

("TRANSLATION")

TG 136/2559

10th August 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 second quarter of the year 2016 in the increase of 20% from the same period of last year as follows:

The Group has sales and services income for the 3 months ended 30 June 2016 of 471.24 Million Baht, increased 156.25 Million Baht from the same period of prior year which was 314.99 Million Baht, accounting for 49.60%. Also, the Group 's net profit for the parent company of 18.71 Million Baht, significantly increased from the same period of prior year which was 7.34 Million Baht, accounting for 154.90% because of the followings;

1. Sales and Services income of the Group for the 3 months ended 30 June 2016 increased 156.25 Million Baht, accounting for 49.60%. The change in sales and services income are as follow:
 - 1.1 The Group has increased proportion of investment in construction business (CAZ (Thailand) Co., Ltd.) from 47.72% to be 51.30% on 7 April 2016. This result in changing the status of investment from associated to be subsidiary, the Group record service income amounting of 179.14 Million Baht (in segment of construction services income).
 - 1.2 LPG sale income and LPG transportation service decreased 14.08 Million Baht from the same period of previous year which recorded revenue amounting to 258.27 Million Baht to be 244.19 Million Baht in 2016, accounting for 5.45% because the board of National Energy Policy office decreased selling price and LPG price war, which reduce average selling price 16.94% from the same period of 2015.
 - 1.3 The Group recorded service income from construction amounting to 29.80 Million Baht, decreased 13.50 Million Baht, accounting for 31.13% from the second quarter of 2015 which recorded revenue 43.37 Million Baht. The Group has backlog for construction service totaling of 156.41 Million Baht.
2. Gross profit for the Group slightly increased from the same period of 2015 which was 8.78% to be 10.11% because of the increase in proportion of construction service income, which has higher margin than LPG trading business.

3. The Group sold investment in associated company (Well Korat Energy Co., Ltd.) on 30 June 2016 which net profit was 11.75 Million Baht (shown in other income amounting of 25.63 Million Baht and share of loss of associate amounting of 13.88 Million Baht).

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)
Vice President