,817,168
Total trade and other payables	<u>313,644,130</u>	<u>84,684,915</u>	<u>67,039,227</u>	<u>65,572,029</u>

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

12 Borrowings

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Current				
Bank overdrafts	-	61,500	-	-
Short-term borrowings from financial institutions	94,588,462	214,167,306	94,588,462	214,167,306
Current portion of long-term borrowings from financial institutions	36,360,000	6,000,000	6,000,000	6,000,000
Current portion of finance lease liabilities	1,701,908	788,015	809,260	788,015
Total current borrowings	132,650,370	221,016,821	101,397,722	220,955,321
Non-current				
Long-term bank borrowings from financial institutions	43,540,000	28,100,000	500,000	3,500,000
Finance lease liabilities	4,500,837	3,113,092	2,703,079	3,113,092
Total non-current borrowings	48,040,837	31,213,092	3,203,079	6,613,092
Total borrowings	180,691,207	252,229,913	104,600,801	227,568,413

The movement in long-term borrowings from financial institutions are analysed as follows:

	Consolidated	Company
	30 June 2016 Baht	30 June 2016 Baht
Opening amount	34,100,000	9,500,000
Acquisition of subsidiary - CAZ	20,000,000	-
Additions	30,000,000	-
Repayments	(4,200,000)	(3,000,000)
Closing amount	79,900,000	6,500,000

The Company

On 18 August 2012, the Company entered into the long-term borrowing agreement with a local financial institution amounting to Baht 30 million, which required the principle repayment of Baht 500,000 per month, totaling 60 months. This borrowing bears the interest rate of 3% per annum and is pledged by subsidiaries' land and buildings (Note 8 and Note 9).

Subsidiaries

On 24 May 2012, G Gas Logistics Co., Ltd. entered into the long-term borrowing agreement with a local financial institution amounting to Baht 24.60 million, which required the repayment over 60 months. This borrowing bears the interest rate of 3% per annum and is pledged by vehicles for gas transportation (Note 9).

On 13 January 2016, G Gas Logistics Co., Ltd. entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by vehicles for gas transportation (Note 9).

On 15 January 2016, CAZ (Thailand) Co.,Ltd. entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at MLR% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. and CAZ (Thailand) Co., Ltd.'s director (Note 8 and Note 9).

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

12 Borrowings (Cont'd)

Subsidiaries (Cont'd)

On 15 January 2016, CAZ (Thailand) Co.,Ltd. entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. and CAZ (Thailand) Co., Ltd.'s director (Note 8 and Note 9).

On 19 January 2016, Rajchapluek Engineering Co., Ltd. entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. (Note 8 and Note 9).

On 19 January 2016, Takuni (Thailand) Co., Ltd. entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment over 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of Takuni (Thailand) Co., Ltd. (Note 8 and Note 9).

13 Share capital and share premium

For the six-month period ended	Consolidated and Company					
	Authorised share capital		Issued and paid-up capital			Total Baht
	Number of shares Shares	Ordinary shares Baht	Number of shares Shares	Ordinary shares Baht	Premium on paid-up capital Baht	
Opening amount as at 1 January 2016	1,200,000,000	600,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Increase in authorised share capital	-	-	400,000,000	200,000,000	198,884,536	398,884,536
Closing amount as at 30 June 2016	1,200,000,000	600,000,000	800,000,000	400,000,000	305,527,766	705,527,766
Opening amount as at 1 January 2015	400,000,000	200,000,000	400,000,000	200,000,000	106,643,230	306,643,230
Increase in authorised share capital	-	-	-	-	-	-
Closing amount as at 30 June 2015	400,000,000	200,000,000	400,000,000	200,000,000	106,643,230	306,643,230

At the extraordinary general meeting No. 1/2015 held on 2 December 2015, the shareholders approved the increase in authorised share capital from Baht 400 million to Baht 1,200 million with the par value of Baht 0.50 per share in which 400 million shares are for the existing shareholders and another not exceeding 400 million shares are for the right to purchase common share (TAKUNI-W). The Company registered the increase in new share capital with the Ministry of Commerce on 16 December 2015.

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

14 Warrants

Warrants to purchase ordinary shares TAKUNI-W

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

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

The movement of warrants to purchase ordinary shares for the six-month period ended 30 June 2016 is as follows:

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

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

15 Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares issued during the period (Note 13).

