

("TRANSLATION")

Letter No. TG 039/2559

February 29, 2016

Subject : Clarification of the Operating Result for the significant change
Attention : The President
The Stock Exchange of Thailand

We, Takuni Group Public Company Limited (The Company) and its subsidiaries (The Group) would like to clarify the change in operating result for the year ended 31 December 2015 in the increase of 20% from the same period of last year as follows:

The Group has sales and services income for the year ended 31 December 2015 of 1,352.88 Million Baht, increased 148.62 Million Baht from the same period of prior year which was 1,204.26 Million Baht, accounting for 12.34%. Also, the Group 's net profit of 65.38 Million Baht for the year ended 31 December 2015, significantly increased from the same period of prior year which was 27.18 Million Baht, accounting for 140.54% because of the followings;

1. The proportion of Sales and Services income of the Group for FY2015 are 76.03% from LPG sale income and LPG transportation service, 18.34% from construction service, 3.97% from Non-Destructive Testing and Inspection service. The change in sales and services income are as follow:
 - 1.1 LPG sale income and LPG transportation service decreased from the previous year which recorded revenue amounting to 1,102.76 Million Baht to be 1,028.57 Million Baht in 2015, accounting for 6.73% because of decreased in sales, which in line with petrol price. The Group believe that LPG usage in automotive section will continuously decrease.
 - 1.2 The Group recorded service income from construction during FY2015 amounting of 248.15 Million Baht from the same prior year which was 22.61 Million Baht, significantly increased accounting for 997.52% which increase in proportion of construction service from 1.88% in FY2014 to 18.34% of total sales and services income.
 - 1.3 The Group's service income from Non-Destructive Testing and Inspection increased to be 53.74 Million Baht from previous year which was 41.24 Million Baht, accounting for 30.33% because of higher service price.

- 1.4 The Group's service income from LPG/CNG conversion kit installation for passenger car and Gas piping service decreased from 32.12 Million Baht for FY2014 to 16.67 Million Baht in 2015, accounting for 48.10% due to the decrease in petrol price, there is no demand of new installation.
2. The Group's Gross Profit Margin for FY2015 increase from 8.26% to 11.57% because the increase of construction service income proportion, which has higher margin.
3. The Group has recorded provision for Net Realizable Value for LPG/CNG conversion kit installation for passenger car business unit amounting of 17.16 Million Baht in FY2015 due to the decrease in petrol price, there is no demand of new installation.
4. The Group recorded profit sharing from the associated company in FY2015 in total of 1.23 Million Baht, comparing to previous year which has no such profit sharing. The Group recorded profit sharing from CAZ (Thailand) Co., Ltd. amounting of 10.77 Million Baht and recorded loss sharing from Well Korat Energy Co., Ltd. amounting of 9.54 Million Baht.
5. The Group's Corporate Income Tax expense increased amounting to 8.51 Million Baht because of the increased in operating profit.

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)

Vice President