

**Takuni Group Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2022  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Takuni Group Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Takuni Group Public Company Limited and its subsidiaries (the “Group”) and of Takuni Group Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



<b>Acquisition of subsidiary</b>	
Refer to the notes 3 (a) and 4 to the consolidated financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>During 2022, the Group acquired the business of Thai company which engages in providing security, housekeeping and other services. As a result, the Group accounted for an excess of purchase consideration transferred over the fair values of identifiable net assets received amounting to Baht 173 million in the consolidated statement of financial position as at 31 December 2022.</p> <p>I considered this to be key audit matter because the business combination is material and the identification and the measurement of fair values of the assets acquired and liabilities assumed involved significant judgment.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Reading the share purchase agreement and inquiring management to understand key terms and conditions of the transaction.</li> <li>• Considering the identification of the assets acquired and liabilities assumed and purchase consideration transferred which prepared by management.</li> <li>• Evaluating the appropriateness of the methodologies underpinning the measurement of the assets acquired and liabilities assumed by management.</li> <li>• Considering the adequacy of the financial statements disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

<b>Recognition of revenue from construction contracts</b>	
Refer to the notes 3 (r), 7 and 8 to the consolidated financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group's major revenue is from various construction contracts such as EPC services, Structure Machanic and Piping (SMP) services and others, whereby the conditions of each contract are various and different. Revenue from construction contracts is recognised when the performance obligation is satisfied over time by reference the percentage of completion of each contract at the reporting date including consideration of provision for loss-making contracts.</p> <p>The recognition of revenue from construction contracts, provision for loss-making contracts, related receivables and contract assets is related to the following key factors:</p> <ul style="list-style-type: none"> <li>• Costs incurred;</li> <li>• Surveys of performance completed to date;</li> <li>• Total cost estimation of the contract; and</li> <li>• Revision for certain events or conditions that occur or expect to occur to complete the contract resulted in contract modification and revision of total cost estimation of the contract.</li> </ul> <p>I considered this to be key audit matter because the recognition of revenue from construction contracts required judgement and estimates made by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls;</li> <li>• Testing total cost estimation of the contracts which was approved by the management including changes in total cost estimation during the year, actual costs incurred, revenue from construction contracts, possible for loss-making contracts, related receivables and contract assets with contracts and supporting documents;</li> <li>• Assessing the reasonableness of changes in total cost estimation during the year;</li> <li>• Testing the data used in calculation of percentage of completion with supporting documents;</li> <li>• Analysing the gross profit, work progress and inquire the rationale for differences from the management;</li> <li>• Considering the adequacy of the financial statements disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>



### *Emphasis of Matter*

I draw attention to note 4 to the financial statements. During 2022, the Group has acquired the business of Thai company and engaged an independent appraiser to determine the fair value of identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the reviews have not yet been completed therefore the determination of the fair value and the allocation of the purchase price was determined provisionally and is subject to potential amendment. My opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Vipavan Pattavanvivek'.

(Vipavan Pattavanvivek)  
Certified Public Accountant  
Registration No. 4795

KPMG Phoomchai Audit Ltd.  
Bangkok  
27 February 2023

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	6	180,324,120	525,827,411	15,264,647	257,813,034
Trade and other current receivables	7	585,885,873	400,285,678	124,573,640	84,432,377
Contract assets	8	633,808,011	634,777,109	-	-
Short-term loans to related parties	5	81,934,392	47,320,000	93,384,392	86,750,000
Short-term loans to other party		42,284,249	-	-	-
Inventories	9	80,811,590	70,171,487	23,971,031	13,654,110
Refundable withholding tax deducted at source		36,442,870	-	-	-
Indemnification asset		14,078,413	-	-	-
Other current assets		8,412,362	11,095,704	102,462	108,854
<b>Total current assets</b>		<b>1,663,981,880</b>	<b>1,689,477,389</b>	<b>257,296,172</b>	<b>442,758,375</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	16	20,030,490	27,287,974	2,801,000	15,600,000
Investments in subsidiaries	11	-	-	316,248,870	111,458,970
Investments in associates	10	54,573,808	4,255,385	62,241,800	4,000,000
Long-term loans to related parties	5	222,693,176	13,383,671	261,066,642	130,937,600
Investment properties	16	-	3,819,899	-	-
Property, plant and equipment	13, 16	666,961,672	710,705,795	48,117,819	52,020,321
Goodwill	14	19,383,641	19,383,641	-	-
An excess of purchase consideration transferred over the fair values of identifiable net assets received	4	172,683,978	-	-	-
Intangible assets		14,277,587	14,441,756	879,313	1,225,859
Receivable from sale of land	5, 15	-	76,240,690	-	-
Retention receivables	8	220,510,298	97,154,401	-	-
Withholding tax deducted at source		73,867,847	51,477,556	9,058,454	8,676,652
Deferred tax assets	23	7,776,388	5,752,145	214,416	631,520
Other non-current assets		42,623,620	8,938,802	5,693,383	3,004,577
<b>Total non-current assets</b>		<b>1,515,382,505</b>	<b>1,032,841,715</b>	<b>706,321,697</b>	<b>327,555,499</b>
<b>Total assets</b>		<b>3,179,364,385</b>	<b>2,722,319,104</b>	<b>963,617,869</b>	<b>770,313,874</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Bank overdrafts	6, 16	4,963,999	-	-	-
Short-term borrowings from financial institutions	16	175,300,000	373,502,000	-	-
Trade and other current payables		433,818,037	400,533,479	24,441,314	25,476,113
Payable for acquisition of subsidiaries	4	89,000,000	-	89,509,900	-
Contract liabilities	8	529,410,146	290,141,964	-	-
Short-term borrowings from related party	5, 16	-	-	55,000,000	-
Short-term borrowings from other parties	16	73,139,112	20,000,000	-	-
Current portion of long-term borrowings					
from financial institutions	16	79,843,200	38,640,000	-	-
Current portion of lease liabilities	16	28,215,901	36,305,930	496,749	1,023,655
Income tax payable		15,703,116	1,253,552	-	-
Other current liabilities		63,124,978	47,758,461	732,352	238,666
<b>Total current liabilities</b>		<b>1,492,518,489</b>	<b>1,208,135,386</b>	<b>170,180,315</b>	<b>26,738,434</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	16	23,097,654	87,660,000	-	-
Lease liabilities	16	22,239,819	40,582,568	3,404,185	3,900,934
Deferred income	15	12,540,503	14,236,079	-	-
Non-current provisions for employee benefits		8,191,084	11,077,505	234,269	733,708
Other non-current liabilities		28,700,165	12,443,231	593,087	486,287
<b>Total non-current liabilities</b>		<b>94,769,225</b>	<b>165,999,383</b>	<b>4,231,541</b>	<b>5,120,929</b>
<b>Total liabilities</b>		<b>1,587,287,714</b>	<b>1,374,134,769</b>	<b>174,411,856</b>	<b>31,859,363</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
<b>Equity</b>					
Share capital:	17, 20				
Authorised share capital		<u>400,000,118</u>	<u>400,000,118</u>	<u>400,000,118</u>	<u>400,000,118</u>
Issued and paid-up share capital		400,000,118	400,000,118	400,000,118	400,000,118
Share premium on ordinary shares	18	305,528,071	305,528,071	305,528,071	305,528,071
Share surplus from business combination					
under common control		20,636,290	20,636,290	-	-
Retained earnings					
Appropriated					
Legal reserve	18	16,252,000	12,597,000	16,252,000	12,597,000
Unappropriated		213,189,512	105,919,314	67,425,824	20,329,322
Other components of equity		<u>81,852,708</u>	<u>81,852,708</u>	-	-
<b>Equity attributable to owners of the parent</b>		<b><u>1,037,458,699</u></b>	<b><u>926,533,501</u></b>	<b><u>789,206,013</u></b>	<b><u>738,454,511</u></b>
Non-controlling interests	12	<u>554,617,972</u>	<u>421,650,834</u>	-	-
<b>Total equity</b>		<b><u>1,592,076,671</u></b>	<b><u>1,348,184,335</u></b>	<b><u>789,206,013</u></b>	<b><u>738,454,511</u></b>
<b>Total liabilities and equity</b>		<b><u>3,179,364,385</u></b>	<b><u>2,722,319,104</u></b>	<b><u>963,617,869</u></b>	<b><u>770,313,874</u></b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of comprehensive income