	Consolidated		Company	
	2016	2015	2016	2015
For the three-month period ended 30 June				
Profit attributable to shareholders (Baht)	18,709,238	7,343,558	4,212,777	2,271,575
Weighted average number of ordinary shares (Shares)	800,000,000	400,000,000	800,000,000	400,000,000
Weighted average number of ordinary shares to be issued for warrants - TAKUNI-W (Shares)	26,168,216	-	26,168,216	-
Weighted average number of ordinary shares including diluted ordinary shares (Shares)	826,168,216	400,000,000	826,168,216	400,000,000
Basic earnings per share (Baht)	0.0234	0.0184	0.0053	0.0057
Diluted earnings per share (Baht)	0.0226	0.0184	0.0051	0.0057
	Consolidated		Company	
	2016	2015	2016	2015
For the six-month period ended 30 June				
Profit attributable to shareholders (Baht)	19,640,569	35,755,768	26,259,620	29,794,558
Weighted average number of ordinary shares (Shares)	773,626,374	400,000,000	773,626,374	400,000,000
Weighted average number of ordinary shares to be issued for warrants - TAKUNI-W (Shares)	22,142,337	-	22,142,337	-
Weighted average number of ordinary shares including diluted ordinary shares (Shares)	795,768,711	400,000,000	795,768,711	400,000,000
Basic earnings per share (Baht)	0.0254	0.0894	0.0339	0.0745
Diluted earnings per share (Baht)	0.0247	0.0894	0.0330	0.0745

Basic earnings per share for owners of the parents are calculated by net income attribute to owners of the parents divided by weighted average number of ordinary shares.

16 Income taxes

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 21% (30 June 2015 : 20% per annum).

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

17 Related party transactions

As at 30 June 2016, the major shareholders of the Company are 3 individuals from the same family, which own 60% of the Company's share capital. The investment in subsidiaries and associate is disclosed in Note 7.

The following transactions were significant to subsidiaries and related parties:

17.1 Outstanding balances arising from sales/purchases of goods/services

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Other receivables				
Subsidiaries	-	-	952,300	1,195,200
Associates	-	400,000	-	400,000
	<u>-</u>	<u>400,000</u>	<u>952,300</u>	<u>1,595,200</u>
Advance payment				
Subsidiaries	-	-	8,000	-
Associates	-	-	-	-
	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Accrued interest income				
Subsidiaries	-	-	3,778,170	2,220,123
Associates	-	911,623	-	797,651
	<u>-</u>	<u>911,623</u>	<u>3,778,170</u>	<u>3,017,774</u>
Trade accounts payable				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2,857,354</u>	<u>3,013,570</u>
Other account payables				
Subsidiaries	<u>-</u>	<u>-</u>	<u>51,665</u>	<u>77,643</u>

17 Related party transactions (Cont'd)

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

17.2 Short-term loans to related parties

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Short-term loans to subsidiaries	-	-	146,370,000	53,870,000
Short-term loans to associates	-	84,448,425	-	69,548,325
	-	84,448,425	146,370,000	123,418,325

a) Short-term loans to subsidiaries

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Opening balance	-	-	53,870,000	30,000,000
Additions	-	-	68,500,000	43,880,000
Additions from acquisition of subsidiary - CAZ	-	-	45,000,000	-
Repayments	-	-	(21,000,000)	(20,010,000)
Ending balance	-	-	146,370,000	53,870,000

These loans are unsecured and carry interest at the rate of 3.00% to 8.50% per annum. The loans are due on demand.

b) Short-term loans to associates

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Opening balance	84,448,425	-	69,548,325	-
Additions	181,818,000	114,748,425	181,818,000	89,548,325
Decrease from acquisition of subsidiary - CAZ	(45,000,000)	-	(45,000,000)	-
Decrease from disposal of associate - WKE	(202,698,425)	-	(187,798,325)	-
Repayments	(18,568,000)	(30,300,000)	(18,568,000)	(20,000,000)
Ending balance	-	84,448,425	-	69,548,325

These loans are unsecured and carry interest at the rate of 5.50% to 8.50% per annum. The loans are due on demand.

During the 2nd quarter of 2016, the Group has sold associate WKE, which made loan to associates reclassified to short-term loan to other party.

