

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

Financial statements for the year ended
31 December 2023
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 2023, 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 2023 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.



Recognition of revenue from construction contracts	
Refer to the notes 3 (r), 7 and 8 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in the audit
<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"> • Costs incurred; • Surveys of performance completed to date; • Total cost estimation of the contract; and • 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. <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"> • 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; • 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; • Assessing the reasonableness of changes in total cost estimation during the year; • Testing the data used in calculation of percentage of completion with supporting documents; • Analysing the gross profit, work progress and inquire the rationale for differences from the management; • Considering the adequacy of the financial statements disclosures in accordance with the relevant Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 4 to the financial statements, on 13 December 2022, the Company entered into the agreement to acquire 51% shareholdings and voting interests of Guardian Global Security Guard Co., Ltd. (formerly KPN and Service Guard Co., Ltd.). Subsequently on 8 December 2023, the Company has decreased its shareholdings in the aforementioned company from 51% to 34.75%. Resulting in, the Company derecognised the assets and liabilities of the company previously controlled from the consolidated statement of financial position and recognised the remaining interest in the investment at fair value. Additionally, on the same day, the Company entered into an agreement to sell all remaining shares to the former shareholders. In accordance with the terms of the agreement, the former shareholders would gradually made the share payment to the Company within 2024. The Company would transfer ownership rights in the aforementioned company in the proportion of consideration received in each installment. 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.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
29 February 2024

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	187,486,860	180,324,120	2,751,988	15,264,647
Trade and other current receivables	7	375,834,624	585,885,873	6,298,012	124,573,640
Contract assets	8	1,037,938,001	633,808,011	-	-
Short-term loans to related parties	5	13,559,573	81,934,392	-	93,384,392
Short-term loans to other parties		14,500,000	42,284,249	14,500,000	-
Inventories	9	39,441,230	80,811,590	11,796,281	23,971,031
Refundable withholding tax deducted at source		50,668,862	36,442,870	-	-
Indemnification asset		-	14,078,413	-	-
Investments in equity security	4, 24	9,373,812	-	9,373,812	-
Other current assets		9,973,925	8,412,362	404,229	102,462
Total current assets		1,738,776,887	1,663,981,880	45,124,322	257,296,172
Non-current assets					
Restricted deposits at financial institutions	16	16,167,306	20,030,490	7,405,342	2,801,000
Investments in subsidiaries	11	-	-	112,047,870	316,248,870
Investments in associates	10	46,654,201	54,573,808	58,241,800	62,241,800
Long-term loans to related parties	5	241,772,732	222,693,176	324,946,642	261,066,642
Investment properties	10, 16	206,665,000	-	206,665,000	-
Property, plant and equipment	13, 16	614,817,302	666,961,672	1,496,411	48,117,819
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		12,639,438	14,277,587	945,895	879,313
Retention receivables	8	102,688,323	220,510,298	-	-
Withholding tax deducted at source		70,743,173	73,867,847	9,796,587	9,058,454
Deferred tax assets	21	6,407,987	7,776,388	53,310	214,416
Other non-current assets		25,145,975	42,623,620	23,770,142	5,693,383
Total non-current assets		1,363,085,078	1,515,382,505	745,368,999	706,321,697
Total assets		3,101,861,965	3,179,364,385	790,493,321	963,617,869

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Liabilities and equity					
Current liabilities					
Bank overdrafts	6, 16	13,208,525	4,963,999	13,201,222	-
Short-term borrowings from financial institutions	16	155,000,000	175,300,000	55,000,000	-
Trade and other current payables		341,857,482	433,818,037	10,140,243	24,441,314
Payable for acquisition of subsidiaries	4	-	89,000,000	509,900	89,509,900
Contract liabilities	8	730,154,634	529,410,146	-	-
Short-term borrowings from related parties	5, 16	-	-	4,000,000	55,000,000
Short-term borrowings from other parties	16	-	73,139,112	-	-
Current portion of long-term borrowings					
from financial institutions	16	8,620,000	79,843,200	-	-
Current portion of lease liabilities	16	34,152,442	28,215,901	7,871	496,749
Corporate income tax payable		469,141	15,703,116	-	-
Other current liabilities		53,964,339	63,124,978	154,582	732,352
Total current liabilities		1,337,426,563	1,492,518,489	83,013,818	170,180,315
Non-current liabilities					
Long-term borrowings from financial institutions	16	42,000,000	23,097,654	-	-
Lease liabilities	16	43,135,730	22,239,819	43,038	3,404,185
Deferred income	15	427,128	12,540,503	-	-
Non-current provisions for employee benefits		10,367,650	8,191,084	266,547	234,269
Other non-current liabilities		12,649,187	28,700,165	324,810	593,087
Total non-current liabilities		108,579,695	94,769,225	634,395	4,231,541
Total liabilities		1,446,006,258	1,587,287,714	83,648,213	174,411,856

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Liabilities and equity					
Equity					
Share capital:					
Authorised share capital <i>(800,000,236 ordinary shares, par value at Baht 0.5 per share)</i>		400,000,118	400,000,118	400,000,118	400,000,118
Issued and paid-up share capital <i>(800,000,236 ordinary shares, par value at Baht 0.5 per share)</i>		400,000,118	400,000,118	400,000,118	400,000,118
Share premium on ordinary shares	17	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 (Deficit)					
Appropriated					
Legal reserve	17	16,252,000	16,252,000	16,252,000	16,252,000
Unappropriated (Deficit)		204,349,608	213,189,512	(14,935,081)	67,425,824
Other components of equity		81,852,708	81,852,708	-	-
Equity attributable to owners of the parent		1,028,618,795	1,037,458,699	706,845,108	789,206,013
Non-controlling interests	12	627,236,912	554,617,972	-	-
Total equity		1,655,855,707	1,592,076,671	706,845,108	789,206,013
Total liabilities and equity		3,101,861,965	3,179,364,385	790,493,321	963,617,869

