

TAKUNI GROUP PUBLIC COMPANY LIMITED

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

30 JUNE 2017



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Takuni Group Public Company Limited and its subsidiaries, and the interim separate financial information of Takuni Group Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2017, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information 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 accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "Nattaporn", written over a horizontal line.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
Bangkok
8 August 2017

Takuni Group Public Company Limited

Statement of Financial Position

As at 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Assets					
Current assets					
Cash and cash equivalents		218,610,040	286,508,790	174,353,928	130,222,750
Short-term investments	6	40,498,113	69,965,203	40,208,238	69,675,328
Trade and other receivables	7	265,126,884	319,330,133	64,855,262	63,298,439
Short-term loans to subsidiaries	23	-	-	206,260,000	107,320,000
Inventories	8	48,438,884	31,623,953	41,114,742	24,780,207
Other current assets		2,453,341	3,294,900	30,391	52,470
Total current assets		575,127,262	710,722,979	526,822,561	395,349,194
Non-current assets					
Pledged and restricted bank deposits		88,152,894	67,355,200	59,152,894	63,355,200
Investments in subsidiaries	9	-	-	91,359,470	233,206,114
Investment properties	10	97,795,256	4,516,644	-	-
Property, plant and equipment	11	522,380,031	519,552,453	88,904,513	91,434,372
Goodwill	12	19,383,641	19,383,641	-	-
Intangible assets	11	4,437,050	7,160,430	116,819	69,433
Deferred income tax assets	13	3,878,304	4,144,757	16,959	1,366,913
Other non-current assets	14	18,607,825	26,122,597	464,895	465,251
Total non-current assets		754,635,001	648,235,722	240,015,550	389,897,283
Total assets		1,329,762,263	1,358,958,701	766,838,111	785,246,477

Director

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Director

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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 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	15	181,254,780	162,744,923	48,551,437	41,123,615
Current portion of long-term bank borrowings	16	42,020,000	45,020,000	500,000	3,500,000
Current portion of finance lease liabilities	16	2,007,673	1,834,059	853,498	831,082
Current income tax payable		715,043	-	589,229	-
Other current liabilities		10,523,792	16,761,744	-	-
Total current liabilities		236,521,288	226,360,726	50,494,164	45,454,697
Non-current liabilities					
Long-term bank borrowings	16	224,700,000	245,460,000	-	-
Finance lease liabilities	16	3,244,847	3,792,156	1,844,444	2,282,010
Employee benefit obligations		3,147,936	2,723,538	1,137,959	1,044,602
Deferred income tax liabilities	13	669,167	-	-	-
Other non-current liabilities	17	21,910,598	22,995,547	324,811	324,811
Total non-current liabilities		253,672,548	274,971,241	3,307,214	3,651,423
Total liabilities		490,193,836	501,331,967	53,801,378	49,106,120

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

Nil
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Takuni Group Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2017

	Note	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	18				
Authorised share capital					
1,200,000,000 ordinary shares at par value of Baht 0.50 each (2016: 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 (2016: 800,000,000 ordinary shares paid-up of Baht 0.50 each)	18	400,000,000	400,000,000	400,000,000	400,000,000
Premium on paid-up capital ordinary shares	18	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		5,450,000	5,450,000	5,450,000	5,450,000
Unappropriated		51,204,239	72,571,964	2,058,967	25,162,591
Equity attributable to owners of the parent		782,818,295	804,186,020	713,036,733	736,140,357
Non-controlling interests		56,750,132	53,440,714	-	-
Total equity		839,568,427	857,626,734	713,036,733	736,140,357
Total liabilities and equity		1,329,762,263	1,358,958,701	766,838,111	785,246,477

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

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Takuni Group Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenue					
Revenue from sales		195,386,600	243,333,763	193,799,901	241,157,490
Revenue from services		211,972,064	227,909,611	-	-
Total revenues		407,358,664	471,243,374	193,799,901	241,157,490
Cost of sales					
Cost of sales		(183,977,184)	(225,512,095)	(183,259,222)	(225,416,564)
Cost of providing services		(179,000,707)	(198,095,632)	-	-
Total cost of sales		(362,977,891)	(423,607,727)	(183,259,222)	(225,416,564)
Gross profit		44,380,773	47,635,647	10,540,679	15,740,926
Other income		3,285,059	30,722,792	8,052,110	7,680,558
Profit before expenses		47,665,832	78,358,439	18,592,789	23,421,484
Selling expenses		(4,605,840)	(5,740,459)	(4,941,142)	(6,770,673)
Administrative expenses		(31,688,006)	(28,086,098)	(11,702,476)	(10,355,371)
Finance costs		(3,739,169)	(1,678,299)	(46,768)	(841,742)
Share of loss from associate		-	(13,882,156)	-	-
Profit before income tax		7,632,817	28,971,427	1,902,403	5,453,698
Income tax	22	(2,239,962)	(6,448,049)	(388,123)	(1,240,921)
Profit for the period		5,392,855	22,523,378	1,514,280	4,212,777
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,392,855	22,523,378	1,514,280	4,212,777
Profit attributable to:					
Owners of the parent		2,577,696	18,709,238	1,514,280	4,212,777
Non-controlling interests		2,815,159	3,814,140	-	-
Profit for the period		5,392,855	22,523,378	1,514,280	4,212,777
Total comprehensive income attributable to:					
Owners of the parent		2,577,696	18,709,238	1,514,280	4,212,777
Non-controlling interests		2,815,159	3,814,140	-	-
Total comprehensive income for the period		5,392,855	22,523,378	1,514,280	4,212,777
Earnings per share					
Basic earnings per share (Baht)	20	0.0032	0.0234	0.0019	0.0053
Diluted earnings per share (Baht)	20	0.0032	0.0226	0.0019	0.0051