	Consolidated financial		Separate financial		
	statements		statements		
	Year ended 31 December		Year ended 31 December		
Note	2022	2021	2022	2021	
<i>(in Baht)</i>					
<b>Revenue</b>					
Revenue from sales of goods		543,877,846	411,409,902	541,344,420	409,921,597
Revenue from construction contracts and rendering of services		3,280,396,459	2,317,795,401	-	-
	19	<b>3,824,274,305</b>	<b>2,729,205,303</b>	<b>541,344,420</b>	<b>409,921,597</b>
Costs of sales of goods	9	(525,182,134)	(393,438,904)	(521,644,273)	(394,398,908)
Costs of construction contracts and rendering of services		(2,871,519,725)	(1,980,410,534)	-	-
<b>Gross profit</b>		<b>427,572,446</b>	<b>355,355,865</b>	<b>19,700,147</b>	<b>15,522,689</b>
Other income		106,192,752	30,810,585	93,563,366	50,408,490
Distribution costs		(4,809,360)	(4,390,617)	(2,203,212)	(1,815,878)
Administrative expenses		(181,543,754)	(164,928,119)	(40,151,904)	(41,573,535)
<b>Profit from operating activities</b>		<b>347,412,084</b>	<b>216,847,714</b>	<b>70,908,397</b>	<b>22,541,766</b>
Finance costs		(15,053,548)	(25,077,004)	(408,927)	(299,426)
Share of profit (loss) of associates accounted for using equity method		(5,233,490)	1,808,794	-	-
<b>Profit before income tax expense</b>		<b>327,125,046</b>	<b>193,579,504</b>	<b>70,499,470</b>	<b>22,242,340</b>
Income tax expense	23	(67,940,130)	(42,397,517)	(283,277)	(1,357,211)
<b>Profit for the year</b>		<b>259,184,916</b>	<b>151,181,987</b>	<b>70,216,193</b>	<b>20,885,129</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plans		4,889,234	1,750,408	669,136	-
Income tax relating to items that will not be reclassified	23	(977,847)	(350,082)	(133,827)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>3,911,387</b>	<b>1,400,326</b>	<b>535,309</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>263,096,303</b>	<b>152,582,313</b>	<b>70,751,502</b>	<b>20,885,129</b>
<b>Profit attributable to:</b>					
Owners of parent		127,808,257	63,150,565	70,216,193	20,885,129
Non-controlling interests	12	131,376,659	88,031,422	-	-
		<b>259,184,916</b>	<b>151,181,987</b>	<b>70,216,193</b>	<b>20,885,129</b>
<b>Total comprehensive income attributable to:</b>					
Owners of parent		130,925,198	63,663,751	70,751,502	20,885,129
Non-controlling interests	12	132,171,105	88,918,562	-	-
		<b>263,096,303</b>	<b>152,582,313</b>	<b>70,751,502</b>	<b>20,885,129</b>
<b>Basic earnings per share</b>	24	<b>0.160</b>	<b>0.079</b>	<b>0.088</b>	<b>0.026</b>

The accompanying notes form an integral part of the financial statements.

**Takuni Group Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Consolidated financial statements									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings		Other components of equity	Equity attributable to owner of the parent	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Changes in parent's ownership interest in subsidiary			
<b>Year ended 31 December 2021</b>										
<b>Balance at 1 January 2021</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>20,636,290</b>	<b>11,552,000</b>	<b>73,301,010</b>	<b>81,852,708</b>	<b>892,869,774</b>	<b>336,773,386</b>	<b>1,229,643,160</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by and distributions to owners of the parent</i>										
Shares options exercised	20	118	305	-	-	-	-	423	-	423
Dividends to owners of the Company	25	-	-	-	-	(30,000,447)	-	(30,000,447)	(4,041,114)	(34,041,561)
<b>Total contributions by and distributions to owners of the parent</b>		<b>118</b>	<b>305</b>	<b>-</b>	<b>-</b>	<b>(30,000,447)</b>	<b>-</b>	<b>(30,000,024)</b>	<b>(4,041,114)</b>	<b>(34,041,138)</b>
<b>Comprehensive income for the year</b>										
Profit		-	-	-	-	63,150,565	-	63,150,565	88,031,422	151,181,987
Other comprehensive income		-	-	-	-	513,186	-	513,186	887,140	1,400,326
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,663,751</b>	<b>-</b>	<b>63,663,751</b>	<b>88,918,562</b>	<b>152,582,313</b>
Transfer to legal reserve	18	-	-	-	1,045,000	(1,045,000)	-	-	-	-
<b>Balance at 31 December 2021</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>20,636,290</b>	<b>12,597,000</b>	<b>105,919,314</b>	<b>81,852,708</b>	<b>926,533,501</b>	<b>421,650,834</b>	<b>1,348,184,335</b>

The accompanying notes form an integral part of the financial statements.

**Takuni Group Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

		<b>Consolidated financial statements</b>								
		Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings		Other components of equity	Equity attributable to owner of the parent	Non- controlling interests	Total equity
Note	Legal reserve				Unappropriated (in Baht)	Changes in parent's ownership interest in subsidiary				
<b>Year ended 31 December 2022</b>										
<b>Balance at 1 January 2022</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>20,636,290</b>	<b>12,597,000</b>	<b>105,919,314</b>	<b>81,852,708</b>	<b>926,533,501</b>	<b>421,650,834</b>	<b>1,348,184,335</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the parent</i>										
	25	-	-	-	-	(20,000,000)	-	(20,000,000)	(29,787,684)	(49,787,684)
<b>Total distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,000,000)</b>	<b>-</b>	<b>(20,000,000)</b>	<b>(29,787,684)</b>	<b>(49,787,684)</b>
<i>Changes in ownership interests in subsidiaries</i>										
	4	-	-	-	-	-	-	-	<b>30,583,717</b>	<b>30,583,717</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,000,000)</b>	<b>-</b>	<b>(20,000,000)</b>	<b>796,033</b>	<b>(19,203,967)</b>
<b>Comprehensive income for the year</b>										
		-	-	-	-	127,808,257	-	127,808,257	131,376,659	259,184,916
		-	-	-	-	3,116,941	-	3,116,941	794,446	3,911,387
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,925,198</b>	<b>-</b>	<b>130,925,198</b>	<b>132,171,105</b>	<b>263,096,303</b>
	18	-	-	-	3,655,000	(3,655,000)	-	-	-	-
<b>Balance at 31 December 2022</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>20,636,290</b>	<b>16,252,000</b>	<b>213,189,512</b>	<b>81,852,708</b>	<b>1,037,458,699</b>	<b>554,617,972</b>	<b>1,592,076,671</b>

The accompanying notes form an integral part of the financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve Unappropriated		
<b>Year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>		<b>400,000,000</b>	<b>305,527,766</b>	<b>11,552,000</b>	<b>30,489,195</b>	<b>747,568,961</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Contributions by and distributions to owners of the parent</i>						
Shares options exercised	20	118	305	-	-	423
Dividends to owners of the Company	25	-	-	-	(30,000,002)	(30,000,002)
<b>Total contributions by and distributions to owners of the parent</b>		<b>118</b>	<b>305</b>	<b>-</b>	<b>(30,000,002)</b>	<b>(29,999,579)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	20,885,129	20,885,129
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>20,885,129</b>	<b>20,885,129</b>
Transfer to legal reserve	18	-	-	1,045,000	(1,045,000)	-
<b>Balance at 31 December 2021</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>12,597,000</b>	<b>20,329,322</b>	<b>738,454,511</b>

The accompanying notes form an integral part of the financial statements.

# Takuni Group Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings Legal reserve (in Baht) Unappropriated		
<b>Year ended 31 December 2022</b>						
<b>Balance at 1 January 2022</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>12,597,000</b>	<b>20,329,322</b>	<b>738,454,511</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distributions to owners of the parent</i>						
Dividends to owners of the Company	25	-	-	-	(20,000,000)	(20,000,000)
<b>Total distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,000,000)</b>	<b>(20,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	70,216,193	70,216,193
Other comprehensive income		-	-	-	535,309	535,309
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>70,751,502</b>	<b>70,751,502</b>
Transfer to legal reserve	18	-	-	3,655,000	(3,655,000)	-
<b>Balance at 31 December 2022</b>		<b>400,000,118</b>	<b>305,528,071</b>	<b>16,252,000</b>	<b>67,425,824</b>	<b>789,206,013</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	Year ended 31 December		Year ended 31 December	
Note	2022	2021	2022	2021
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	259,184,916	151,181,987	70,216,193	20,885,129
<b><i>Adjustments to reconcile profit to cash receipts (payments)</i></b>				
Income tax expense	67,940,130	42,397,517	283,277	1,357,211
Finance costs	15,053,548	25,077,004	408,927	299,426
Depreciation and amortisation	101,500,104	97,099,155	6,087,830	6,146,729
Non-current provisions for employee benefits	957,339	3,426,142	169,696	412,350
(Reversal of) expected credit loss on receivables and bad debts	7	1,637,837	596,197	(1,472,892)
Losses on inventories devaluation	9	6,516,769	147,825	-
(Gain) loss on disposal and written off of assets	(83,114,699)	(5,772,384)	4,919	(1,697,122)
Unrealised (gain) loss on foreign exchange	78,595	(203,284)	-	-
Share of (profit) loss of associates accounted for using equity method	5,233,490	(1,808,794)	-	-
Written off of withholding tax deducted at source	122,602	1,482,432	-	172,199
Dividend income	-	-	(74,999,985)	(29,949,555)
Interest income	(8,763,817)	(4,362,180)	(7,354,915)	(7,945,995)
	366,346,814	309,261,617	(6,656,950)	(9,128,424)
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other current receivables	(150,382,361)	(135,701,643)	4,571,231	(14,954,890)
Contract assets	18,302,777	(110,686,107)	-	-
Inventories	(17,156,872)	(9,239,707)	(10,316,921)	(2,518,632)
Other current assets	2,683,799	(3,134,396)	6,392	5,173
Retention receivables	(123,355,897)	(42,962,360)	-	-
Receivable from sale of land	76,240,690	-	-	-
Other non-current assets	2,219,087	(1,517,558)	-	(18,897)
Trade and other current payables	13,540,752	123,998,003	(1,030,997)	684,133
Contract liabilities	239,268,182	148,703,248	-	-
Other current liabilities	(1,101,832)	12,957,533	493,686	(5,170,165)
Payment of non-current provisions for employee benefits	(240,333)	(5,145,016)	-	(4,454,671)
Other non-current liabilities	16,256,934	2,810,503	106,800	(183,901)
Net cash generated from (used in) operating activities	442,621,740	289,344,117	(12,826,759)	(35,740,274)
Interest paid	(12,143,217)	(23,714,128)	(144,273)	(7,942)
Tax received (paid) - net	(115,295,932)	54,525,474	(381,802)	128,050
<b>Net cash from (used in) operating activities</b>	<b>315,182,591</b>	<b>320,155,463</b>	<b>(13,352,834)</b>	<b>(35,620,166)</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Decrease in restricted deposits at financial institutions		7,257,484	2,531,965	12,799,000	200,000
Proceeds from loans to related parties	5	17,300,000	12,000,000	266,000,000	614,680,000
Payment for loans to related parties	5	(261,302,493)	(54,180,387)	(402,763,435)	(658,367,600)
Proceeds from loans to other party		122,494,885	-	-	-
Proceeds from disposal of an associate	10	1,000,000	-	-	-
Acquisition of associates	10	(58,241,800)	(1,000,000)	(58,241,800)	-
Acquisition of subsidiaries, net of cash acquired	4	(108,893,385)	-	(115,280,000)	-
Acquisition of property, plant and equipment		(63,287,953)	(34,604,397)	(1,804,524)	(186,660)
Acquisition of intangible assets		(2,395,040)	(1,395,509)	(42,978)	-
Proceeds from disposal of investment properties		3,369,579	-	-	-
Proceeds from disposal of property, plant and equipment		117,649,701	7,642,602	-	1,700,935
Dividend received		-	-	29,949,556	37,897,018
Interest received		4,376,329	4,362,180	6,476,937	8,370,808
<b>Net cash from (used in) investing activities</b>		<b>(220,672,693)</b>	<b>(64,643,546)</b>	<b>(262,907,244)</b>	<b>4,294,501</b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from short-term borrowings from financial institutions		520,641,000	941,500,000	-	-
Repayment of short-term borrowings from financial institutions		(718,843,000)	(1,077,101,580)	-	-
Proceeds from long-term borrowings from financial institutions		-	42,000,000	-	-
Repayment of long-term borrowings from financial institutions		(40,011,475)	(38,640,000)	-	-
Repayment of short-term borrowings from other parties		(108,350,000)	-	-	-
Proceeds from short-term borrowings from related parties	5	15,000,000	-	70,000,000	-
Repayment of short-term borrowings from related parties	5	(24,500,000)	-	(15,000,000)	-
Repayment of lease liabilities		(39,126,014)	(36,005,331)	(1,288,309)	(1,288,309)
Proceeds from exercise of share options		-	423	-	423
Dividends paid to owners of the Company		(20,000,015)	(30,000,447)	(20,000,000)	(30,000,002)
Dividends paid to non-controlling interests		(29,787,684)	(4,041,114)	-	-
<b>Net cash from (used in) financing activities</b>		<b>(444,977,188)</b>	<b>(202,288,049)</b>	<b>33,711,691</b>	<b>(31,287,888)</b>