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	
		2023	2022	2023	2022
		<i>(in Baht)</i>			
Revenue					
Revenue from sales of goods		384,087,161	543,877,846	170,057,451	541,344,420
Revenue from construction contracts and rendering of services		3,536,959,111	3,280,396,459	-	-
	18	3,921,046,272	3,824,274,305	170,057,451	541,344,420
Costs of sales of goods	9	(369,599,315)	(525,182,134)	(167,441,116)	(521,644,273)
Costs of construction contracts and rendering of services		(3,096,614,855)	(2,871,519,725)	-	-
Gross profit		454,832,102	427,572,446	2,616,335	19,700,147
Other income	10	127,199,243	106,192,752	121,868,807	93,563,366
Distribution costs		(19,116,377)	(4,809,360)	(1,783,492)	(2,203,212)
Administrative expenses	10	(225,732,631)	(181,543,754)	(49,028,817)	(40,151,904)
Profit from operating activities		337,182,337	347,412,084	73,672,833	70,908,397
Loss on loss of control over subsidiary	4	(103,453,212)	-	(129,876,188)	-
Finance costs		(23,190,461)	(15,053,548)	(1,996,437)	(408,927)
Share of loss of associates accounted for using equity method		(4,145,982)	(5,233,490)	-	-
Profit (loss) before income tax expense		206,392,682	327,125,046	(58,199,792)	70,499,470
Income tax expense	21	(60,792,287)	(67,940,130)	(161,106)	(283,277)
Profit (loss) for the year		145,600,395	259,184,916	(58,360,898)	70,216,193

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	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain on remeasurements of defined benefit plans		-	4,889,234	-	669,136
Income tax relating to items that will not be reclassified	21	-	(977,847)	-	(133,827)
Other comprehensive income for the year, net of tax		-	3,911,387	-	535,309
Total comprehensive income for the year		145,600,395	263,096,303	(58,360,898)	70,751,502
Profit (loss) attributable to:					
Owners of parent		15,160,103	127,808,257	(58,360,898)	70,216,193
Non-controlling interests	12	130,440,292	131,376,659	-	-
		145,600,395	259,184,916	(58,360,898)	70,216,193
Total comprehensive income attributable to:					
Owners of parent		15,160,103	130,925,198	(58,360,898)	70,751,502
Non-controlling interests	12	130,440,292	132,171,105	-	-
		145,600,395	263,096,303	(58,360,898)	70,751,502
Basic earnings (loss) per share	22	0.019	0.160	(0.073)	0.088

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	Shareholders' equity				Other components		Equity		Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Share surplus from business combination under common control	Retained earnings	Changes in parent's ownership interest in subsidiary	Equity attributable to owner of the parent	Non-controlling interests		
(in Baht)										
Year ended 31 December 2022										
Balance at 1 January 2022										
		400,000,118	305,528,071	20,636,290	12,597,000	105,919,314	81,852,708	926,533,501	421,650,834	1,348,184,335
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the parent</i>										
	23	-	-	-	-	(20,000,000)	-	(20,000,000)	(29,787,684)	(49,787,684)
		-	-	-	-	(20,000,000)	-	(20,000,000)	(29,787,684)	(49,787,684)
<i>Changes in ownership interests in subsidiaries</i>										
	4	-	-	-	-	-	-	-	30,583,717	30,583,717
		-	-	-	-	(20,000,000)	-	(20,000,000)	796,033	(19,203,967)
Total transactions with owners, recorded directly in equity										
Comprehensive income for the year										
		-	-	-	-	127,808,257	-	127,808,257	131,376,659	259,184,916
		-	-	-	-	3,116,941	-	3,116,941	794,446	3,911,387
		-	-	-	-	130,925,198	-	130,925,198	132,171,105	263,096,303
	17	-	-	-	3,655,000	(3,655,000)	-	-	-	-
Balance at 31 December 2022										
		400,000,118	305,528,071	20,636,290	16,252,000	213,189,512	81,852,708	1,037,458,699	554,617,972	1,592,076,671

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of changes in equity

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

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

Takuni Group Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				
		Retained earnings/(Deficit)				
Year ended 31 December 2023	Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve <i>(in Baht)</i>	Unappropriated (Deficit)	Total equity
Balance at 1 January 2023		400,000,118	305,528,071	16,252,000	67,425,824	789,206,013
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
	23	-	-	-	(24,000,007)	(24,000,007)
		-	-	-	(24,000,007)	(24,000,007)
Comprehensive income for the year						
		-	-	-	(58,360,898)	(58,360,898)
		-	-	-	(58,360,898)	(58,360,898)
Balance at 31 December 2023		400,000,118	305,528,071	16,252,000	(14,935,081)	706,845,108

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	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Cash flows from operating activities					
Profit (loss) for the year		145,600,395	259,184,916	(58,360,898)	70,216,193
Adjustments to reconcile profit (loss) to cash receipts (payments)					
Tax expense		60,792,287	67,940,130	161,106	283,277
Finance costs		23,190,461	15,053,548	1,996,437	408,927
Depreciation and amortisation		101,802,928	101,500,104	4,345,693	6,087,830
Non-current provisions for employee benefits		2,858,680	957,339	32,278	169,696
(Reversal of) expected credit loss on receivables and bad debts	7	(2,442,808)	1,637,837	72,141	(1,472,892)
(Reversal of) losses on inventories devaluation	9	(7,305,637)	6,516,769	-	-
Loss on loss of control over subsidiary	4	103,453,212	-	129,876,188	-
Gain on disposal of investments in associates		(783,641)	-	-	-
Gain on exchange of assets	10	(67,665,000)	-	(63,665,000)	-
(Gain) loss on disposal and written off of assets		(18,520,183)	(83,114,699)	(21,348,446)	4,919
Unrealised (gain) loss on foreign exchange		130,274	78,595	(240,778)	-
Share of loss of associates accounted for using equity method		4,145,982	5,233,490	-	-
Written off of withholding tax deducted at source		879,696	122,602	-	-
Dividend income		-	-	(359,892)	(74,999,985)
Interest income		(19,853,799)	(8,763,817)	(24,303,461)	(7,354,915)
		326,282,847	366,346,814	(31,794,632)	(6,656,950)
Changes in operating assets and liabilities					
Trade and other current receivables		189,865,937	(150,382,361)	42,757,792	4,571,231
Contract assets		(419,275,169)	18,302,777	-	-
Inventories		48,675,997	(17,156,872)	12,174,750	(10,316,921)
Indemnification asset		14,078,413	-	-	-
Other current assets		(1,592,075)	2,683,799	(301,767)	6,392
Retention receivables		117,821,975	(123,355,897)	-	-
Receivable from sale of land		-	76,240,690	-	-
Other non-current assets		1,422,290	2,219,087	855,379	-
Trade and other current payables		(65,616,427)	13,540,752	(14,058,550)	(1,030,997)
Contract liabilities		200,744,487	239,268,182	-	-
Other current liabilities		7,098,694	(1,101,832)	(577,770)	493,686
Payment of non-current provisions for employee benefits		(110,802)	(240,333)	-	-
Other non-current liabilities		(16,050,977)	16,256,934	(268,277)	106,800
Net cash generated from (used in) operating activities		403,345,190	442,621,740	8,786,925	(12,826,759)
Interest paid		(22,302,836)	(12,143,217)	(1,807,012)	(144,273)
Tax paid - net		(90,769,818)	(115,295,932)	(738,134)	(381,802)
Net cash from (used in) operating activities		290,272,536	315,182,591	6,241,779	(13,352,834)