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

Takuni Group Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Revenue					
Revenue from sales		387,308,500	479,498,216	384,157,197	474,964,092
Revenue from services		381,196,764	285,066,313	-	-
Total revenues		768,505,264	764,564,529	384,157,197	474,964,092
Cost of sales					
Cost of sales		(363,619,485)	(446,977,035)	(362,030,965)	(446,055,594)
Cost of providing services		(326,885,275)	(239,338,265)	-	-
Total cost of sales		(690,504,760)	(686,315,300)	(362,030,965)	(446,055,594)
Gross profit		78,000,504	78,249,229	22,126,232	28,908,498
Other income		9,974,228	33,901,834	14,980,888	35,232,626
Profit before expenses		87,974,732	112,151,063	37,107,120	64,141,124
Selling expenses		(8,673,291)	(11,494,780)	(9,418,338)	(13,462,725)
Administrative expenses		(60,096,972)	(44,959,152)	(23,404,595)	(21,278,199)
Finance costs		(7,561,430)	(3,013,506)	(107,057)	(1,793,017)
Share loss from associate		-	(20,675,208)	-	-
Profit before income tax		11,643,039	32,008,417	4,177,130	27,607,183
Income tax	22	(4,703,234)	(8,553,708)	(2,282,642)	(1,347,563)
Profit for the period		6,939,805	23,454,709	1,894,488	26,259,620
Other comprehensive income		-	2,379,661	-	-
Total comprehensive income for the period		6,939,805	25,834,370	1,894,488	26,259,620
Profit attributable to:					
Owners of the parent		3,630,387	19,640,569	1,894,488	26,259,620
Non-controlling interests		3,309,418	3,814,140	-	-
Profit for the period		6,939,805	23,454,709	1,894,488	26,259,620
Total comprehensive income attributable to:					
Owners of the parent		3,630,387	22,020,230	1,894,488	26,259,620
Non-controlling interests		3,309,418	3,814,140	-	-
Total comprehensive income for the period		6,939,805	25,834,370	1,894,488	26,259,620
Earnings per share					
Basic earnings per share (Baht)	20	0.0045	0.0254	0.0024	0.0339
Diluted earnings per share (Baht)	20	0.0045	0.0247	0.0024	0.0330

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

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Takuni Group Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2017

Consolidated financial information (Unaudited)


	Notes	Attribute to owner of the parent														
		Issued and paid-up capital		Premium on paid-up capital		Share surplus from business combination under common control		Retained earnings		Total owners of the parent		Non-controlling interests		Total equity		
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance at 1 January 2017		400,000,000		305,527,766		20,636,290		5,450,000		72,571,964		804,186,020		53,440,714		857,626,734
Dividends	21	-		-		-		-		(24,998,112)		(24,998,112)		-		(24,998,112)
Total comprehensive income for the period		-		-		-		-		3,630,387		3,630,387		3,309,418		6,939,805
Closing balance at 30 June 2017		400,000,000		305,527,766		20,636,290		5,450,000		51,204,239		782,818,295		56,750,132		839,568,427
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	18	200,000,000		198,884,536		-		-		-		398,884,536		-		398,884,536
Acquisition of subsidiaries		-		-		-		-		-		-		44,565,823		44,565,823
Dividends	21	-		-		-		-		(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		400,000,000		305,527,766		20,636,290		4,320,000		79,447,090		809,931,146		48,379,963		858,311,109

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Takuni Group Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2017

	Separate financial information (Unaudited)						Total equity Baht
	Notes	Issued and paid-up capital Baht	Premium on paid-up capital Baht	Retained earnings		Unappropriated Baht	
				Appropriated- Legal reserve Baht			
Opening balance at 1 January 2017		400,000,000	305,527,766	5,450,000	25,162,591	736,140,357	
Dividends	21	-	-	-	(24,998,112)	(24,998,112)	
Total comprehensive income for the period		-	-	-	1,894,488	1,894,488	
Closing balance at 30 June 2017		<u>400,000,000</u>	<u>305,527,766</u>	<u>5,450,000</u>	<u>2,058,967</u>	<u>713,036,733</u>	
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	18	200,000,000	198,884,536	-	-	398,884,536	
Dividends	21	-	-	-	(26,156,000)	(26,156,000)	
Total comprehensive income for the period		-	-	-	26,259,620	26,259,620	
Closing balance at 30 June 2016		<u>400,000,000</u>	<u>305,527,766</u>	<u>4,320,000</u>	<u>29,953,863</u>	<u>739,801,629</u>	