The accompanying notes form an integral part of the financial statements.

## Takuni Group Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated financial statements		Separate financial statements		
	Year ended 31 December		Year ended 31 December		
	Note	2022	2021	2022	2021
			<i>(in Baht)</i>		
Net increase (decrease) in cash and cash equivalents		<b>(350,467,290)</b>	<b>53,223,868</b>	<b>(242,548,387)</b>	<b>(62,613,553)</b>
Cash and cash equivalents at 1 January		<u>525,827,411</u>	<u>472,603,543</u>	<u>257,813,034</u>	<u>320,426,587</u>
Cash and cash equivalents at 31 December		<u><b>175,360,121</b></u>	<u><b>525,827,411</b></u>	<u><b>15,264,647</b></u>	<u><b>257,813,034</b></u>
<b>Cash and cash equivalents at 31 December</b>	<b>6</b>				
Cash and cash equivalents		180,324,120	525,827,411	15,264,647	257,813,034
Bank overdrafts		<u>(4,963,999)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u><b>175,360,121</b></u>	<u><b>525,827,411</b></u>	<u><b>15,264,647</b></u>	<u><b>257,813,034</b></u>
<b>Non-cash transactions</b>					
Accrued dividend		-	-	74,999,985	-
Payable from purchase of property, plant and equipment		713,162	1,673,421	5,200	9,000
Acquisitions of right-of-use assets under leases		9,209,307	51,278,464	-	-
Payable for acquisition of subsidiaries		89,000,000	-	89,509,900	-

The accompanying notes form an integral part of the financial statements.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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# Takuni Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2023.

### 1 General information

Takuni Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 19 August 2014. The Company’s registered office at 140/1 Soi Nawee Charoensap, Kanchanaphisek Road, Bang Khae, Bangkok.

The principal activities of the Company are Liquid Petroleum Gas (LPG) procurement and trading. The principal activities of the Group are:

Liquid Petroleum Gas trading	Petroleum gas trading for household cooking, industry and transportation
Gas installation equipment trading	Equipment trading, industrial and car gas systems installation
Transportation services	Hazardous substances and construction materials transportation services by land
Construction services	Construction services
Non-destructive testing (NDT) and inspection services	Non-destructive testing and inspection service
Others	Property development, food delivery, providing of security, housekeeping and other services

Details of the Company’s subsidiaries as at 31 December 2022 and 2021 are disclosed in note 11.

### 2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**3 Significant accounting policies**

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders’ equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group recognised investments in associates using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

*Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

# **Takuni Group Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**For the year ended 31 December 2022**

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### **(b) *Investments in subsidiaries and associates***

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

### **(c) *Foreign currencies***

Transactions in foreign currencies including balance of non-monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Balance of monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

### **(d) *Financial instruments***

#### ***(d.1) Classification and measurement***

Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

**Takuni Group Public Company Limited and its Subsidiaries**  
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*(d.2) Derecognition and offset*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(d.3) Impairment of financial assets other than trade receivables, other receivables and contract assets*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost through profit or loss.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs

The Group assumes that the credit risk on a financial asset has increased significantly if it is over the payment period as specified in the contract, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

*(d.4) Write offs*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

*(d.5) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

*(e) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

*(f) Trade and other receivables*

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics or considering ECLs for individual receivables with past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

*(g) Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle, Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

*(h) Investment properties*

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes capitalised borrowing costs.

Depreciation is on a straight-line basis over the estimated useful lives of each property and is recognized to profit or loss. No depreciation is provided on land and asset under construction.

The estimated useful lives are as follows:

Buildings	20 years
Condominium	40 years

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**(i) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit and loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and building improvements	10 years and 20 years
Gas cylinders and equipment	5 - 20 years
Machinery, tool, equipment, furniture, fixtures and office equipment	3 - 10 years
Vehicles	5 years and 10 years

**(j) Goodwill**

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

**(k) Intangible assets**

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit and loss.

The estimated useful lives are as follows:

Computer software	3 - 10 years
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**Takuni Group Public Company Limited and its Subsidiaries**  
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**(l) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As a lessee*

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate or the interest rate implicit in the lease to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

At lease inception, the Group considers to classify a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the accounting period in which they are earned.

# **Takuni Group Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

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### ***(m) Impairment of non-financial assets***

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### ***(n) Employee benefits***

#### *Defined contribution plan*

Obligations for contributions to the Group's provident funds are expensed in profit or loss as the related service is provided.

#### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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**(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

*Warranties*

A provision for warranties is recognised when the underlying services are provided. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

*Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

**(p) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value, adjusted for the difference between the fair value on initial recognition and the transaction price, and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value is transferred or the transaction is closed out.

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**(q) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**(r) Revenue from contracts with customers**

*(1) Revenue recognition*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue from construction contracts and revenue from rendering of services are satisfied over time by reference the percentage of completion to date or when services are provided. The percentage of completion is measured by reference to the surveys of performance complete to date or using cost incurred relative to total cost estimation to each contract by using the best method to account for the transfer of work to the customer and considered the nature of work provided and the term of contract. The related costs are recognised in profit or loss when they are incurred.

*(2) Contract balances*

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

**(s) Income tax**

Income tax expense for the year comprises current and deferred tax. which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and investments in associates to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(t) Earnings per share**

Basic earnings per share (EPS) calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**(u) Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

**(v) Segment reporting**

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**4 Acquisitions of subsidiary**

*Acquisition of KPN and Service Guard Co., Ltd.*

On 13 December 2022, the Group obtained control of KPN and Service Guard Co., Ltd., a service provider of security, housekeeping and other services by acquiring 51% shareholdings and voting interests. The consideration consisted of a cash payment of Baht 204 million which was paid of Baht 115 million in 2022.

Subsequently on 22 February 2023, the Group entered into the memorandum of the share purchase agreement with the former shareholder that the former shareholder responsible for all taxes, fines, penalties or surcharges to relevant government agencies for liabilities arising from acts or omissions of any acts that are against the law, which occurred or existed as at the acquisition date. The Group will pay the remaining amount of shares when the former shareholder reached the agreement in the memorandum of the share purchase agreement. The Group expected to pay the remaining amount of Baht 89 million within June 2023.

The Group incurred acquisition-related costs of Baht 0.25 million which have been included in administrative expenses.

Taking control of KPN and Service Guard Co., Ltd. will enable the Group to advantage the personnel's database to expand the related businesses in the future.

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During the period from acquisition date to 31 December 2022, KPN and Service Guard Co., Ltd. contributed revenue of Baht 14.25 million and profit of Baht 0.56 million to the Group's results. If management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022, the management estimates that consolidated revenue would have increased by Baht 248.01 million and consolidated profit for the year would have increased by Baht 8.49 million.