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	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
(Increase) decrease in restricted deposits at financial institutions		(9,266,386)	7,257,484	(4,604,342)	12,799,000
Proceeds from loans to related parties	5, 10	1,000,000	17,300,000	127,850,000	266,000,000
Payment for loans to related parties	5	(53,698,140)	(261,302,493)	(191,280,000)	(402,763,435)
Proceeds from loans to other party		42,284,249	122,494,885	-	-
Proceeds from disposal of associates		2,010,000	1,000,000	-	-
Acquisition of associates		-	(58,241,800)	-	(58,241,800)
Acquisition of subsidiaries, net of cash acquired	4	(24,000,000)	(108,893,385)	(24,049,000)	(115,280,000)
Acquisition of investment properties	10	(2,522,783)	-	(2,522,783)	-
Acquisition of property, plant and equipment		(42,395,067)	(63,287,953)	(1,222,734)	(1,804,524)
Acquisition of intangible assets		(1,531,940)	(2,395,040)	(500,444)	(42,978)
Proceeds from disposal of investment properties		-	3,369,579	-	-
Proceeds from disposal of property, plant and equipment		66,225,704	117,649,701	61,928,514	-
Dividend received		712,500	-	75,359,877	29,949,556
Interest received		2,785,485	4,376,329	2,774,208	6,476,937
Net cash from (used in) investing activities		(18,396,378)	(220,672,693)	43,733,296	(262,907,244)
<i>Cash flows from financing activities</i>					
Proceeds from short-term borrowings from financial institutions		1,317,791,386	520,641,000	90,000,000	-
Repayment of short-term borrowings from financial institutions		(1,393,091,386)	(718,843,000)	(90,000,000)	-
Proceeds from long-term borrowings from financial institutions		42,000,000	-	-	-
Repayment of long-term borrowings from financial institutions		(78,603,044)	(40,011,475)	-	-
Proceeds from short-term borrowings from other party		6,070,000	-	-	-
Repayment of short-term borrowings from other parties		(74,309,112)	(108,350,000)	-	-
Proceeds from short-term borrowings from related parties	5	10,752,398	15,000,000	21,000,000	70,000,000
Repayment of short-term borrowings from related parties	5	(8,759,000)	(24,500,000)	(72,000,000)	(15,000,000)
Repayment of lease liabilities		(33,554,919)	(39,126,014)	(688,949)	(1,288,309)
Dividends paid to owners of the Company		(24,000,007)	(20,000,015)	(24,000,007)	(20,000,000)
Dividends paid to non-controlling interests		(37,254,260)	(29,787,684)	-	-
Net cash from (used in) financing activities		(272,957,944)	(444,977,188)	(75,688,956)	33,711,691

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		
	<i>Note</i>	2023	2022	2023	2022
		<i>(in Baht)</i>			
Net decrease in cash and cash equivalents		(1,081,786)	(350,467,290)	(25,713,881)	(242,548,387)
Cash and cash equivalents at 1 January		175,360,121	525,827,411	15,264,647	257,813,034
Cash and cash equivalents at 31 December		174,278,335	175,360,121	(10,449,234)	15,264,647
Cash and cash equivalents at 31 December	6				
Cash and cash equivalents		187,486,860	180,324,120	2,751,988	15,264,647
Bank overdrafts		(13,208,525)	(4,963,999)	(13,201,222)	-
		174,278,335	175,360,121	(10,449,234)	15,264,647
<i>Non-cash transactions</i>					
Accrued dividend		-	-	-	74,999,985
Payable from purchase of property, plant and equipment		6,092,910	713,162	3,457	5,200
Payable from purchase of intangible assets		35,205	-	-	-
Acquisitions of right-of-use assets under leases		69,892,342	9,209,307	50,909	-
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 2023

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisitions of subsidiary
5	Related parties
6	Cash and cash equivalents
7	Trade and other current receivables
8	Contract assets and contract liabilities
9	Inventories
10	Investments in associates
11	Investments in subsidiaries
12	Non-controlling interests
13	Property, plant and equipment
14	Goodwill
15	Receivable from sale of land
16	Interest-bearing liabilities
17	Reserve
18	Segment information and disaggregation of revenue
19	Employee benefit expenses
20	Expenses by nature
21	Income tax
22	Basic earnings (loss) per share
23	Dividends
24	Financial instruments
25	Capital management
26	Commitments with non-related parties
27	Contingent liabilities
28	Event after the reporting period

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 29 February 2024.