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Takuni Group Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		11,643,039	32,008,417	4,177,130	27,607,183
Adjustments for:					
Depreciation and amortisation charge	10,11	22,101,831	9,019,041	2,760,103	2,871,281
(Reversal of) allowance for doubtful accounts	7	(1,187,808)	(803,106)	168,342	(778,505)
Reversal of impairment of investment in subsidiary	9	-	-	(174,756)	-
Reversal of allowance for net realisable value and obsolete and slow moving inventories	8	(710,968)	(4,957,456)	-	-
Gain on disposal and write-off of equipment		(2,431,436)	(315,813)	-	-
Gain from remeasurement of investment	6	(248,973)	-	(248,973)	-
Share of loss from associate		-	20,675,208	-	-
Gain on sale investment in associate		-	(25,421,961)	-	-
Gain on bargain purchase		-	(175,801)	-	-
Interest income		(1,992,341)	(6,591,463)	(5,119,019)	(6,867,388)
Finance costs		7,561,430	3,013,506	107,057	1,793,017
		34,734,774	26,450,572	1,669,884	24,625,588
Changes in operating working capital					
- Trade and other receivables		55,391,057	(127,175,320)	(3,048,542)	(21,313,540)
- Inventories		(16,103,963)	2,438,706	(16,334,535)	(9,039,890)
- Other current assets		841,559	(3,486,869)	22,079	76,573
- Other non-current assets		7,514,772	(32,801,923)	356	-
- Trade and other payables		24,301,531	83,258,340	7,376,322	1,459,387
- Other current liabilities		(6,237,952)	5,248,882	-	-
- Employee benefit obligations		424,398	215,523	93,357	89,471
- Other non-current liabilities		(1,084,949)	1,440,548	-	-
Cash generated from operations		99,781,227	(44,411,541)	(10,221,079)	(4,102,411)
- Interest paid		(7,561,430)	(3,013,506)	(107,057)	(1,793,017)
- Income tax paid		(3,052,571)	(19,536,376)	(343,459)	(2,289,758)
Net cash generated from (used in) operating activities		89,167,226	(66,961,423)	(10,671,595)	(8,185,186)

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

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Takuni Group Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
		Baht	Baht	Baht	Baht
Cash flows from investment activities					
Pledged and restricted bank deposits		(20,797,694)	(31,705,148)	4,202,306	(31,705,148)
Purchase of property, plant and equipment		(119,815,528)	(9,294,193)	(133,872)	(840,645)
Purchase of intangible assets		(1,499,536)	(29,700)	(92,258)	(5,200)
Proceeds from disposal of property, plant and equipment		2,470,185	554,393	-	-
Purchase of short-term investments	6	(89,496,325)	-	(89,496,325)	-
Proceeds from disposals of short-term investments	6	119,212,388	-	119,212,388	-
Interest received		1,992,341	4,013,699	6,442,396	3,148,352
Short-term loans to related parties	23	-	(181,818,000)	(171,940,000)	(250,318,000)
Loan repayments received from related parties	23	-	18,568,000	73,000,000	39,568,000
Proceeds from dissolution of subsidiary		-	-	143,021,100	-
Acquisition of subsidiary, net of cash acquired		-	(1,225,684)	(999,700)	-
Proceeds from sale investment in associate		-	134,735,000	-	-
Net cash generated (used in) investing activities		(107,934,169)	(66,201,633)	83,216,035	(240,152,641)
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		-	30,000,000	-	-
Repayments on long-term borrowings					
from financial institutions	16	(23,760,000)	(4,200,000)	(3,000,000)	(3,000,000)
Dividends paid	21	(24,998,112)	(26,156,000)	(24,998,112)	(26,156,000)
Finance lease principal payments		(373,695)	(604,372)	(415,150)	(388,768)
Proceeds from increase capital	18	-	200,000,000	-	200,000,000
Proceeds from share premium	18	-	198,884,536	-	198,884,536
Net cash generated from (used in) financing activities		(49,131,807)	278,345,320	(28,413,262)	249,760,924
Net decrease in cash and cash equipments		(67,898,750)	145,182,264	44,131,178	1,423,097
Cash and cash equivalents at the beginning of the period		286,508,790	90,038,898	130,222,750	64,632,341
Cash and cash equivalents at end of the period		218,610,040	235,221,162	174,353,928	66,055,438

Significant non-cash transactions

	Consolidated financial information		Separate financial information	
	Unaudited 2017	Unaudited 2016	Unaudited 2017	Unaudited 2016
	Baht	Baht	Baht	Baht
Purchase of property, plant and equipment (included in trade and other payables)	1,323,593	4,421,938	51,500	7,811
Dividend payable	6,633,085	-	-	-

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2 Accounting policies (Cont'd)

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

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.

Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- **Materiality** - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- **Disaggregation and subtotals** - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- **Notes** - confirmation that the notes do not need to be presented in a particular order.
- **OCI arising from investments accounted for under the equity method** - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

The management has assessed and considered that the above revised standards do not have significant impact to the Group.



3 Reclassification of accounts

The Group made change in presentation of trade and other receivables and other current assets to comply with the announcement of Department of Business Development Regulation dated 7 November 2011 in relation to the format of Financial Statements B.E. 2554, the Group reclassified trade and other receivables and other current assets for the Consolidated financial position as at 31 December 2016 as follows:

Statement of financial position as at 31 December 2016

	Consolidated financial statements		
	As previously reported Baht	Reclassification Baht	After reclassification Baht
Assets			
Trade and other receivables	310,189,929	9,140,204	319,330,133
Other current assets	12,435,104	(9,140,204)	3,294,900

The above-mentioned change in presentation has no effect to the consolidated financial position as at 1 January 2016.