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

17 Related party transactions (Cont'd)

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

17.3 Short-term loans from related party

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Borrowing from key management	400,000	-	-	-

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

	Consolidated		Company	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the three-month period ended 30 June				
Other income				
Subsidiaries	-	-	2,670,000	2,591,776
Associate	390,000	-	390,000	-
	<u>390,000</u>	<u>-</u>	<u>3,060,000</u>	<u>2,591,776</u>
Interest income				
Subsidiaries	-	-	1,412,475	385,150
Associate	2,347,773	389,510	2,143,458	263,616
	<u>2,347,773</u>	<u>389,510</u>	<u>3,555,933</u>	<u>648,766</u>
For the six-month period ended 30 June				
Other income				
Subsidiaries	-	-	5,550,000	4,784,776
Associate	780,000	-	780,000	-
	<u>780,000</u>	<u>-</u>	<u>6,330,000</u>	<u>4,784,776</u>
Dividend income (Include in "Other income")				
Subsidiaries	-	-	21,399,930	10,609,937
Interest income				
Subsidiaries	-	-	1,739,567	622,027
Associate	4,467,910	389,510	4,060,862	263,616
	<u>4,467,910</u>	<u>389,510</u>	<u>5,800,429</u>	<u>885,643</u>

Takuni Group Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the six-month period ended 30 June 2016

17 Related party transactions (Cont'd)

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

17.5 Purchases of goods/services and interest expenses

	Consolidated		Company	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
For the three-month period ended 30 June				
Purchase of goods and services				
Subsidiaries	-	-	617,961	48,360
Rental expenses - office				
Subsidiaries	-	-	126,000	126,000
Transportation expenses				
Subsidiaries	-	-	6,986,841	7,391,710
Other expenses				
Subsidiaries	-	-	37,667	49,036
For the six-month period ended 30 June				
Purchase of goods and services				
Subsidiaries	-	-	681,938	83,672
Rental expenses - office				
Subsidiaries	-	-	252,000	252,000
Transportation expenses				
Subsidiaries	-	-	14,158,790	14,732,270
Other Expenses				
Subsidiaries	-	-	74,157	91,766

17 Related party transactions (Cont'd)

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

17.6 Key management compensation

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

	Consolidated		Company	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
For the three-month period ended 30 June				
Salaries and other short-term employee benefits	8,777,007	1,872,154	2,210,850	1,872,154
Retirement benefits	74,496	10,461	42,724	10,461
	<u>8,851,503</u>	<u>1,882,615</u>	<u>2,253,574</u>	<u>1,882,615</u>
For the six-month period ended 30 June				
Salaries and other short-term employee benefits	10,985,889	3,744,308	4,419,732	3,744,308
Retirement benefits	117,220	20,922	85,449	20,922
	<u>11,103,109</u>	<u>3,765,230</u>	<u>4,505,181</u>	<u>3,765,230</u>

18 Commitments

18.1 Letters of guarantees

As at 30 June 2016, the outstanding bank guarantees issued by the banks on behalf of the Company and subsidiaries for the purchase of petroleum gas and guarantee for the electricity usage, and on behalf of the associate for the purchase of goods and advance received from customers are as follows:

	Consolidated		Company	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Letters of guarantees				
Company and subsidiaries	339,377,949	91,956,704	71,934,484	71,934,484
Associates	-	138,307,735	-	-
	<u>339,377,949</u>	<u>230,264,439</u>	<u>71,934,484</u>	<u>71,934,484</u>

As at 30 June 2016, the Group had credit facilities for letter of credits or trust receipt, letter of guarantee, forward contracts and credit limit of loan. These credit facilities are pledged by subsidiaries' assets (Note 8 and Note 9), the Group's bank accounts, and directors.

18 Commitments (Cont'd)

18.2 Operating lease commitments

As at 30 June 2016, the Group and Company had the future aggregate minimum lease payments under non-cancellable operating lease in respect of land rental, buildings, equipment and car rental in which the period of contracts is from 1 year to 22 years, as follows:

	Consolidated		Company	
	30 June 2016 Baht	31 December 2015 Baht	30 June 2016 Baht	31 December 2015 Baht
Within 1 year	3,314,779	613,784	948,884	948,884
Within 2 to 5 years	5,962,417	1,865,938	1,888,738	2,165,938
Over 5 years	5,226,919	5,424,162	5,226,919	5,424,162
Total	14,504,115	7,903,884	8,064,541	8,538,984

19 Dividend

On 26 April 2016, the Board of Directors approved the appropriation of dividends for the operating results for the period for the year ended 31 December 2015 at Baht 0.033 for 800 million shares, totaling Baht 26.16 million. The dividends were paid to shareholders on 25 May 2016.