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
Security, housekeeping and other services	Providing security, housekeeping and other services
Others	Property development, food delivery and others

Details of the Company’s subsidiaries as at 31 December 2023 and 2022 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 2023

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 2023

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
Notes to the financial statements
For the year ended 31 December 2023

(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
Notes to the financial statements
For the year ended 31 December 2023

(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 on initial recognition and subsequently at fair value, with any change recognised in profit or loss. 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 calculated on a straight-line basis over the estimated useful lives by class of assets and recognised in profit or loss. No depreciation is charged on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings	20 years
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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 2023

(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
Notes to the financial statements
For the year ended 31 December 2023

(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

For the year ended 31 December 2023

(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.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(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.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 (loss) per share*

Basic earnings (loss) 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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

4 Acquisitions of subsidiary

Acquisition of Guardian Global Security Guard Co., Ltd. (formerly KPN and Service Guard Co., Ltd.)

On 13 December 2022, the Group obtained control of Guardian Global Security Guard Co., Ltd. (formerly KPN and Service Guard Co., Ltd.) (“the subsidiary”), 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.

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

<i>Identifiable assets acquired and liabilities assumed</i>	Estimated fair value <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)
Total identifiable net assets	61,403
<i>Less Non-controlling interests (49%)</i>	<i>(30,087)</i>
Total identifiable net assets received	31,316
An excess of purchase consideration transferred over the fair values of identifiable net assets received	172,684
Purchase consideration transferred	204,000
Net cash acquired with the subsidiary	6,107
Cash paid	(115,000)
Net cash outflows	(108,893)

As at 31 December 2023, 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. Furthermore, the Group is in the process of examining the business in terms of financial, legal, tax and others due diligence including related documents as at the acquisition date.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 recognised 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.

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.

On 8 May 2023, the former shareholder sent a letter requesting payment for the remaining amount of shares whereas the agreement in the memorandum of the share purchase agreement has not been reached. On 12 May 2023, the Company has made a partial payment of Baht 20 million to the subsidiary acting as an attorney of the former shareholder to pay the taxes amounting to Baht 17 million. The subsidiary has made a payment of the remaining amount of shares of Baht 3 million to the former shareholder. Subsequently on 23 June 2023, the Company has made the additional payment of Baht 4 million. As such, total partial payment of shares made by the Company up to 7 December 2023 amounted to Baht 139 million, or equivalent to voting interests in the subsidiary of 34.75%, resulted in the remaining payment of Baht 65 million.

Subsequently, at the Board of Directors' meeting of the Company held on 8 December 2023, the Board approved to sale the investment in the subsidiary of 51% shareholdings to the former shareholders, totaling of Baht 204 million, based on the original purchase price at which the Company acquired the shares. On the same day, the Company entered into an amendment to share purchase agreements with former shareholders, referencing share purchase agreement dated 13 December 2022, to adjust the proportion of shares held in the subsidiary from 51% to 34.75% of the shareholdings and voting interests. On the same day, the Company submitted a resignation letter from its directorship in the subsidiary, resulting in the loss of control over the subsidiary on that date. Consequently, the Company recognised loss on loss of control over subsidiary amounting to Baht 103 million and Baht 130 million in the consolidated and separate statements of comprehensive income, respectively, including derecognised the assets and liabilities of the subsidiary previously controlled from the consolidated statement of financial position. The remaining interests of 34.75% was classified as an investment in equity security, measured at fair value on the date when control is lost, amounting to Baht 9 million in the statements of financial position.

On the same day, 8 December 2023, the Company entered into the share purchase agreements to sell shares in Guardian Global Security Guard Co., Ltd. ("GGS") of 34.75% shareholdings and voting interests to the former shareholders, based on the original purchase price at which the Company acquired the shares, totaling Baht 139 million. The former shareholders would gradually made the share payment within 2024, in four installments. The Company would transfer ownership rights in the GGS's shares according to the proportion of consideration received in each installment. During January and February 2024, the Company had received partial payment for the first installment in the amount of Baht 7 million.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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:

Transactions	Pricing policies
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

Significant transactions with related parties Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Revenue from sales of goods	-	-	14,151	-
Purchases of goods and receiving of services	-	-	289	313
Other income	-	-	11,475	7,300
Dividend income	-	-	360	75,000
Rental expense	-	-	-	1,212
Transportation expense	-	-	5,849	23,381
Interest income	-	-	4,702	3,845
Purchases of assets	-	-	464	10
Other expenses	-	-	148	1,462
Interest expense	-	-	158	-
Associates				
Revenue from sales of goods and rendering of services	-	280	-	-
Purchases of goods	7,393	11,201	6,752	-
Dividend income	713	-	-	-
Other income	-	2,415	-	1,769
Interest income	19,448	6,370	19,448	3,289
Key management personnel				
Key management personnel compensation				
Short-term employee benefits (including director's remuneration)	36,505	42,214	11,715	11,712
Post-employment benefits (reversal)	421	(480)	9	(342)
Total key management personnel compensation	36,926	41,734	11,724	11,370
Other related parties				
Rental expense	-	60	-	-
Interest expense	-	83	-	83

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade receivables</i>				
Subsidiary	-	-	80	-
<i>Other receivables</i> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	2,522	1,060
Associates	-	1,769	-	1,769
Total	-	1,769	2,522	2,829
<i>Interest receivables</i> <i>(included in other current receivables)</i>				
Subsidiaries	-	-	-	446
<i>Dividend receivables</i> <i>(included in other current receivables)</i>				
Subsidiary	-	-	-	75,000
<i>Interest receivables</i> <i>(included in other non-current assets)</i>				
Subsidiaries	-	-	4,457	1,545
Associates	19,309	3,289	19,309	3,289
Total	19,309	3,289	23,766	4,834
<i>Trade and other current payables</i>				
Subsidiaries	-	-	595	2,863
Associates	7,143	11,986	6,511	-
Total	7,143	11,986	7,106	2,863