4 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 2016.

5 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.

During the period ended 30 June 2017, the Group changed segment information presentation from gross profit to operating profit of each segment. The comparative interim financial information presents operating profit of each segment in order to comparative purpose.

Significant business segments are as follows:

Petroleum gas trading	: Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	: Car gas installation and industrial equipment
Transportation services	: Gas transportation services by land
Construction services	: Construction services
NDT and inspection services	: Industrial and car gas systems safety-checking services
Others	: Property development

The Group has one customer in construction services which each generated revenues more than 10% of total revenues in the consolidated financial information for six-month period ended 30 June 2017 totaling Baht 256.96 million. (30 June 2016: one customer in construction service generated revenue totalling Baht 117.30 million).



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5 Segment information (Cont'd)

		Consolidated financial statements For the three-month period ended 30 June 2017																			
		Sales			Gas installation equipment trading			Transportation services			Construction service			NDT and inspection service			Other			Total	
		2017		2016		2017		2016		2017		2016		2017		2016		2017		2016	
		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht		Baht	
Revenues from operation		193,799,901	241,157,490	1,848,460	2,985,537	9,001,507	10,023,679	193,084,689	211,059,915	19,618,817	14,514,715	-	-	-	-	-	-	417,353,374	479,741,336		
Revenues from inter-segment		-	-	(261,761)	(809,264)	(6,348,962)	(6,986,641)	(599,191)	(606,667)	(2,784,796)	(95,190)	-	-	-	-	-	-	(9,994,710)	(8,497,962)		
Total revenue		193,799,901	241,157,490	1,586,699	2,176,273	2,652,545	3,036,938	192,485,498	210,453,248	16,834,021	14,419,525	-	-	-	-	-	-	407,358,664	471,243,374		
Operating profit		(2,756,804)	4,324,529	720,937	1,303,649	(118,224)	314,085	14,272,856	11,303,178	(711,152)	1,831,921	(35,627)	25,454,520	-	-	-	-	11,371,986	44,531,882		
Financial cost																		(3,739,169)	(1,676,299)		
Share of loss from associates																		-	-		
Profit before income tax																		7,632,817	28,971,427		
Income tax																		(2,239,962)	(6,448,049)		
Net profit																		5,392,855	22,523,378		

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5 Segment information (Cont'd)

	Consolidated financial statements													
	For the six-month period ended 30 June 2017													
	Sales			Services									Total	
	Petroleum Gas trading		Gas installation equipment trading		Transportation services		Construction service		NDT and inspection service		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Revenues from operation	384,157,197	474,964,092	3,728,939	5,541,610	17,338,721	21,645,522	350,046,556	249,262,075	32,252,471	29,869,663	-	-	787,523,884	781,282,962
Revenues from inter-segment	-	-	(577,636)	(1,007,486)	(12,248,110)	(14,158,790)	(1,190,780)	(1,208,627)	(5,002,094)	(943,530)	-	-	(19,018,620)	(16,718,433)
Total revenue	384,157,197	474,964,092	3,151,303	4,534,124	5,090,611	7,486,732	348,855,776	248,053,448	27,250,377	29,526,133	-	-	768,505,264	764,564,529
Operating profit	(4,085,535)	4,614,231	884,249	1,835,164	1,734,548	514,421	22,762,409	16,942,677	(2,154,404)	6,172,979	63,202	25,617,659	19,204,469	(3,013,506)
Financial cost													(7,561,430)	(20,675,208)
Share of loss from associates														
Profit before income tax													11,643,039	32,008,417
Income tax													(4,703,234)	(8,553,708)
Net profit													6,939,805	23,454,709
As at 30 June 2017 and 31 December 2016														
Property, plant and equipment, net	94,740,430	94,740,430	5,666,346	5,832,792	36,016,428	33,698,109	372,403,360	374,496,434	16,187,706	10,782,688	-	-	522,380,031	519,552,453
Total consolidated assets	468,422,421	442,334,704	10,900,557	11,773,617	46,181,968	41,141,971	661,602,651	675,833,960	49,182,505	44,990,712	93,471,961	142,893,737	1,323,762,283	1,358,858,701
Total consolidated liabilities													490,193,836	501,331,967

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6 Short-term investment

As of 30 June 2017, information relating to short-term investments is as follows:

	Consolidated financial information			
	30 June 2017		31 December 2016	
	Cost / Amortised Cost Baht	Fair Value Baht	Cost / Amortised Cost Baht	Fair Value Baht
Short-term investments				
Investments in debt securities	-	-	49,716,063	49,716,063
Investments in equity	40,000,000	40,208,238	20,000,000	19,959,265
Fixed deposit	289,875	289,875	289,875	289,875
Total	40,289,875	40,498,113	70,005,938	69,965,203
Unrealised gain (loss)	208,238	-	(40,735)	-
Total short-term investments	40,498,113	40,498,113	69,965,203	69,965,203

	Separate financial information			
	30 June 2017		31 December 2016	
	Cost / Amortised Cost Baht	Fair Value Baht	Cost / Amortised Cost Baht	Fair Value Baht
Short-term investments				
Investments in debt securities	-	-	49,716,063	49,716,063
Investments in equity	40,000,000	40,208,238	20,000,000	19,959,265
Total	40,000,000	40,208,238	69,716,063	69,675,328
Unrealised gain (loss)	208,238	-	(40,735)	-
Total short-term investments	40,208,238	40,208,238	69,675,328	69,675,328

