

("TRANSLATION")

TG 174/59

7th November 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 third 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 September 2016 of 436.95 Million Baht, increased 94.50 Million Baht from the same period of prior year which was 342.44 Million Baht, accounting for 27.60%. Also, the Group 's net loss for the parent company of 0.40 Million Baht, significantly decreased from the same period of prior year which net profit was 24.11 Million Baht, accounting for 101.66% because of the followings;

1. Sales and Services income of the Group for the 3 months ended 30 September 2016 increased 94.50 Million Baht, accounting for 27.60%. 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 for the third quarter of 2016 amounting of 141.12 Million Baht (in segment of construction services income). The Group has backlog for construction service in oil and gas sector totaling of 430.63 Million Baht.
 - 1.2 LPG sale income and LPG transportation service decreased 42.53 Million Baht from the same period of previous year which recorded revenue amounting to 244.77 Million Baht to be 202.24 Million Baht in 2016, accounting for 17.38% because the usage of LPG in transportation sector was decreased from previous year and the board of National Energy Policy office decreased selling price and LPG price war, which reduce average selling price 13.54% from the same period of 2015.
 - 1.3 The Group recorded service income from construction amounting to 78.13 Million Baht, decreased 3.06 Million Baht, accounting for 3.77% from the third quarter of 2015 which recorded revenue 81.19 Million Baht. The Group has backlog for construction service in property sector totaling of 77.54 Million Baht.

2. Gross profit for the Group decreased from the same period of 2015 which was 14.48% to be 6.99% because of the decreased in gross profit of oil and gas construction service sector.
3. Administrative expense for the Group increased from 5.26% of Sales and Services income to be 6.25% in 2016 as the consolidated financial statements has included expense of oil and gas construction service sector since 7 April 2016, the date of changing the status of investment from associated to be subsidiary.
4. The Group's Corporate Income Tax expense decreased amounting to 5.57 Million Baht because of the decreased in operating profit.

Please be informed accordingly,

Yours sincerely,

(Ms. Nita Treeweeranuwat)
Vice President