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Interest rate								
	31 December 2022	31 December 2023	31 December 2022	Increase	Decrease	Allowance for expected credit loss	Loss on exchange rate	31 December 2023	
Loans to Associates	0 - 8	0, 8	304,628	53,698	(93,934)	(8,679)	(381)	255,332	
	Interest rate								
	31 December 2022	31 December 2023	31 December 2022	Increase	Decrease	Allowance for expected credit loss	Loss on exchange rate	31 December 2023	
Loans to Subsidiaries	3	3 - 8.5	75,018	145,700	(126,850)	-	-	93,868	
Associates	0, 3, 8	8	279,433	45,580	(93,934)	-	-	231,079	
Total			354,451	191,280	(220,784)	-	-	324,947	
	Interest rate								
	31 December 2022	31 December 2023	31 December 2022	Increase	Decrease	Allowance for expected credit loss	Loss on exchange rate	31 December 2023	
Loans from Other related parties	-	-	-	10,752	(10,752)	-	-	-	
	Interest rate								
	31 December 2022	31 December 2023	31 December 2022	Increase	Decrease	Allowance for expected credit loss	Loss on exchange rate	31 December 2023	
Loans from Subsidiaries	3	8.5	55,000	21,000	(72,000)	-	-	4,000	

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	517	593	3	5
Cash at banks - current accounts	173,358	116,193	53	52
Cash at banks - savings accounts	13,452	63,395	2,623	15,148
Highly liquid short-term investments	160	143	73	60
Cash and cash equivalents in the statement of financial position	187,487	180,324	2,752	15,265
Bank overdrafts used for cash management purposes	(13,209)	(4,964)	(13,201)	-
Cash and cash equivalents in the statement of cash flows	174,278	175,360	(10,449)	15,265

The effective interest rate on highly liquid short-term investments was 0.10% to 1.10% per annum (2022: 0.10% to 1.05% per annum).

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

7 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	5	-	-	80	-
Other parties		334,682	561,397	1,338	45,827
Less allowance for expected credit loss	24	(756)	(3,248)	(381)	(309)
Net		333,926	558,149	1,037	45,518
Other current receivables					
Related parties	5	-	1,769	2,522	2,829
Other parties		602	1,260	55	4
Prepaid expense		30,463	13,699	2,684	777
Advance payments to subcontractors		9,181	10,878	-	-
Other accrued income		51	131	-	-
Interest receivables	5	-	-	-	446
Dividend receivables	5	-	-	-	75,000
Receivable from sale of investment		1,612	-	-	-
Total		41,909	27,737	5,261	79,056
Total trade and other current receivables		375,835	585,886	6,298	124,574

		Consolidated financial statements		Separate financial statements	
		2566	2565	2566	2565
		<i>(in thousand Baht)</i>			
Year ended 31 December					
Expected credit loss					
- Additions		1,444	2,763	619	38
- Reversal		(3,936)	(2,590)	(547)	(2,067)
Bad debts		49	1,465	-	556

Information of credit risk is disclosed in note 24 (b.1)

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

8 Contract assets and contract liabilities

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

	Consolidated financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Contract assets		
Total project value	5,676,981	5,110,300
Accumulated amount recognised as revenue on percentage of completion basis	3,555,907	3,186,493
Less value of total billed	<u>(2,517,969)</u>	<u>(2,552,685)</u>
Total contract assets	<u>1,037,938</u>	<u>633,808</u>
Retention receivables	<u>102,688</u>	<u>220,510</u>
Contract liabilities		
Total project value	4,711,138	4,014,769
Value of total billed	3,984,316	3,631,011
Less accumulated amount recognised as revenue on percentage of completion basis	<u>(3,499,234)</u>	<u>(3,146,355)</u>
	<u>485,082</u>	<u>484,656</u>
Advance received from construction contracts	<u>245,073</u>	<u>44,754</u>
Total contracts liabilities	<u>730,155</u>	<u>529,410</u>

Revenue recognition from contract balance

During the year 2023, the Group recognised contract liabilities balance at the beginning of the year in revenue from construction contracts and rendering of services amounted of Baht 519.45 million (2022: Baht 260.51 million).

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied

As at 31 December 2023, the Group has revenue expected to be recognised in the future arising from performance obligations that are unsatisfied amounted of Baht 3,330.86 million (2022: Baht 2,692.97 million) which is expected to be recognised during 2024 - 2025 (2022: 2023 - 2024).

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		<i>(in thousand Baht)</i>		
Finished goods - petroleum gas	-	23,787	-	23,971
Finished goods - gas tank for installation and equipment	7,664	7,992	-	-
Finished goods - minibus	-	9,459	-	-
Finished goods - electric motorcycles and equipment	8,037	-	3,460	-
Work in progress - gas installation	292	573	-	-
Work in progress - testing	36	960	-	-
Work in progress - electric motorcycles and equipment	8,130	-	8,336	-
Raw materials	20,613	50,071	-	-
Supplies	3,401	4,007	-	-
Total	48,173	96,849	11,796	23,971
<i>Less</i> allowance for losses on decline in value	(8,732)	(16,037)	-	-
Net	39,441	80,812	11,796	23,971
Inventories recognised in 'cost of sales of goods':				
- Cost of sales of goods	376,904	518,665	167,441	521,644
- Write-down to net realisable value	101	6,836	-	-
- Reversal of write-down	(7,406)	(319)	-	-
Net	369,599	525,182	167,441	521,644

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

10 Investments in associates

	Type of business	Ownership interest (%)		Paid- up capital		Consolidated financial statements (in thousand Baht)						Separate financial statements		Dividend income for the year	
		2023	2022	2023	2022	At equity method			Cost		2023	2022			
				2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
<i>Associates</i>															
Sermasch Co., Ltd.	Repair and maintenance of tools and machinery	-	47.5	-	2,000	1,419	-	1,040	-	-	-	-	-	-	-
Sorb Engineering Co., Ltd.	Sales and installation of tools and machinery	-	47.5	-	2,000	1,104	-	3,418	-	-	-	-	-	-	-
Exact Real Estate Co., Ltd.	Property development for sale	-	40.0	-	10,000	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	-	-	-	-	-	-	-	-
Enrich Property Co., Ltd.	Property development for sale	30.0	30.0	10,000	10,000	3,000	3,000	-	2,391	3,000	3,000	-	-	-	-
Enrich Venture Co., Ltd.	Property development for sale	20.0	20.0	180,000	180,000	40,064	40,064	32,257	33,019	40,064	40,064	40,064	40,064	-	-
Food Ordery Co., Ltd.	Food delivery	5.9	5.9	10,625	10,625	15,178	15,178	14,398	14,706	15,178	15,178	15,178	15,178	-	-
Total				59,803	66,326	54,574	58,242	62,242	62,242	62,242	62,242	62,242	62,242	-	-

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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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.