During the quarter ended 30 June 2017, the movement of short-term securities is as follows:

	Consolidated financial information			
	For six-month period			
	Investments in Debt Securities Baht	Investments in Equity Baht	Fixed Deposit Baht	Total Baht
Opening net book amount	49,716,063	19,959,265	289,875	69,965,203
Addition	69,496,325	20,000,000	-	89,496,325
Disposal	(119,212,388)	-	-	(119,212,388)
Change in fair value of trading securities	-	248,973	-	248,973
Closing net book amount	-	40,208,238	289,875	40,498,113

	Separate financial information			
	For six-month period			
	Investments in Debt Securities Baht	Investments in Equity Baht	Fixed Deposit Baht	Total Baht
Opening net book amount	49,716,063	19,959,265	-	69,675,328
Addition	69,496,325	20,000,000	-	89,496,325
Disposal	(119,212,388)	-	-	(119,212,388)
Change in fair value of trading securities	-	248,973	-	248,973
Closing net book amount	-	40,208,238	-	40,208,238

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7 Trade and other receivables

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Trade accounts receivables	146,023,075	199,512,187	60,006,332	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,443,641)</u>	<u>(3,631,449)</u>	<u>(1,198,531)</u>	<u>(1,030,189)</u>
Trade accounts receivables - net	143,579,434	195,880,738	58,807,801	56,208,291
Receivable from related parties (Note 23)	-	-	1,337,347	884,126
Others receivables	1,017,620	583,657	90,450	160,181
Prepayments	21,192,387	14,434,640	1,219,860	1,322,660
Accrued interest income (Note 23)	-	-	2,573,501	3,896,878
Accrued income - NDT and inspection service	3,261,473	6,930,024	-	-
Unbilled receivables under construction contracts	38,862,837	53,000,280	-	-
Account receivable - Revenue department (VAT and withholding tax)	57,213,133	48,500,794	826,303	826,303
Trade and other receivables - net	<u>265,126,884</u>	<u>319,330,133</u>	<u>64,855,262</u>	<u>63,298,439</u>

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Trade accounts receivable				
Within credit term	101,816,944	155,564,545	25,539,860	25,799,910
Overdue				
- Up to 3 months	34,410,601	34,354,077	31,861,823	29,523,422
- 3 - 6 months	6,840,889	6,051,775	1,198,501	285,000
- 6 - 12 months	95,132	1,474,810	-	1,014,466
- Over 12 months	2,859,509	2,066,980	1,406,148	615,682
Total	146,023,075	199,512,187	60,006,332	57,238,480
<u>Less</u> Allowance for doubtful accounts	<u>(2,443,641)</u>	<u>(3,631,449)</u>	<u>(1,198,531)</u>	<u>(1,030,189)</u>
Trade accounts receivable - net	<u>143,579,434</u>	<u>195,880,738</u>	<u>58,807,801</u>	<u>56,208,291</u>

Management believe that the allowance provided for is sufficient based on its consideration of past debt collection experiences of the Group.

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.

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8 Inventories

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Finished goods				
- petroleum gas	41,114,980	24,706,725	41,114,742	24,780,207
- gas tank for installation and equipment	12,434,777	12,685,812	-	-
Work in progress - gas installations	153,850	61,859	-	-
Work in progress under construction contracts	45,434	1,550,687	-	-
Raw materials	5,191,885	3,917,822	-	-
General supplies	1,670,566	1,584,624	-	-
Total	60,611,492	44,507,529	41,114,742	24,780,207
<u>Less</u> Allowance for net realisable value of inventories	<u>(12,172,608)</u>	<u>(12,883,576)</u>	-	-
Inventories - net	48,438,884	31,623,953	41,114,742	24,780,207

As at 30 June 2017, the Group provided for an allowance for finished goods particularly those items relating gas installation and equipment of Baht 12.17 million (31 December 2016: Baht 12.88 million), in which allowance of Baht 0.71 million was reversed as related finished goods were sold in the second quarter in 2017 (30 June 2016: allowance of Baht 4.96 million for finished goods was reserved).

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
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9 Investment in subsidiaries

Investments in subsidiaries as at 30 June 2017 are as follows:

Name	Country of incorporation and place of business	Nature of business	Nature of Relationship	Proportion of ordinary shares directly held by parent (%)		Proportion of ordinary shares held by the group (%)		Proportion of ordinary shares held by non-controlling interests (%)		Separate Financial Statements	
				30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
				Cost method-net (Baht)							
Takuni (Thailand) Co., Ltd. (TT)	Thailand	Industrial and car gas systems installation	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	53,376,790	53,376,790
Ratchapruke Engineering Co., Ltd. (RE)	Thailand	NDT and inspection service	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	21,339,800	21,339,800
G Gas Logistics Co., Ltd. (GG)	Thailand	Transportation services by land	Direct shareholders	99.99	99.99	99.99	99.99	0.01	0.01	15,643,180	15,643,180
Newman Green Co., Ltd. (NMG)	Thailand	Investing company	Direct shareholders	-	99.99	-	99.99	-	0.01	-	142,846,344
Takuni Land Co., Ltd. (TL)	Thailand	Real estate company	Direct shareholders	99.97	-	99.97	-	0.03	-	999,700	-
CAZ (Thailand) Co., Ltd. (CAZ)	Thailand	Construction contractor	Indirect shareholding via TT	-	-	51.30	51.30	48.70	48.70	-	-
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	Indirect shareholding via CAZ	-	-	51.22	51.22	48.78	48.78	-	-
Total										91,359,470	233,206,114

All subsidiaries are incorporated in Thailand.