The following summarizes the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed as follows:

<i>Identifiable assets acquired and liabilities assumed</i>	<b>Estimated fair value</b> <i>(in thousand Baht)</i>
Cash and cash equivalents	865
Trade and other current receivables	35,756
Contract assets	17,334
Short-term loans to other party	164,779
Indemnification asset	14,078
Restricted deposits at financial institutions	5,242
Property, plant and equipment	21,480
Deferred tax assets	473
Other assets	32,645
Bank overdrafts	(5,038)
Trade and other current payables	(18,262)
Short-term borrowings from related party	(9,500)
Short-term borrowings from other parties	(161,489)
Other current liabilities	(16,468)
Lease liabilities	(3,270)
Long-term borrowings from financial institutions	(16,652)
Non-current provisions for employee benefits	(570)
<b>Total identifiable net assets</b>	<b>61,403</b>
<i>Less</i> Non-controlling interests (49%)	<i>(30,087)</i>
<b>Total identifiable net assets received</b>	<b>31,316</b>
An excess of purchase consideration transferred over the fair values of identifiable net assets received	172,684
<b>Purchase consideration transferred</b>	<b>204,000</b>
Net cash acquired with the subsidiary	6,107
Cash paid	(115,000)
<b>Net cash outflows</b>	<b>(108,893)</b>

The fair value of net assets acquired and the allocation of the purchase price have been provisionally determined by the management of the Group and is subject to potential amendment. The group engaged independent appraiser to determine the fair values of identifiable assets acquired and liabilities assumed from the business acquisitions. However, the valuation has not been completed.

In accordance with TFRS 3, management is required to make a preliminary assessment of the fair values of net assets acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values of business acquisition is dependent on completion of the purchase price allocation exercise.

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Property, plant and equipment from the acquisition of subsidiary of Baht 16.32 million was pledged as collateral for credit facilities for bank overdrafts and long-term borrowings from financial institutions.

**5 Related parties**

Relationships with subsidiaries and associates are disclosed in notes 10 and 11.

The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sales of goods and rendering of service	Market price
Purchases of goods and receiving of services	Market price
Transportation expense	Market price
Rental expense	Contractual price
Dividend income	Declared dividend payment
Interest income and interest expense	Interest rates determined in intercompany loan agreements
Other income and other expense	Agreed price

<b>Significant transactions with related parties</b> <b>Year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenue from sales of goods	-	-	-	26
Purchases of goods and receiving of services	-	-	313	609
Other income	-	-	7,300	8,133
Dividend income	-	-	75,000	29,950
Rental expense	-	-	1,212	1,212
Transportation expense	-	-	23,381	19,591
Interest income	-	-	3,845	7,241
Purchases of assets	-	-	10	9
Other expenses	-	-	1,462	284
<b>Associates</b>				
Revenue from sales of goods and rendering of services	280	9	-	-
Purchases of goods	11,201	-	-	-
Other income	2,415	208	1,769	-
Interest income	6,370	3,595	3,289	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits <i>(including director's remuneration)</i>	42,214	37,654	11,712	11,426
Post-employment benefits (reversal)	(480)	1,633	(342)	1,039
<b>Total key management personnel compensation</b>	<b>41,734</b>	<b>39,287</b>	<b>11,370</b>	<b>12,465</b>
<b>Other related parties</b>				
Rental expense	60	60	-	-
Interest expense	83	-	83	-

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Balances with related parties</i> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statement</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Other receivables</i></b>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	1,060	705
Associates	1,769	44	1,769	-
<b>Total</b>	<b>1,769</b>	<b>44</b>	<b>2,829</b>	<b>705</b>
<b><i>Interest receivables</i></b>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	446	2,257
Associates	-	880	-	-
<b>Total</b>	<b>-</b>	<b>880</b>	<b>446</b>	<b>2,257</b>
<b><i>Dividend receivables</i></b>				
<i>(included in other current receivables)</i>				
Subsidiaries	-	-	75,000	29,950
<b><i>Interest receivables</i></b>				
<i>(included in other non-current assets)</i>				
Subsidiaries	-	-	1,545	2,145
Associates	3,289	-	3,289	-
<b>Total</b>	<b>3,289</b>	<b>-</b>	<b>4,834</b>	<b>2,145</b>
<b><i>Receivable from sale of land</i></b>				
Associate	-	76,241	-	-
<b><i>Trade and other current payables</i></b>				
Subsidiaries	-	-	2,863	2,408
Associates	11,986	-	-	-
<b>Total</b>	<b>11,986</b>	<b>-</b>	<b>2,863</b>	<b>2,408</b>

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	Interest rate		Consolidated financial statements				
	31 December 2021	31 December 2022	31 December 2021	Increase	Decrease	Loss on exchange rate	31 December 2022
<i>Loans to</i>	<i>(% per annum)</i>				<i>(in thousand Baht)</i>		
Associates	5	0 - 8	<u>60,704</u>	<u>261,303</u>	<u>(17,300)</u>	<u>(79)</u>	<u>304,628</u>

	Interest rate		Separate financial statements				
	31 December 2021	31 December 2022	31 December 2021	Increase	Decrease	Loss on exchange rate	31 December 2022
<i>Loans to</i>	<i>(% per annum)</i>				<i>(in thousand Baht)</i>		
Subsidiaries	3	3	170,368	155,650	(251,000)	-	75,018
Associates	-	-	47,320	247,113	(15,000)	-	279,433
<b>Total</b>			<u>217,688</u>	<u>402,763</u>	<u>(266,000)</u>	<u>-</u>	<u>354,451</u>

	Interest rate		31 December 2021	Consolidated financial statements			Loss on exchange rate	31 December 2022
	31 December 2021	31 December 2022		Acquisitions through business combinations <i>(see note 4)</i>	Increase	Decrease		
<i>Loans from</i>	<i>(% per annum)</i>				<i>(in thousand Baht)</i>			
Other related parties	-	4.5, 8	-	9,500	15,000	(24,500)	-	-

	Interest rate		31 December 2021	Separate financial statements			Loss on exchange rate	31 December 2022
	31 December 2021	31 December 2022		Increase	Decrease			
<i>Loans from</i>	<i>(% per annum)</i>				<i>(in thousand Baht)</i>			
Subsidiary	-	3	-	55,000	-	-	55,000	
Other related party	-	4.5	-	15,000	(15,000)	-	-	
<b>Total</b>			<u>-</u>	<u>70,000</u>	<u>(15,000)</u>	<u>-</u>	<u>55,000</u>	

***Significant agreements with related parties***

The Company entered into a general management agreement with related parties to provide business services in solving the problem, providing assistance and giving advice in business operations. The agreement covers a period of 1 year and will be renewed for a period of 1 year until it is terminated by either party after given 1 month written notice to other party. The Company will receive management fees as indicated in the agreement.

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**6 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	593	589	5	3
Cash at banks - current accounts	116,193	262,211	52	352
Cash at banks - savings accounts	63,395	222,395	15,148	216,893
Highly liquid short-term investments	143	40,632	60	40,565
<b>Cash and cash equivalents in the statement of financial position</b>	<b>180,324</b>	<b>525,827</b>	<b>15,265</b>	<b>257,813</b>
Bank overdrafts used for cash management purposes	(4,964)	-	-	-
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>175,360</b>	<b>525,827</b>	<b>15,265</b>	<b>257,813</b>

The effective interest rate on short-term bank deposits was 0.10% to 1.05% per annum (2021: 0.10% to 0.75% per annum).

**7 Trade and other current receivables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Trade receivables</b>					
Other parties		561,397	371,379	45,827	52,842
Less allowance for expected credit loss	26	(3,248)	(3,075)	(309)	(2,338)
<b>Net</b>		<b>558,149</b>	<b>368,304</b>	<b>45,518</b>	<b>50,504</b>
<b>Other current receivables</b>					
Related parties	5	1,769	44	2,829	705
Other parties		1,260	731	4	36
Prepaid expense		13,699	17,421	777	980
Advance payments to subcontractors		10,878	12,750	-	-
Other accrued income		131	156	-	-
Interest receivables	5	-	880	446	2,257
Dividend receivables	5	-	-	75,000	29,950
<b>Total</b>		<b>27,737</b>	<b>31,982</b>	<b>79,056</b>	<b>33,928</b>
<b>Total trade and other current receivables</b>		<b>585,886</b>	<b>400,286</b>	<b>124,574</b>	<b>84,432</b>

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<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2565	2564	2565	2564
	<i>(in thousand Baht)</i>			
Expected credit loss				
- Additions	2,763	4,275	38	1,661
- Reversal	(2,590)	(11,878)	(2,067)	(4,794)
Bad debts	1,465	8,199	556	4,324

Information of credit risk is disclosed in note 26 (b.1)

**8 Contract assets and contract liabilities**

The Group has outstanding contract assets and contract liabilities with customers as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Contract assets</i></b>				
Total project value	5,110,300	6,972,637	-	-
Accumulated amount recognised as revenue on percentage of completion basis	3,186,493	4,009,837	-	-
<i>Less</i> value of total billed	<u>(2,552,685)</u>	<u>(3,375,060)</u>	<u>-</u>	<u>-</u>
<b>Total contract assets</b>	<b><u>633,808</u></b>	<b><u>634,777</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Retention receivables	<u>220,510</u>	<u>97,154</u>	<u>-</u>	<u>-</u>
<b><i>Contract liabilities</i></b>				
Total project value	4,014,769	2,166,416	-	-
Value of total billed	3,631,011	1,277,983	-	-
<i>Less</i> accumulated amount recognised as revenue on percentage of completion basis	<u>(3,146,355)</u>	<u>(1,136,503)</u>	<u>-</u>	<u>-</u>
	<u>484,656</u>	<u>141,480</u>	<u>-</u>	<u>-</u>
Advance received from construction contracts	<u>44,754</u>	<u>148,662</u>	<u>-</u>	<u>-</u>
<b>Total contracts liabilities</b>	<b><u>529,410</u></b>	<b><u>290,142</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

*Revenue recognition from contract balance*

During the year 2022, the Group recognised contract liabilities balance at the beginning of the year in revenue from construction contracts and rendering of services amounted of Baht 260.51 million (2021: Baht 92.78 million).