On 31 August 2023, the subsidiary sold all its authorized share capital of 9,500 ordinary shares in Sermarsh Co., Ltd. amounted to Baht 0.46 million to other party and received all the payment for the shares.

On 31 August 2023, the subsidiary sold all its authorized share capital of 9,500 ordinary shares in Sorb Engineering Co., Ltd. amounted to Baht 3.16 million to other party. The payment will be paid by installments within 11 months until June 2024 with interest rate at 3% per month. The post-dated cheques of the buyer have been pledges as collateral for the installments.

On 30 October 2023, the Company entered into an agreement to purchase a land from a company with a total contract value of Baht 160 million, acquiring investment properties, consisting of land and buildings, with a fair value of Baht 206.67 million. The Company also assumed liabilities related to loans associated with the investment properties, amounting to Baht 55.00 million by exchange the Company's investment in Exact Real Estate Co., Ltd., totaling 40,000 shares. The transfer included assets and claims held by the Company in Exact Real Estate Co., Ltd., including loans and accrued interest totaling Baht 81.48 million and paid in cash amounted to Baht 2.52 million. The Company recognised gains from the asset exchange amounting to Baht 67.67 million and Baht 63.67 million in the consolidated and separate statements of comprehensive income, respectively. On 3 November 2023, the Company had received the transfer of ownership rights in investment properties.

As at 31 December 2023, Yi Hao Motor Co., Ltd. had capital deficiency. The Group recognised a loss attributable to an associate exceeding the investment amounting to Baht 8.68 million as expected credit loss on long-term loans to related parties.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Type of business	Ownership interest (%)		Paid-up capital		Separate financial statements				Dividend income for the year	
	2023	2022	2023	2022	Cost	Impairment	At cost - net	2023		2022
					<i>(in thousand Baht)</i>					
Direct subsidiaries										
Guardian Global Security Guard Co., Ltd. <i>(formerly KPN and Service Guard Co., Ltd.)</i>	-	51.00	-	50,000	-	-	-	204,250	-	-
Takumi Intertrade Co., Ltd <i>(formerly Sersol Takuni (Thailand) Co., Ltd.)</i>	50.99	50.99	1,000	1,000	540	-	-	540	540	-
SMEGOM Co., Ltd.	49.00	-	100	-	49	-	-	49	-	-
Indirect subsidiaries										
CAZ (Thailand) Public Company Limited	36.64	36.64	140,000	140,000	-	-	-	-	-	-
JKEC Co., Ltd.	26.80	26.80	10,100	10,100	-	-	-	-	-	-
Total			112,048	316,249	112,048	316,249	112,048	316,249	360	75,000

All subsidiaries were incorporated and operate in Thailand.

On 13 December 2022, the Company jointly invested in Guardian Global Security Guard Co., Ltd. *(formerly 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. Subsequently, on 8 December 2023, the Company lost control of such subsidiary *(see note 4)*.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

On 21 December 2022, the Company jointly invested in Sersol Takumi (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. On 14 July 2023, the subsidiary changed its name to Takuni Intertrade Co., Ltd. As at 31 December 2023, the Company has unpaid shares amounted to Baht 0.51 million.

On 17 February 2023, the Company jointly invested in SMEGOM Co., Ltd. to engage in service providing of computer software in POS system for SMEs. Its authorized share capital amounted to Baht 0.1 million, which consisted of 1,000 ordinary shares at a par value of Baht 100 per share. The company held 49.00% of shares.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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:

	CAZ (Thailand) Public Company Limited	
	2023	2022
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	63.36%	63.36%
Current assets	1,567,555	1,248,790
Non-current assets	739,089	842,570
Current liabilities	(1,227,105)	(1,215,958)
Non-current liabilities	(98,101)	(54,083)
Net assets	981,438	821,319
Carrying amount of non-controlling interest	621,839	520,388
Intra-group eliminations	4,961	3,370
Total	626,800	523,758
Revenue	3,163,240	3,135,464
Profit	218,919	204,891
Other comprehensive income	-	2,163
Total comprehensive income	218,919	207,054
Profit allocated to non-controlling interest	138,707	129,819
Intra-group eliminations	1,589	1,282
Total	140,296	131,101
Total comprehensive income allocated to non-controlling interest	138,707	131,189
Intra-group eliminations	1,589	706
Total	140,296	131,895
Dividends to non-controlling interest	37,254	29,788
Cash flows from operating activities	287,057	239,615
Cash flows used in investing activities	(31,505)	(48,291)
Cash flows used in financing activities	(198,240)	(337,363)
Net increase (decrease) in cash and cash equivalents	57,312	(146,039)

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

13 Property, plant and equipment

	Consolidated financial statements						Total
	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	
Cost							
At 1 January 2022	327,656	188,255	58,849	414,201	161,491	288	1,150,740
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)
At 31 December 2022 and 1 January 2023	319,175	170,508	58,849	455,865	168,307	7,379	1,180,083
Additions	8,653	7,544	-	70,444	23,219	5,256	115,116
Transfer	-	11,531	-	-	-	(11,531)	-
Disposals/written off	(30,972)	(25,759)	(58,849)	(10,288)	(10,476)	-	(136,344)
Written off from loss of control in subsidiary <i>(See note 4)</i>	(16,320)	(864)	-	(2,207)	(4,121)	-	(23,512)
At 31 December 2023	280,536	162,960	-	513,814	176,929	1,104	1,135,343

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Consolidated financial statements