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9 Investment in subsidiaries (Cont'd)

The movement of investments in subsidiaries for the six-month period ended 30 June 2017 are as follows:

	Separate financial information Baht
Beginning net book amount	233,206,114
Acquisitions	999,700
Reversal of Impairment	174,756
Disposals	<u>(143,021,100)</u>
Ending net book amount	<u>91,359,470</u>

Establishment of TL

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

Dissolution of NMG

At the Extraordinary Shareholders' Meeting on 4 February 2017, the shareholders approved for dissolution of the Company. The Company registered for dissolution with Ministry of Commerce on 7 February 2017. The Company received a repayment from NMG in the amount of Baht 143.02 million.

10 Investment properties

The movement of investment properties for the six-month period ended 30 June 2017 can be summarised as follows:

	Consolidated financial information		
	Land Baht	Buildings Baht	Total Baht
Opening net book amount	-	4,516,644	4,516,644
Additions	93,450,000	-	93,450,000
Depreciation charge	-	(171,388)	(171,388)
Closing net book amount	<u>93,450,000</u>	<u>4,345,256</u>	<u>97,795,256</u>
Fair value at 30 June 2017	<u>116,904,000</u>	<u>43,000,000</u>	<u>159,904,000</u>

Buildings at net book value of Baht 4.3 million has been pledged as a security for borrowings (Note 16).

Land

Fair values of the Group's investment properties, land held for a currently undetermined future use, were assessed by an independent valuer. According to its report dated 11 April 2017, fair value is assessed using market comparison approach.

Buildings

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 2017, management believes the Group has no significant factors that may affect the fair value as previously assessed.

11 Property, plant, equipment and intangible assets

The movement of property, plant, equipment and intangible assets for the six-month period ended 30 June 2017 is summarised as follows:

	Consolidated financial information		Separate financial information	
	Property, plant and equipment Baht	Intangible assets Baht	Property, plant and equipment Baht	Intangible assets Baht
Opening net book amount	519,552,453	7,160,430	91,434,372	69,433
Additions	20,846,070	1,437,498	185,372	92,258
Written offs	(248,927)	-	-	-
Depreciation charge	(17,769,565)	(4,160,878)	(2,715,231)	(44,872)
Closing net book amount	522,380,031	4,437,050	88,904,513	116,819

As at 30 June 2017, TT, a subsidiary, had pledged certain plots of land and buildings with net book value of Baht 45.49 million (31 December 2016: Baht 46.15 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 16 and Note 24.1).

As at 30 June 2017, GG, a subsidiary, had truck and gas transportation vehicles with a net book value of Baht 7.47 million (31 December 2016: Baht 8.24 million) as collateral against long-term loans from financial institution.

As at 30 June 2017, CAZ, a subsidiary, had mortgaged land and buildings with a net book value of Baht 255 million (31 December 2016: Baht 256 million) as collateral for credit facilities for bank overdrafts, letters of guarantees, long-term borrowings from a financial institution for the Group (Note 16 and Note 24.1).

12 Goodwill

	Consolidated financial information	
	30 June 2017 Baht	31 December 2016 Baht
At the beginning of the period	19,383,641	-
Acquisition of subsidiaries	-	19,383,641
At the end of the period	19,383,641	19,383,641

The goodwill arises from increase the investment in CAZ from 47.72% of paid-up share capital to 51.30% of paid-up capital on 7 April 2016. As a result of acquisition, the Group is expected to expand business opportunity in construction in the future.

13 Deferred tax assets (liabilities)

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Deferred income tax assets	3,878,304	4,144,757	16,959	1,366,913
Deferred income tax liabilities	(669,167)	-	-	-
Deferred income tax, net	3,209,137	4,144,757	16,959	1,366,913

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.

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14 Other non-current assets

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Deposit and guarantee	1,772,757	1,438,113	464,895	465,251
Retention	16,835,068	24,684,484	-	-
Total other non-current assets	18,607,825	26,122,597	464,895	465,251

15 Trade and other payables

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Trade accounts payable	89,358,698	97,731,760	40,849,809	32,633,450
Trade accounts payable - related parties (Note 23)	-	-	2,105,115	2,099,768
Amounts due to related parties (Note 23)	-	-	75,244	50,272
Other payables	3,075,440	4,326,920	2,321,025	1,664,987
Unearned revenue	62,025,714	35,443,930	-	-
Account payable - Revenue department (VAT and Withholding tax)	764,561	2,026,706	470,664	1,157,995
Accrued expense	26,030,367	23,215,607	2,729,580	3,517,143
Total trade and other payables	181,254,780	162,744,923	48,551,437	41,123,615

16 Borrowings

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Current				
Current portion of long-term borrowings	42,020,000	45,020,000	500,000	3,500,000
Current portion of finance lease liabilities	2,007,673	1,834,059	853,498	831,082
Total current borrowings	44,027,673	46,854,059	1,353,498	4,331,082
Non-current				
Bank borrowings	224,700,000	245,460,000	-	-
Finance lease liabilities	3,244,847	3,792,156	1,844,444	2,282,010
Total non-current borrowings	227,944,847	249,252,156	1,844,444	2,282,010
Total borrowings	271,972,520	296,106,215	3,197,942	6,613,092

16 Borrowings (Cont'd)

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

	Consolidated financial information	Separate financial information
	30 June 2017 Baht	30 June 2017 Baht
Opening amount	290,480,000	3,500,000
Additions	-	-
Repayments	(23,760,000)	(3,000,000)
Closing amount	<u>266,720,000</u>	<u>500,000</u>

The Company

On 18 July 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 10 and Note 11).