**Takuni Group Public Company Limited and its Subsidiaries**  
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**10 Investments in associates**

	Type of business	Ownership interest		Paid- up capital		Consolidated financial statements				Separate financial statements		Dividend income for the year	
		2022	2021	2022	2021	Cost		At equity method		Cost		2022	2021
		(%)				2022	2021	2022	2021	2022	2021	2022	2021
<i>Associates</i>													
Sermasch Co., Ltd.	Repair and maintenance of tools and machinery	47.5	47.5	2,000	2,000	1,419	1,419	1,040	1,225	-	-	-	-
Sorb Engineering Co., Ltd.	Sales and installation of tools and machinery	47.5	47.5	2,000	2,000	1,104	1,104	3,418	2,036	-	-	-	-
Exact Real Estate Co., Ltd.	Property development for sale	40.0	40.0	10,000	10,000	4,000	4,000	-	-	4,000	4,000	-	-
Yi Hao Motor Co., Ltd.	Manufacturer and assembly electric motor bike	40.0	40.0	3,914	3,914	1,561	1,561	-	-	-	-	-	-
Watchaphuch Thai Co., Ltd.	Trading of pharmaceutical botany products	-	50.0	-	2,000	-	1,000	-	994	-	-	-	-
Enrich Property Co., Ltd.	Property development for sale	30.0	-	10,000	-	3,000	-	2,391	-	3,000	-	-	-
Enrich Venture Co., Ltd.	Property development for sale	20.0	-	180,000	-	40,064	-	33,019	-	40,064	-	-	-
Food Ordery Co., Ltd.	Food delivery	5.9	-	10,625	-	15,178	-	14,706	-	15,178	-	-	-
<b>Total</b>						<b>66,326</b>	<b>9,084</b>	<b>54,574</b>	<b>4,255</b>	<b>62,242</b>	<b>4,000</b>	<b>-</b>	<b>-</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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All associates were incorporated and mainly operate in Thailand, except Yi Hao Motor Co., Ltd. which was incorporated and operates in Taiwan.

None of the Group's associates are publicly listed and consequently do not have published price quotations.

On 21 April 2021, a subsidiary jointly invested in Watchaphuch Thai Co., Ltd. to engage in trading of pharmaceutical botany products. Its authorised share capital amounted to Baht 1 million which consisted of 10,000 ordinary shares at a par value of Baht 100 per share. The subsidiary held 50% of shares. Subsequently on 20 December 2021, the subsidiary additionally invested in newly issued ordinary shares of Watchaphuch Thai Co., Ltd., amounting to Baht 0.50 million, at the existing proportion. On 3 October 2022, a subsidiary disposed of all investment in Watchaphuch Thai Co., Ltd. of 10,000 shares, amounting to Baht 1.00 million.

On 17 March 2022, the Company jointly invested in Enrich Property Co., Ltd. to engage in property development for sales. Its authorized share capital amounted to Baht 10 million which consisted of 100,000 ordinary shares at a par value of Baht 100 per share. The Company held 30% of shares.

On 20 May 2022, the Company jointly invested in Enrich Venture Co., Ltd. to engage in property development for sales. Its authorized share capital amounted to Baht 180 million which consisted of 1,800,000 ordinary shares at a par value of Baht 100 per share. The Company held 20% of shares.

On 3 November 2022, the Company jointly invested in Food Orderly Co., Ltd. to engage in food delivery. Its authorized share capital amounted to Baht 10.63 million which consisted of 106,250 ordinary shares at a par value of Baht 100 per share. The Company held 5.9% of shares.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**11 Investments in subsidiaries**

	Type of business	Ownership interest		Paid-up capital		Separate financial statements						Dividend income for the year	
		2022	2021	2022	2021	Cost		Impairment		At cost - net		2022	2021
		2022		2021		2022	2021	2022	2021	2022	2021	2022	2021
<i>Direct subsidiaries</i>													
Takuni (Thailand) Co., Ltd.	Equipment trading, industrial and car gas systems installation and construction services	99.99	99.99	50,000	50,000	53,377	53,377	-	-	53,377	53,377	75,000	8,000
Rajchappleuk Engineering Co., Ltd.	NDT and inspection services	99.99	99.99	40,000	40,000	41,340	41,340	-	-	41,340	41,340	-	15,000
G Gas Logistics Co., Ltd.	Hazardous substances and construction materials transportation services by land	99.99	99.99	15,000	15,000	15,643	15,643	-	-	15,643	15,643	-	6,000
Takuni Land Co., Ltd.	Property development	99.97	99.97	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	950
Takuni Trading Co., Ltd.	Sales of automotive equipment, motorcycles and electric cars	99.70	99.70	100	100	99	99	-	-	99	99	-	-

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	Type of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		(%)						(in thousand Baht)					
<b>Direct subsidiaries</b>													
KPN and Service Guard Co., Ltd.	Service providing of security, housekeeping and other services	51.00	-	50,000	-	204,250	-	-	-	204,250	-	-	-
Sersol Takuni (Thailand) Co., Ltd.	Sales of electric motorcycles	50.99	-	1,000	-	540	-	-	-	540	-	-	-
<b>Indirect subsidiaries</b>													
CAZ (Thailand) Public Company Limited	Construction services	36.64	36.64	140,000	140,000	-	-	-	-	-	-	-	-
JKEC Co., Ltd.	Construction services	26.80	26.80	10,100	10,000	-	-	-	-	-	-	-	-
<b>Total</b>						<b>316,249</b>	<b>111,459</b>	<b>-</b>	<b>-</b>	<b>316,249</b>	<b>111,459</b>	<b>75,000</b>	<b>29,950</b>

All subsidiaries were incorporated and operate in Thailand.

On 13 December 2022, the Company jointly invested in KPN and Service Guard Co., Ltd. to engage in providing security, housekeeping and other services. Its authorized share capital amounted to Baht 50 million which consisted of 500,000 ordinary shares at a par value of Baht 100 per share. The Company held 51% of shares (see note 4).

On 21 December 2022, the Company jointly invested in Sersol Takuni (Thailand) Co., Ltd. to engage in sales of electric motorcycles. Its authorized share capital amounted to Baht 1 million which consisted of 10,000 ordinary shares at a par value of Baht 100 per share. The Company held 50.99% of shares. The Company expected to pay the payable for acquisition of subsidiary amounted to Baht 0.51 million within March 2023.

**Takuni Group Public Company Limited and its Subsidiaries**  
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**12 Non-controlling interests**

The following table summarises the information relating to the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	<b>CAZ (Thailand) Public Company Limited</b>	
	2022	2021
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	63.36%	63.36%
Current assets	1,248,790	1,255,247
Non-current assets	842,570	717,277
Current liabilities	(1,215,958)	(1,175,307)
Non-current liabilities	(54,083)	(135,928)
<b>Net assets</b>	<b>821,319</b>	<b>661,289</b>
Carrying amount of non-controlling interest	520,388	418,993
Intra-group eliminations	3,370	2,658
<b>Total</b>	<b>523,758</b>	<b>421,651</b>
Revenue	3,135,464	2,194,697
Profit	204,891	138,054
Other comprehensive income	2,163	1,400
<b>Total comprehensive income</b>	<b>207,054</b>	<b>139,454</b>
Profit allocated to non-controlling interest	129,819	87,471
Intra-group eliminations	1,282	560
<b>Total</b>	<b>131,101</b>	<b>88,031</b>
Total comprehensive income allocated to non-controlling interest	131,189	88,358
Intra-group eliminations	706	561
<b>Total</b>	<b>131,895</b>	<b>88,919</b>
Dividends to non-controlling interest	29,788	4,041
Cash flows from operating activities	239,615	315,005
Cash flows used in investing activities	(48,291)	(26,374)
Cash flows used in financing activities	(337,363)	(168,590)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(146,039)</b>	<b>120,041</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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**13 Property, plant and equipment**

	<b>Consolidated financial statements</b>						
	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2021	327,647	183,924	58,863	360,050	169,174	3,948	1,103,606
Additions	9	392	-	66,003	12,167	6,805	85,376
Transfers	-	3,939	-	5,333	1,193	(10,465)	-
Disposals/written off	-	-	(14)	(17,185)	(21,043)	-	(38,242)
<b>At 31 December 2021 and 1 January 2022</b>	<b>327,656</b>	<b>188,255</b>	<b>58,849</b>	<b>414,201</b>	<b>161,491</b>	<b>288</b>	<b>1,150,740</b>
Additions	3,111	-	-	49,791	6,206	7,091	66,199
Acquisitions through business combinations <i>(see note 4)</i>	16,320	864	-	201	4,095	-	21,480
Disposals/written off	(27,912)	(18,611)	-	(8,328)	(3,485)	-	(58,336)
<b>At 31 December 2022</b>	<b>319,175</b>	<b>170,508</b>	<b>58,849</b>	<b>455,865</b>	<b>168,307</b>	<b>7,379</b>	<b>1,180,083</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