	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>Depreciation and impairment losses</i>							
At 1 January 2022	4,087	59,168	43,005	219,119	114,655	-	440,034
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)
At 31 December 2022 and 1 January 2023	3,712	56,618	46,141	280,367	126,283	-	513,121
Depreciation charge for the year	4,290	9,184	1,604	66,944	16,817	-	98,839
Disposals/written off	(1,117)	(20,295)	(47,745)	(9,024)	(10,420)	-	(88,601)
Written off from loss of control in subsidiary (<i>See note 4</i>)	-	(700)	-	(148)	(1,985)	-	(2,833)
At 31 December 2023	6,885	44,807	-	338,139	130,695	-	520,526
<i>Net book value</i>							
At 31 December 2022	309,988	113,890	12,708	112,018	13,364	7,379	569,347
Owned assets	5,475	-	-	63,480	28,660	-	97,615
Right-of-use assets	315,463	113,890	12,708	175,498	42,024	7,379	666,962
At 31 December 2023	267,172	116,627	-	120,003	26,547	1,104	531,453
Owned assets	6,479	1,526	-	55,672	19,687	-	83,364
Right-of-use assets	273,651	118,153	-	175,675	46,234	1,104	614,817

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Separate financial statements

	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
Cost							
At 1 January 2022	30,963	21,377	53,495	5,368	10,784	-	121,987
Additions	-	-	1,190	611	-	-	1,801
Disposals/written off	-	-	-	(361)	-	-	(361)
At 31 December 2022 and 1 January 2023	30,963	21,377	54,685	5,618	10,784	-	123,427
Additions	9	-	450	761	-	-	1,220
Disposals/written off	(30,972)	(21,377)	(55,135)	(2,209)	(2,785)	-	(112,478)
At 31 December 2023	-	-	-	4,170	7,999	-	12,169
Depreciation and impairment losses							
At 1 January 2022	571	15,583	40,312	4,723	8,778	-	69,967
Depreciation charge for the year	298	1,087	3,013	464	836	-	5,698
Disposals/written off	-	-	-	(356)	-	-	(356)
At 31 December 2022 and 1 January 2023	869	16,670	43,325	4,831	9,614	-	75,309
Depreciation charge for the year	248	714	2,067	295	835	-	4,159
Disposals/written off	(1,117)	(17,384)	(45,392)	(2,129)	(2,773)	-	(68,795)
At 31 December 2023	-	-	-	2,997	7,676	-	10,673

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements						Total
	Right-of-use on land, land and improvement	Buildings and building improvements	Gas cylinders and equipment	Machinery, tool, equipment, furniture, fixtures and office equipment (in thousand Baht)	Vehicle	Assets under construction and installation	
<i>Net book value</i>							
At 31 December 2022							
Owned assets	26,495	4,707	11,360	787	18	-	43,367
Right-of-use assets	3,599	-	-	-	1,152	-	4,751
	30,094	4,707	11,360	787	1,170	-	48,118
At 31 December 2023							
Owned assets	-	-	-	1,129	-	-	1,129
Right-of-use assets	-	-	-	44	323	-	367
	-	-	-	1,173	323	-	1,496

As at 31 December 2023, the Group had pledged property, plant and equipment with net book value of Baht 419.15 million (2022: Baht 475.73 million and Baht 32.06 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.

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. Subsequently on 10 February 2023, the Company entered into an agreement to sell the gas depot and related assets to a company with the selling price of Baht 35 million. The Company recognised gain on disposal of gas depot and related assets amounting to Baht 2.13 million as other income in the separate and consolidated statement of comprehensive income.

On 2 August 2023, the Company entered into an agreement to sell the gas depots and related assets to another company with the selling price of Baht 26 million. The Company recognised gain on disposal of gas depot and related assets amounting to Baht 16.17 million as other income in the separate and consolidated statement of comprehensive income.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Right-of-use assets

During the year 2023, the Group has entered into the lease agreements for property, plant and equipment. The agreements periods are for 1 - 5 years with fixed payment for the entire leasing term. The Group recognised right-of-use assets amounting to Baht 69.89 million (2022: 9.21 million).

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets				
- Land	4,289	2,465	248	298
- Machine, tools and equipment	16,832	8,325	-	-
- Buildings and building improvements	155	-	-	-
- Vehicle	9,586	8,810	-	829
Interest on lease liabilities	2,720	2,910	187	262
Expense relating to short-term leases	298,090	238,788	886	38
Expense relating to lease of low value assets	4,991	2,845	304	348

In 2023, total cash outflow for leases of the Group and the Company were Baht 336.63 million and Baht 1.88 million, respectively (2022: Baht 280.76 million and Baht 1.67 million, respectively).

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.

	Consolidated financial statements	
	2023	2022
	(%)	
Discount rate	11.49	11.00
Growth rate	2.00	2.64
Gross profit margin (average of next ten years)	11.43	11.26

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 6.23% at a market interest rate of 7.37%.

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.

As at 31 December 2023, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately Baht 252.72 million (2022: Baht 263.95 million).

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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. During 2023, the subsidiary received full payment for the remaining balance of land and buildings, amounting to Baht 76.24 million, and has consequently released the collateral securing the installment payments to the associate.

In October 2023, the Group disposed of investment in the associate (*see Note 10*), the Group recognised deferred income of gain on disposal of land and buildings amounting to Baht 12.54 million in the consolidated statement of comprehensive income.