Subsidiaries

TT

On 19 January 2016, TT entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment over 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT. (Note 10 and Note 11).

GG

On 24 May 2012, GG 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 11).

On 13 January 2016, GG entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land of GG (Note 11).

RE

On 19 January 2016, RE entered into the long-term loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 120,000 per month, totaling 84 months. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT (Note 10 and Note 11).

CAZ

On 15 January 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at MLR% per annum and is pledged by land and buildings of TT and CAZ's director (Note 10 and Note 11).

On 15 January 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 10.00 million, which required the repayment of Baht 720,000 every 6 months, totaling 14 periods. This borrowing bears the interest rate at 4% per annum and is pledged by land and buildings of TT and CAZ's director (Note 10 and Note 11).

On 10 August 2016, CAZ entered into the loan agreement with a local financial institution amounting to Baht 250.00 million, which required the repayment of Baht 2.98 million per month, totaling 84 periods and the outstanding amount for the last month. This borrowing bears the interest rate at MLR% per annum and is pledged by Takuni Group Public Limited and land and buildings of CAZ (Note 11).

Takuni Group Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2017

17 Other non-current liabilities

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Deposit and guarantee Retention	329,811	329,811	324,811	324,811
Accrued dividend	14,947,702	16,032,651	-	-
	6,633,085	6,633,085	-	-
Total other non-current assets	21,910,598	22,995,547	324,811	324,811

18 Share capital and share premium

	Consolidated and separate financial information					
	Authorised share capital		Issued and paid-up capital		Premium on paid-up capital Baht	Total Baht
	Number of shares Shares	Ordinary shares Baht	Number of shares Shares	Ordinary shares Baht		
For the six-month period ended						
Opening amount as at 1 January 2017	1,200,000,000	600,000,000	800,000,000	400,000,000	305,527,766	705,527,766
Increase in authorised share capital	-	-	-	-	-	-
Closing amount as at 30 June 2017	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>800,000,000</u>	<u>400,000,000</u>	<u>305,527,766</u>	<u>705,527,766</u>
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	<u>1,200,000,000</u>	<u>600,000,000</u>	<u>800,000,000</u>	<u>400,000,000</u>	<u>305,527,766</u>	<u>705,527,766</u>

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.

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19 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 1.02 ordinary share (31 December 2016 : 1 warrant per 1 ordinary share)
Exercise price	:	Baht 1.97 per share (31 December 2016 : Baht 2 per share)
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

As at 13 March 2017, the company will adjust exercise price and exercise ratio of warrants during the term of the warrants since dividend payout is higher than dividend payout policy.

The movement of warrants to purchase ordinary shares for the six-month period ended 30 June 2017 is as follows:

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

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20 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 18).

	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
For the three-month period ended 30 June				
Profit attributable to shareholders (Baht)	2,577,696	18,709,238	1,514,280	4,212,777
Weighted average number of ordinary shares (Shares)	800,000,000	800,000,000	800,000,000	800,000,000
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)	800,000,000	826,168,216	800,000,000	826,168,216
Basic earnings per share (Baht)	0.0032	0.0234	0.0019	0.0053
Diluted earnings per share (Baht)	0.0032	0.0226	0.0019	0.0051
	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
For the six-month period ended 30 June				
Profit attributable to shareholders (Baht)	3,630,387	19,640,569	1,894,488	26,259,620
Weighted average number of ordinary shares (Shares)	800,000,000	773,626,374	800,000,000	773,626,374
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)	800,000,000	795,768,711	800,000,000	795,768,711
Basic earnings per share (Baht)	0.0045	0.0254	0.0024	0.0339
Diluted earnings per share (Baht)	0.0045	0.0247	0.0024	0.0330

21 Dividend

On 26 April 2017 the Annual General's meeting approved the dividends payment from the retained earnings as of 31 December 2016 at Baht 0.03125 per share for 800 million shares, totalling Baht 25.00 million. The dividends were paid to shareholders on 25 May 2017.

On 26 April 2016 the Annual General's meeting approved the dividends payment from the retained earnings as of 31 December 2015 at Baht 0.033 per share for 800 million shares, totalling 26.16 Baht. The dividends were paid to shareholders on 25 May 2016.

22 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 2016: 21% per annum).

23 Related party transactions

As at 30 June 2017, the major shareholders of the Company are 3 individuals from the same family, which own 51.35% of the Company's share capital. The investment in subsidiaries is disclosed in Note 9.