	<b>Consolidated financial statements</b>						
	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<b><i>Depreciation and impairment losses</i></b>							
At 1 January 2021	1,833	49,751	39,805	171,747	119,114	-	382,250
Depreciation charge for the year	2,254	9,417	3,212	62,827	16,445	-	94,155
Disposals/written off	-	-	(12)	(15,455)	(20,904)	-	(36,371)
<b>At 31 December 2021 and 1 January 2022</b>	<b>4,087</b>	<b>59,168</b>	<b>43,005</b>	<b>219,119</b>	<b>114,655</b>	<b>-</b>	<b>440,034</b>
Depreciation charge for the year	2,465	9,405	3,136	68,449	15,025	-	98,480
Disposals/written off	(2,840)	(11,955)	-	(7,201)	(3,397)	-	(25,393)
<b>At 31 December 2022</b>	<b>3,712</b>	<b>56,618</b>	<b>46,141</b>	<b>280,367</b>	<b>126,283</b>	<b>-</b>	<b>513,121</b>
<b><i>Net book value</i></b>							
<b>At 31 December 2021</b>							
Owned assets	318,739	129,087	15,844	131,603	17,581	288	613,142
Right-of-use assets	4,830	-	-	63,479	29,255	-	97,564
	<b>323,569</b>	<b>129,087</b>	<b>15,844</b>	<b>195,082</b>	<b>46,836</b>	<b>288</b>	<b>710,706</b>
<b>At 31 December 2022</b>							
Owned assets	309,988	113,890	12,708	112,018	13,364	7,379	569,347
Right-of-use assets	5,475	-	-	63,480	28,660	-	97,615
	<b>315,463</b>	<b>113,890</b>	<b>12,708</b>	<b>175,498</b>	<b>42,024</b>	<b>7,379</b>	<b>666,962</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>						
	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2021	30,954	21,377	53,509	5,492	17,347	-	128,679
Additions	9	-	-	182	-	-	191
Disposals/written off	-	-	(14)	(306)	(6,563)	-	(6,883)
<b>At 31 December 2021 and 1 January 2022</b>	<b>30,963</b>	<b>21,377</b>	<b>53,495</b>	<b>5,368</b>	<b>10,784</b>	<b>-</b>	<b>121,987</b>
Additions	-	-	1,190	611	-	-	1,801
Disposals/written off	-	-	-	(361)	-	-	(361)
<b>At 31 December 2022</b>	<b>30,963</b>	<b>21,377</b>	<b>54,685</b>	<b>5,618</b>	<b>10,784</b>	<b>-</b>	<b>123,427</b>
<b>Depreciation and impairment losses</b>							
At 1 January 2021	273	14,496	37,258	4,575	14,505	-	71,107
Depreciation charge for the year	298	1,087	3,066	453	836	-	5,740
Disposals/written off	-	-	(12)	(305)	(6,563)	-	(6,880)
<b>At 31 December 2021 and 1 January 2022</b>	<b>571</b>	<b>15,583</b>	<b>40,312</b>	<b>4,723</b>	<b>8,778</b>	<b>-</b>	<b>69,967</b>
Depreciation charge for the year	298	1,087	3,013	464	836	-	5,698
Disposals/written off	-	-	-	(356)	-	-	(356)
<b>At 31 December 2022</b>	<b>869</b>	<b>16,670</b>	<b>43,325</b>	<b>4,831</b>	<b>9,614</b>	<b>-</b>	<b>75,309</b>

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	<b>Separate financial statements</b>						
	Right-of-use on land, land and land improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicle	Assets under construction and installation	Total
<i>Net book value</i>							
<b>At 31 December 2021</b>							
Owned assets	26,495	5,794	13,183	645	25	-	46,142
Right-of-use assets	3,897	-	-	-	1,981	-	5,878
	<b>30,392</b>	<b>5,794</b>	<b>13,183</b>	<b>645</b>	<b>2,006</b>	<b>-</b>	<b>52,020</b>
<b>At 31 December 2022</b>							
Owned assets	26,495	4,707	11,360	787	18	-	43,367
Right-of-use assets	3,599	-	-	-	1,152	-	4,751
	<b>30,094</b>	<b>4,707</b>	<b>11,360</b>	<b>787</b>	<b>1,170</b>	<b>-</b>	<b>48,118</b>

As at 31 December 2022, the Group and the Company had pledged property, plant and equipment with net book value of Baht 475.73 million and Baht 32.06 million, respectively (2021: Baht 522.77 million and Baht 32.77 million, respectively) as collateral for credit facilities for bank overdrafts, letters of credits or trust receipt, letters of guarantees, forward contracts and long-term borrowings from financial institutions.

The extraordinary general meeting of the shareholders of the Company held on 9 December 2022, the shareholders approved the subsidiary to dispose of its land and building where is located its head office to a related party, amounting to Baht 120.00 million. The Group recognised gain on disposal of land and building amounting to Baht 83.02 million as other income in the statement of comprehensive income for the year ended 31 December 2022.

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*Impairment of gas depots and related assets*

As at 31 December 2022, gas depot and related assets in LPG trading business have been impaired amounting to Baht 22.48 million (2021: Baht 22.48 million) which affected both consolidated and separate financial statements because the recoverable amount is less than the carrying amount. The recoverable amount of Cash Generate Unit (CGU) of LPG trading segment was determined based on value in use and fair value less costs to sell, which is greater.

The Board of Director's meeting of the Company held on 10 January 2023, the Board approved to sell the gas depots and related assets with the carrying amount net of impairment losses as at 31 December 2022 amounting to Baht 42.50 million in the consolidated and separate financial statements. Subsequently on 10 February 2023, the Company entered into an agreement to sell partial of the gas depots and related assets to a company. As a result in 2023, the gas depots and related assets will be classified as non-current assets classified as held for sale because it is highly probable that the assets will be recovered primarily through sale rather than through continuing use.

*Right-of-use assets*

During the year 2022, the Group has entered into the lease agreements for land, machinery, tools and equipment, and vehicle. The agreements periods are for 3 - 5 years with fixed payment for the entire leasing term. The Group recognised right-of-use assets amounting to Baht 9.21 million (2021: The Group recognised right-of-use assets amounting to Baht 51.28 million).

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>For the year ended 31 December</i>				
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets				
- Land	2,465	2,254	298	298
- Machine, tools and equipment	8,325	11,336	-	-
- Vehicle	8,810	9,789	829	829
Interest on lease liabilities	2,910	3,398	262	291
Expense relating to short-term leases	238,788	212,194	38	26
Expense relating to lease of low value assets	2,845	1,079	348	353

In 2022, total cash outflow for leases of the Group and the Company were Baht 280.76 million and Baht 1.67 million, respectively (2021: Baht 249.28 million and Baht 1.67 million, respectively).

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**14 Goodwill**

*Impairment testing for CGUs containing goodwill*

**Construction services**

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>	
	2022	2021
	(%)	
Discount rate	11.00	9.49
Growth rate	2.64	1.40
Gross profit margin (average of next ten years)	11.26	11.39

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 3.94% at a market interest rate of 4.93%.

The cash flow projections included specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual gross profit margin rate, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Baht 263.95 million (2021: Baht 305.35 million). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	<b>Consolidated financial statements</b>	
	2022	2021
	(%)	
Discount rate	18.54	16.35
Growth rate	(4.61)	(3.53)
Gross profit margin	8.24	8.47

# Takuni Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

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### 15 Receivable from sale of land

In December 2020, the subsidiary entered into sale agreements with an associate for land and buildings which are a part of inventories amounting to Baht 165 million. The subsidiary collected partial payment in cash amounting to Baht 89 million. The remaining balance will be paid by installments within 3 years with interest rate at 4.58% per annum. The land ownership was transferred to the buyer in December 2020. In this regards, the cheque of associate and land of a related party of the associate has been pledged as collateral for the installments, and the Group recognised deferred income from unrealised profit on transaction with interest in associate amounting to Baht 12.54 million (2021: Baht 14.24 million) in the consolidated statement of financial position.

During 2022, the subsidiary collected all the payment amounting to Baht 76.24 million and released all assets pledged as collateral.

### 16 Interest-bearing liabilities

	Consolidated financial statements					
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	4,964	-	4,964	-	-	-
Short-term borrowings from financial institutions	145,300	30,000	175,300	373,502	-	373,502
Short-term borrowings from other parties	-	73,139	73,139	20,000	-	20,000
Long-term borrowings from financial institutions	102,941	-	102,941	126,300	-	126,300
Lease liabilities	36,324	14,132	50,456	61,121	15,767	76,888
<b>Total interest-bearing liabilities</b>	<b>289,529</b>	<b>117,271</b>	<b>406,800</b>	<b>580,923</b>	<b>15,767</b>	<b>596,690</b>
	Separate financial statements					
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term borrowings from related party	-	55,000	55,000	-	-	-
Lease liabilities	282	3,619	3,901	1,103	3,822	4,925
<b>Total interest-bearing liabilities</b>	<b>282</b>	<b>58,619</b>	<b>58,901</b>	<b>1,103</b>	<b>3,822</b>	<b>4,925</b>

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	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<i>Assets pledged as security for liabilities as at 31 December</i>					
			(in thousand Baht)		
Deposits at financial institutions		20,030	27,288	2,801	15,600
Investment properties		-	3,820	-	-
Property, plant and equipment	13	475,730	522,774	32,061	32,772
<b>Total</b>		<b>495,760</b>	<b>553,882</b>	<b>34,862</b>	<b>48,372</b>

As at 31 December 2022, the Group and the Company had unutilised credit facilities totaling Baht 879.39 million and Baht 56.00 million, respectively (2021: Baht 1,089.82 million and Baht 77.20 million, respectively). The unutilised credit facilities have pledged by assets and bank deposit of the Group and the Company and guaranteed by a director.