On 27 April 2015, the Board of Directors approved the appropriation of dividends for the operating results for the period for the year ended 31 December 2014 totaling Baht 30 million from the operating results for the period 1 January to 31 March 2014 amount Baht 6 million. The dividends were paid to shareholders on 23 June 2014. The remaining appropriation of dividends for the operating results for the period for 1 April to 31 December 2014 amount Baht 24 million. The dividend was paid to shareholders on 27 May 2015.

20 Business combinations

20.1 CAZ (Thailand) Co., Ltd.

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

The goodwill of Baht 5.61 million arises from a number of factors such as expected synergy's through combining a highly skilled workforce and obtaining economies of scale and unrecognised assets such as the workforce.

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

20 Business combinations (Cont'd)

20.1 CAZ (Thailand) Co., Ltd. (Cont'd)

Consideration at 7 April 2016

	<u>Million Baht</u>
Cash	4.00
Contingent consideration	6.63
Total consideration transferred	<u>10.63</u>
Fair value of equity interest in CAZ the business combination	<u>39.64</u>
Total consideration	<u>50.27</u>

	<u>Million Baht</u>
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	3.57
Trade and other receivables	52.77
Unbilled revenue	156.08
Inventories	2.33
Retentions	27.27
Property, plant and equipment	24.32
Other assets	36.04
Trade and other payables	(87.82)
Retirement benefit obligations	(0.26)
Unearned revenues	(44.89)
Borrowings	(66.00)
Other liabilities	<u>(16.35)</u>
Total identifiable assets	<u>87.06</u>
Non-controlling interest	42.40
Goodwill	5.61

On 30 June 2016, Takuni (Thailand) Co.,Ltd are in the process of estimation the fair value of the total identifiable net assets which was estimated by purchase price allocation method. Therefore, the difference between consideration and total identifiable net asset will be recorded as goodwill or other income depends on the result of assessment and review by purchase price allocation method which is expected to finalise in the 4th quarter of the year 2016.

20 Business combinations (Cont'd)

20.1 CAZ (Thailand) Co., Ltd. (Cont'd)

a) Contingent consideration

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

b) Revenue and profit contribution

The revenue included in the consolidated income statement from 7 April 2016 to 30 June 2016 was Baht 179.14 million and also contributed profit of Baht 6.71 million over the same period.

If CAZ been consolidated from 1 January 2016, the consolidated income statement for the six-months ended 30 June 2016 would show revenue of Baht 377.59 million and profit of Baht 12.78 million, respectively.

20.2 JKEC Co., Ltd.

The CAZ's Extraordinary Shareholders meeting held on 28 March 2016, the shareholders passed a resolution to invest in JKEC Co., Ltd., which is established in 2016 and incorporates construction service, 21,000 shares equally to 51.22% of paid-up share capital of JKEC. This made CAZ has control over JKEC since 1 June 2016.

Consideration at 1 June 2016

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

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

20 Business combinations (Cont'd)

20.2 JKEC Co., Ltd. (Cont'd)

a) Revenue and profit contribution

The revenue included in the consolidated income statement from 1 June 2016 to 30 June 2016 was Baht 11.89 million and also contributed profit of Baht 2.19 million over the same period.

If CAZ (Thailand) Co., Ltd. had been consolidated from 1 January 2016, the consolidated income statement for the six months period ended 30 June 2016 would show revenue of Baht 32.38 million and profit of Baht 2.53 million, respectively.

21 Subsequent event

Subsidiary

On 4 July 2016, Board of Directors' meeting of Newman Green Co., Ltd. ("NMG") approved to decrease authorized share capital of NMG by 75% from 1,500,000 shares at par value of Baht 100 per share to 375,000 shares at par value of Baht 100 per share, totaling Baht 37,500,000. Management expects to receive the returned fund from share decrease by 31 August 2016.