The following transactions were significant to subsidiaries and related parties:

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

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Other receivables				
Subsidiaries	-	-	1,337,347	884,126
Accrued interest income				
Subsidiaries	-	-	2,573,501	3,896,878
Trade accounts payable				
Subsidiaries	-	-	2,105,115	2,099,768
Other account payables				
Subsidiaries	-	-	75,244	50,272

23.2 Short-term loans to related parties

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Subsidiaries	-	-	206,260,000	107,320,000
Associates	-	-	-	-
	-	-	206,260,000	107,320,000

a) Short-term loans to subsidiaries

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Opening balance	-	-	107,320,000	53,870,000
Loans increase from acquisition of subsidiary - CAZ	-	-	-	45,000,000
Additions	-	-	171,940,000	168,520,000
Repayments	-	-	(73,000,000)	(160,070,000)
Ending balance	-	-	206,260,000	107,320,000

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

23 Related party transactions (Cont'd)

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

23.2 Short-term loans to related parties (Cont'd)

b) Short-term loans to associates

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Opening balance	-	84,448,425	-	69,548,325
Loans decrease from acquisition of subsidiary - CAZ	-	(45,000,000)	-	(45,000,000)
Loans decrease from disposal of associate - WKE	-	(202,698,425)	-	(187,798,325)
Additions	-	181,818,000	-	181,818,000
Repayments	-	(18,568,000)	-	(18,568,000)
Ending balance	-	-	-	-

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

23.3 Revenues from sales of goods/services and other income

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the three-month period ended 30 June				
Other income				
Subsidiaries	-	-	3,730,131	2,670,000
Associate	-	390,000	-	390,000
	-	390,000	3,730,131	3,060,000
Interest income				
Subsidiaries	-	-	1,554,917	1,412,475
Associate	-	2,347,773	-	2,143,458
	-	2,347,773	1,554,917	3,555,933

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23 Related party transactions (Cont'd)

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

23.3 Revenues from sales of goods/services and other income (Cont'd)

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the six-month period ended 30 June				
Other income				
Subsidiaries	-	-	6,230,152	5,550,000
Associate	-	780,000	-	780,000
	-	780,000	6,230,152	6,330,000
Dividend income (Include in "Other income")				
Subsidiaries	-	-	-	21,399,930
Interest income				
Subsidiaries	-	-	3,162,417	1,739,567
Associate	-	4,467,910	-	4,060,862
	-	4,467,910	3,162,417	5,800,429

23.4 Purchases of goods/services and interest expenses

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the three-month period ended 30 June				
Purchase of goods and services				
Subsidiaries	-	-	100,281	617,961
Rental expenses - office				
Subsidiaries	-	-	126,000	126,000
Transportation expenses				
Subsidiaries	-	-	5,673,885	6,986,841
Other expenses				
Subsidiaries	-	-	42,698	37,667
	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the six-month period ended 30 June				
Purchase of goods and services				
Subsidiaries	-	-	159,021	681,938
Rental expenses - office				
Subsidiaries	-	-	252,000	252,000
Transportation expenses				
Subsidiaries	-	-	10,897,872	14,158,790
Other Expenses				
Subsidiaries	-	-	104,959	74,157

23 Related party transactions (Cont'd)

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

23.5 Key management compensation

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

	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the three-month period ended 30 June				
Salaries and other short-term employee benefits	6,431,651	4,213,794	3,384,255	2,210,850
Retirement benefits	128,094	65,758	44,590	42,724
	<u>6,559,745</u>	<u>4,279,552</u>	<u>3,428,845</u>	<u>2,253,574</u>
	Consolidated financial information		Separate financial information	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the six-month period ended 30 June				
Salaries and other short-term employee benefits	11,811,113	6,422,676	6,759,140	4,419,732
Retirement benefits	256,187	108,482	89,179	85,449
	<u>12,067,300</u>	<u>6,531,158</u>	<u>6,848,319</u>	<u>4,505,181</u>

24 Commitments and contingency

24.1 Letters of guarantees

As at 30 June 2017, the outstanding bank guarantees issued by the banks on behalf of the Company and subsidiaries for the purchase of petroleum gas and goods, advance received from customers and guarantee for the electricity usage are as follows:

	Consolidated financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Letters of guarantees				
Company and subsidiary	<u>446,134,133</u>	<u>313,529,951</u>	<u>62,894,484</u>	<u>71,894,484</u>

As at 30 June 2017, 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 10 and Note 11), the Group's bank accounts, and directors.

24 Commitments and contingency (Cont'd)

24.2 Operating lease commitments

As at 30 June 2017, 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 financial information		Separate financial information	
	30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Within 1 year	5,549,523	4,093,058	1,364,833	1,159,333
Within 2 to 5 years	3,573,032	5,036,932	1,960,132	1,769,332
Over 5 years	5,315,679	5,532,645	5,315,679	5,532,645
Total	14,438,234	14,662,635	8,640,644	8,461,310

24.3 Litigation

CAZ was sued for damages for the breach of a service contract by two vendors, totalling Baht 3.93 million. The first case totalling Baht 1.62 million resulted in evidence being given to a civil court on 10 August 2017. The other case totalling 2.31 million is firstly going to mediation. Since the management believes that CAZ may not incur any loss from this litigation, CAZ hasn't recorded a provision for these litigations.

25 Subsequent events

Investment in Short-term investment

On 3 July 2017, the Company invested in Bill of Exchange totalling Baht 20.00 million which maturity date is on 30 December 2017.