*Borrowings from financial institution*

The subsidiary has to comply with certain conditions under right and duty of borrowers such as the maintenance of Debt to Equity ratios and Debt Service Coverage ratio (DSCR).

**17 Share capital**

	Par value per share (in Baht)	Consolidated financial statements / Separate financial statements			
		2022		2021	
		Number	Amount	Number	Amount
<i>Authorised share capital</i>					
At 1 January					
- Ordinary shares	0.5	800,000	400,000	1,200,000	600,000
Decrease	0.5	-	-	(400,000)	(200,000)
<b>At 31 December</b>					
- Ordinary shares	0.5	<b>800,000</b>	<b>400,000</b>	<b>800,000</b>	<b>400,000</b>
<i>Issued and paid-up share capital</i>					
At 1 January					
- Ordinary shares	0.5	800,000	400,000	800,000	400,000
<b>At 31 December</b>					
- Ordinary shares	0.5	<b>800,000</b>	<b>400,000</b>	<b>800,000</b>	<b>400,000</b>

At the annual general meeting of the shareholders of the Company held on 27 April 2021, the shareholders approved the reduction of authorised share capital which had not been paid-up amounting to Baht 200 million, which consisted of 400 million ordinary shares at a par value of Baht 0.5 per share. The Company registered the reduction of authorised share capital on 5 May 2021.

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**18 Reserve**

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**Legal reserve**

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**19 Segment information and disaggregation of revenue**

*(a) Segment information*

Management determined that the Group has six reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately. The following summary describes the operations in each of the Group’s reportable segments.

- *Segment Liquid Petroleum Gas trading* Petroleum gas trading for household cooking, industry and transportation
- *Segment equipment trading and gas system installation* Equipment trading and gas systems installation in automobile and industry
- *Segment transportation services* Hazardous substances and construction materials transportation services by land
- *Segment construction services* Construction services
- *Segment NDT and inspection services* Non-destructive testing and certify service under safety standards and regulations inspection service
- *Others* Property development, food delivery and providing security, housekeeping and other services

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

*(b) Geographical segments*

The Group is managed and operated mainly in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

*(c) Major customers*

Revenues from 3 customers of the construction services segment of the Group’s represents approximately Baht 2,864.72 million for the year 2022 (2021: Baht 2,147.98 million) of the Group’s total revenue.

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<i>For the year ended</i> <b>31 December</b>	Liquid Petroleum Gas trading		Equipment trading and gas system installation		Transportation services		Construction services		NDT and inspection services		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>													
<b>Information about reportable segments</b>														
Total revenues	541,344	409,922	3,001	2,240	46,612	37,130	3,139,509	2,198,044	135,098	122,949	14,247	-	3,879,811	2,770,285
Inter-segment revenue	-	(26)	(468)	(726)	(28,227)	(24,301)	-	(468)	(26,842)	(15,559)	-	-	(55,537)	(41,080)
<b>External revenues</b>	<b><u>541,344</u></b>	<b><u>409,896</u></b>	<b><u>2,533</u></b>	<b><u>1,514</u></b>	<b><u>18,385</u></b>	<b><u>12,829</u></b>	<b><u>3,139,509</u></b>	<b><u>2,197,576</u></b>	<b><u>108,256</u></b>	<b><u>107,390</u></b>	<b><u>14,247</u></b>	<b><u>-</u></b>	<b><u>3,824,274</u></b>	<b><u>2,729,205</u></b>
<b>Timing of revenue recognition</b>														
At a point in time	541,344	409,896	2,533	1,514	-	-	-	-	-	-	-	-	543,877	411,410
Over time	-	-	-	-	18,385	12,829	3,139,509	2,197,576	108,256	107,390	14,247	-	3,280,397	2,317,795
<b>Total revenues</b>	<b><u>541,344</u></b>	<b><u>409,896</u></b>	<b><u>2,533</u></b>	<b><u>1,514</u></b>	<b><u>18,385</u></b>	<b><u>12,829</u></b>	<b><u>3,139,509</u></b>	<b><u>2,197,576</u></b>	<b><u>108,256</u></b>	<b><u>107,390</u></b>	<b><u>14,247</u></b>	<b><u>-</u></b>	<b><u>3,824,274</u></b>	<b><u>2,729,205</u></b>
Segment profit (loss) before income tax	(160)	(7,444)	209	(218)	(45)	3,591	254,271	177,210	8,825	15,910	64,025	4,531	327,125	193,580

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**20 Warrants**

On 29 January 2016, the Company issued warrants to existing shareholders of the Company. The detail of warrant as at 31 December 2020 is as follows:

Warrant type	:	To be issued under the names of respective holders and transferable
Warrant term	:	5 years from the issuance and offering date
Number of warrants	:	399,999,874 units
Offering ratio	:	2 existing ordinary shares per 1 warrant
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1.12 ordinary shares
Exercise price	:	Baht 1.79 per share
Exercise date	:	On the last business day of December of each year
Last exercise date	:	28 January 2021

On 11 March 2020, the Company adjusted exercise price and exercise ratio of warrants during the term of the warrants since dividend payout is higher than dividend payout policy.

On 28 January 2021, warrants of 211 units were exercised to 236 ordinary shares with the exercise price at Baht 1.79 per share, resulting in the Company's issued and paid-up share capital amounted to Baht 400,000,118 which consists of 800,000,236 ordinary shares with a par value of Baht 0.05 per share.

Warrants were terminated from being listed warrants on 29 January 2021.

**21 Employee benefit expenses**

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Salaries, bonus and wages	1,152,470	765,405	22,985	20,834
Defined benefit plan	2,421	3,426	170	412
Defined contribution plan	2,205	1,971	238	240
Termination benefits	25,211	18,278	-	733
<b>Total</b>	<b><u>1,182,307</u></b>	<b><u>789,080</u></b>	<b><u>23,393</u></b>	<b><u>22,219</u></b>

*Defined contribution plan*

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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**22 Expenses by nature**

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Cost of sales - gas		493,883	369,576	493,883	369,576
Material cost		671,175	529,812	-	-
Subcontract cost		591,675	319,559	-	-
Depreciation and amortisation		101,500	97,099	6,088	6,147
Employee benefit expenses	21	1,182,307	789,080	23,393	22,219
Gas transportation expenses		22,022	21,609	26,926	23,844
Gas storage expenses		835	979	835	979
Lease-related expenses	13	241,633	213,273	386	379

**23 Income tax**

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	70,469	40,816	-	-
<b>Deferred tax</b>				
Change in temporary different	(2,529)	1,582	283	1,357
<b>Total income tax expense</b>	<b>67,940</b>	<b>42,398</b>	<b>283</b>	<b>1,357</b>

	Consolidated financial statements					
	2022	2021	2022	2021	2022	2021
<b>Income tax</b>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial gain	4,889	(978)	3,911	1,750	(350)	1,400
<b>Total</b>	<b>4,889</b>	<b>(978)</b>	<b>3,911</b>	<b>1,750</b>	<b>(350)</b>	<b>1,400</b>

	Separate financial statements					
	2022	2021	2022	2021	2022	2021
<b>Income tax</b>	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial gain	669	(134)	535	-	-	-
<b>Total</b>	<b>669</b>	<b>(134)</b>	<b>535</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Takuni Group Public Company Limited and its Subsidiaries**  
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<i>Reconciliation of effective tax rate</i>	<b>Consolidated financial statements</b>			
		2022		2021
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		327,125		193,580
Income tax using the Thai corporation tax rate	20.00	65,425	20.00	38,716
Income not subject to tax		(280)		(427)
Income subject to tax		846		642
Expenses not deductible for tax purposes		594		2,174
Expenses deductible at a greater amount		(484)		(295)
Current year losses for which no deferred tax asset was recognised		2,281		1,783
Unrealised gains from intercompany transactions		1,438		447
Utilisation of previously unrecognized tax losses		(1,880)		(377)
Over provided in prior years		-		(265)
<b>Total</b>	<b>20.77</b>	<b>67,940</b>	<b>21.90</b>	<b>42,398</b>

<i>Reconciliation of effective tax rate</i>	<b>Separate financial statements</b>			
		2022		2021
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		70,499		22,242
Income tax using the Thai corporation tax rate	20.00	14,100	20.00	4,448
Income not subject to tax		(15,027)		(6,100)
Income subject to tax		731		613
Expenses not deductible for tax purposes		124		934
Expenses deductible at a greater amount		(14)		-
Current year losses for which no deferred tax asset was recognised		2,067		1,698
Utilisation of previously unrecognized tax losses		(1,698)		(236)
<b>Total</b>	<b>0.40</b>	<b>283</b>	<b>6.10</b>	<b>1,357</b>

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<i>Deferred tax</i>	<b>Consolidated financial statements</b> (Charged) / Credited to				<b>At 31 December</b>
	<b>At 1 January</b>	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Acquired in business combination	
<b>2022</b>					
<i>Deferred tax assets</i>					
Trade receivables	615	35	-	-	650
Inventories	1,904	1,303	-	-	3,207
Other provisions	1,596	276	-	359	2,231
Non-current provisions for employee benefits	1,865	636	(978)	114	1,637
<b>Total</b>	<b>5,980</b>	<b>2,250</b>	<b>(978)</b>	<b>473</b>	<b>7,725</b>
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(228)	279	-	-	51
<b>Total</b>	<b>(228)</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>51</b>
<b>Net</b>	<b>5,752</b>	<b>2,529</b>	<b>(978)</b>	<b>473</b>	<b>7,776</b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b> (Charged) / Credited to				<b>At 31 December</b>
	<b>At 1 January</b>	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Acquired in business combination	
<b>2021</b>					
<i>Deferred tax assets</i>					
Trade receivables	2,136	(1,521)	-	-	615
Inventories	1,875	29	-	-	1,904
Other provisions	1,606	(10)	-	-	1,596
Non-current provisions for employee benefits	2,909	(694)	(350)	-	1,865
<b>Total</b>	<b>8,526</b>	<b>(2,196)</b>	<b>(350)</b>	<b>-</b>	<b>5,980</b>
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(842)	614	-	-	(228)
<b>Total</b>	<b>(842)</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>(228)</b>
<b>Net</b>	<b>7,684</b>	<b>(1,582)</b>	<b>(350)</b>	<b>-</b>	<b>5,752</b>



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**24 Basic earnings per share**

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>127,808</b>	<b>63,151</b>	<b>70,216</b>	<b>20,885</b>
<b>Number of ordinary shares outstanding</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.160</b>	<b>0.079</b>	<b>0.088</b>	<b>0.026</b>

**25 Dividends**

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
<i>2022</i>				
2021 Annual dividend	26 April 2022	25 May 2022	0.0250	20.00
<i>2021</i>				
2020 Annual dividend	27 April 2021	25 May 2021	0.0375	30.00

**26 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	<b>Consolidated financial statements</b> Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<i>At 31 December 2022</i>					
Long-term borrowings from financial institutions	120,941	-	-	102,177	102,177
<i>At 31 December 2021</i>					
Long-term borrowings from financial institutions	126,300	-	-	125,846	125,846

Long-term borrowings from financial institutions shown above were presented as part of construction services and others segments.

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*Financial instruments measured at fair value*

<b>Type</b>	<b>Valuation technique</b>
Long-term borrowings from financial institutions	<i>Discounted cash flows</i> : The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

**(b) Financial risk management policies**

*Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

*(b.1.1) Trade receivables and contract assets*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 19.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 7 days to 60 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables and groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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Information relevant to trade receivables and contract assets are disclosed in notes 7 and 8, respectively.

The following table presents the exposure to credit risk and ECLs for trade receivables and contract assets.

		<b>Consolidated financial statements</b>							
		<b>Trade receivables</b>							
		<b>Overdue</b>							
	<b>Contract assets</b>	Within credit terms	Less than 3 months	3-6 months	6-12 months	Over 12 months	Fully allowance for impairment loss on trade receivables	<b>Total</b>	
<b>At 31 December 2022</b>									
					(%)				
Weighted average loss rate	-	0.05	0.67	0.72	-	-	100.00		
(in thousand Baht)									
Total carrying amounts	<b>633,808</b>	487,026	65,654	4,717	1,488	-	2,512	<b>561,397</b>	
Allowance for expected credit loss	-	(262)	(440)	(34)	-	-	(2,512)	<b>(3,248)</b>	
<b>At 31 December 2021</b>									
					(%)				
Weighted average loss rate	-	0.05	6.12	18.81	8.92	-	100.00		
(in thousand Baht)									
Total carrying amounts	<b>634,777</b>	330,114	39,078	1,547	471	-	169	<b>371,379</b>	
Allowance for expected credit loss	-	(180)	(2,393)	(291)	(42)	-	(169)	<b>(3,075)</b>	



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*(b.2) Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows through an adequate amount of committed credit facilities.

The following table is the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December</i>	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	
<b>2022</b>						
<i>Non-derivative financial liabilities</i>						
Bank overdrafts	4,964	4,964	-	-	-	4,964
Trade and other current payables	433,818	433,818	-	-	-	433,818
Payable for acquisition of subsidiaries	89,000	89,000	-	-	-	89,000
Short-term borrowings from other parties	73,139	77,270	-	-	-	77,270
Borrowings from financial institutions	278,241	256,392	9,689	3,339	11,299	280,719
Lease liabilities	50,456	31,792	14,838	7,112	3,037	56,779
	<b>929,618</b>	<b>893,236</b>	<b>24,527</b>	<b>10,451</b>	<b>14,336</b>	<b>942,550</b>
<b>2021</b>						
<i>Non-derivative financial liabilities</i>						
Trade and other current payables	400,533	400,533	-	-	-	400,533
Short-term borrowings from other party	20,000	20,234	-	-	-	20,234
Borrowings from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	76,888	38,822	24,715	15,347	3,471	82,355
	<b>997,223</b>	<b>877,402</b>	<b>114,035</b>	<b>15,347</b>	<b>3,471</b>	<b>1,010,255</b>

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<i>At 31 December</i>	Carrying amount	1 year or less	Separate financial statements Contractual cash flows			Total
			More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	
<b>2022</b>						
<i>Non-derivative financial liabilities</i>						
Trade and other current payables	24,441	24,441	-	-	-	24,441
Payable for acquisition of subsidiaries	89,510	89,510	-	-	-	89,510
Short-term borrowings from related party	55,000	55,090	-	-	-	55,090
Lease liabilities	3,901	719	434	1,302	3,037	5,492
	<u>172,852</u>	<u>169,760</u>	<u>434</u>	<u>1,302</u>	<u>3,037</u>	<u>174,533</u>
<b>2021</b>						
<i>Non-derivative financial liabilities</i>						
Trade and other current payables	25,476	25,476	-	-	-	25,476
Lease liabilities	4,925	1,288	719	1,302	3,471	6,780
	<u>30,401</u>	<u>26,764</u>	<u>719</u>	<u>1,302</u>	<u>3,471</u>	<u>32,256</u>

*(b.3) Market risk*

The Group is exposed to normal business risks from changes in market interest rates, currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

*(b.3.1) Foreign currency risk*

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. However, the purchases is not material during the year so the Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

*(b.3.2) Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Because loan interest rates are mainly fixed, so the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

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<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b><i>Financial instruments with fixed interest rates</i></b>				
Financial assets	346,912	136,944	354,451	217,688
Financial liabilities	400,859	514,470	58,901	4,925
<b><i>Financial instruments with variable interest rates</i></b>				
Financial liabilities	60,941	82,220	-	-

*Fair value sensitivity analysis for fixed-rate instruments*

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<b><i>Impact to profit or loss</i></b>	<b>Consolidated financial statements</b>	
	1% increase in interest rate	1% decrease in interest rate
	<i>(in thousand Baht)</i>	
<b><i>2022</i></b>		
Financial instruments with variable interest rate	(703)	703
<b><i>2021</i></b>		
Financial instruments with variable interest rate	(939)	939

## **27 Capital management**

The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and monitors the level of dividends to ordinary shareholders.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**28 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
Property, plant and equipment	<u>5,052</u>	<u>4,441</u>	<u>-</u>	<u>-</u>
<b>Other commitments</b>				
Purchase orders for construction materials	10,692	1,362	-	-
Bank guarantees	<u>1,138,335</u>	<u>1,212,086</u>	<u>49,000</u>	<u>54,000</u>
<b>Total</b>	<b><u>1,149,027</u></b>	<b><u>1,213,448</u></b>	<b><u>49,000</u></b>	<b><u>54,000</u></b>

**29 Contingent liabilities**

The subsidiary has been sued for a damage case by a company (“plaintiff”) for breach of service contract in amount of Baht 18.31 million. The subsidiary received a subpoena from the Civil Court on 30 November 2019. In this regard, the subsidiary submitted a petition requesting and counterclaims on 27 January 2020. The subsidiary sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance’s judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The subsidiary has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the plaintiff has to return advance payment to the subsidiary. The remaining liability that the subsidiary has to paid to plaintiff amounting to Baht 3.12 million. As a result, the subsidiary has recorded the provision followed by the Court of the First Instance’s judgement.

Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance and considered the plaintiff and the subsidiary have the voluntarily terminated the contract which either parties cannot claim damages from each other. Resulting to, the plaintiff has to return an advance payment after off-setting the contract value which the subsidiary has to pay to the plaintiff amounting to Baht 2.57 million including, interest at the rate of 7.5% per annum from 24 January 2020 to 10 April 2021 and at the rate of 5% per annum from 11 April 2021 until the payment is complete to the subsidiary. However, the interest rate may be adjusted, decreased or increased in accordance with the Royal Decree enacted under the revised Civil and Commercial Code, Section 7, plus a rate of 2% per annum but must not exceed the rate of 7.5% per annum.

On 26 May 2022 and 4 August 2022, the plaintiff submitted a request for appeal to the Supreme Court and a request for stay of execution to the Supreme Court. On 24 August 2022, The Supreme Court has its order to suspend the execution according to the Appeal Court’s judgement during appeal. Currently, it is in the process of consideration by the Supreme Court and the Supreme Court has an order to consider the plaintiff’s request for appeal on 28 March 2023. As at 31 December 2022, the subsidiary remained the provision followed by the Court of the First Instance’s judgement.

**Takuni Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**30 Events after the reporting period**

The Board of Director's meeting of the Company held on 27 February 2023, the Board approved the followings;

- (a) The issuance and offering debenture in the amount of not exceeding Baht 1,000 million. The proceeds from the debenture will be used for accommodate the investment of the Company, use for working capital, business operations, business expansion, including debt repayment or for other purposes as the Board of Director deems appropriate.

The issuance and offering debenture will be presented to the annual general meeting of the shareholders of the Company held in April 2023.

- (b) The dividend payment from the operating results for the year ended 31 December 2022 for 800,000,236 shares at the rate of Baht 0.03 per share, amounting to Baht 24 million.

The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2023.