16 Interest-bearing liabilities

	Consolidated financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	13,209	-	13,209	4,964	-	4,964
Short-term borrowings from financial institutions	125,000	30,000	155,000	145,300	30,000	175,300
Short-term borrowings from other parties	-	-	-	-	73,139	73,139
Long-term borrowings from financial institutions	50,620	-	50,620	102,941	-	102,941
Lease liabilities	59,853	17,435	77,288	36,324	14,132	50,456
Total interest-bearing liabilities	248,682	47,435	296,117	289,529	117,271	406,800
	Separate financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	13,201	-	13,201	-	-	-
Short-term borrowings from financial institutions	55,000	-	55,000	-	-	-
Short-term borrowings from related party	-	-	-	-	55,000	55,000
Lease liabilities	-	51	51	282	3,619	3,901
Total interest-bearing liabilities	68,201	51	68,252	282	58,619	58,901

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Deposits at financial institutions		16,167	20,030	7,405	2,801
Investment properties	10	201,600	-	201,600	-
Property, plant and equipment	13	419,145	475,730	-	32,061
Total		636,912	495,760	209,005	34,862

As at 31 December 2023, the Group and the Company had unutilised credit facilities totaling Baht 1,775.00 million and Baht 105.00 million, respectively (2022: Baht 879.39 million and Baht 56.00 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

In May 2023, the subsidiary issued a new promissory note to replace existing promissory note to a local financial institution amounting to Baht 42 million according to the condition in the revolving loan agreement. Such promissory note had term of 2 years, maturing in May 2025 and bore interest rate at 4% - 6% per annum. The loan was secured by Thai Credit Guarantee Corporation.

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).

In October 2023, the Company assumed liabilities related to loans associated with the investment properties (see note 10) amounting to Baht 55 million and bore interest rate at 10.27% (MLR +3.0) per annum. The loan has been pledged by related investment properties.

17 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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

18 Segment information and disaggregation of revenue

(a) Segment information

Management determined that the Group has seven 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
- *Segment security, housekeeping and other services* Providing security, housekeeping and other services
- *Others* Property development, food delivery and others

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 2,729.75 million for the year 2023 (2022: Baht 2,864.72 million) of the Group's total revenue.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		Consolidated financial statements													
		Construction services <i>(in thousand Baht)</i>				NDT and inspection services		Security, housekeeping and other services		Total					
<i>For the year ended</i>		2023		2022		2023		2022		2023		2022			
<i>31 December</i>															
Information about reportable segments															
Total revenues		395,915	541,344	3,016	3,001	44,956	46,612	3,168,017	3,139,509	139,472	135,098	219,081	14,247	3,970,457	3,879,811
Inter-segment revenue		(14,151)	-	(693)	(468)	(16,189)	(28,227)	-	-	(18,378)	(26,842)	-	-	(49,411)	(55,537)
External revenues		<u>381,764</u>	<u>541,344</u>	<u>2,323</u>	<u>2,533</u>	<u>28,767</u>	<u>18,385</u>	<u>3,168,017</u>	<u>3,139,509</u>	<u>121,094</u>	<u>108,256</u>	<u>219,081</u>	<u>14,247</u>	<u>3,921,046</u>	<u>3,824,274</u>
Timing of revenue recognition															
At a point in time		381,764	541,344	2,323	2,533	-	-	-	-	-	-	-	-	384,087	543,877
Over time		-	-	-	-	28,767	18,385	3,168,017	3,139,509	121,094	108,256	219,081	14,247	3,536,959	3,280,397
Total revenues		<u>381,764</u>	<u>541,344</u>	<u>2,323</u>	<u>2,533</u>	<u>28,767</u>	<u>18,385</u>	<u>3,168,017</u>	<u>3,139,509</u>	<u>121,094</u>	<u>108,256</u>	<u>219,081</u>	<u>14,247</u>	<u>3,921,046</u>	<u>3,824,274</u>
Segment profit (loss) before income tax															
Share of profit (loss) of associates accounted for using equity method		(24,573)	(160)	(199)	209	(701)	(45)	275,092	254,271	9,568	7,628	(33,037)	633	226,150	262,536
Total profit (loss) before income tax expense														(15,611)	69,822
														<u>(4,146)</u>	<u>(5,233)</u>
														<u>206,393</u>	<u>327,125</u>

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

19 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Salaries, bonus and wages	1,592,084	1,152,470	19,799	22,985
Defined benefit plan	2,859	2,421	32	170
Defined contribution plan	2,311	2,205	61	238
Termination benefits	40,582	25,211	-	-
Total	<u>1,637,836</u>	<u>1,182,307</u>	<u>19,892</u>	<u>23,393</u>

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 2% 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.

20 Expenses by nature

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
Cost of sales - gas		376,305	493,883	159,885	493,883
Material cost		572,097	671,175	-	-
Subcontract cost		329,282	591,675	-	-
Depreciation and amortisation		101,803	101,500	4,346	6,088
Employee benefit expenses	19	1,637,836	1,182,307	19,892	23,393
Gas transportation expenses		17,640	22,022	7,373	26,926
Gas storage expenses		183	835	183	835
Lease-related expenses	13	303,081	241,633	1,190	386

21 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	59,934	70,469	-	-
Deferred tax				
Change in temporary different	858	(2,529)	161	283
Total income tax expense	<u>60,792</u>	<u>67,940</u>	<u>161</u>	<u>283</u>

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Consolidated financial statements						
	Before tax	2023 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax expense	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gain	-	-	-	4,889	(978)	3,911
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,889</u>	<u>(978)</u>	<u>3,911</u>

Separate financial statements						
	Before tax	2023 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax expense	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gain	-	-	-	669	(134)	535
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>669</u>	<u>(134)</u>	<u>535</u>

Reconciliation of effective tax rate	Consolidated financial statements			
		2023		2022
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense	20.00	<u>206,393</u>		<u>327,125</u>
Income tax using the Thai corporation tax rate		41,279	20.00	65,425
Income not subject to tax		(364)		(280)
Income subject to tax		923		846
Expenses not deductible for tax purposes		6,562		594
Expenses deductible at a greater amount		(249)		(484)
Current year losses for which no deferred tax asset was recognised		17,208		2,281
Unrealised gains (losses) from intercompany transactions		(4,567)		1,438
Utilisation of previously unrecognised tax losses		-		(1,880)
Total	29.45	<u>60,792</u>	20.77	<u>67,940</u>

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Reconciliation of effective tax rate

	Separate financial statements			
		2023		2022
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		(58,200)		70,499
Income tax using the Thai corporation tax rate	20.00	(11,640)	20.00	14,100
Income not subject to tax		(72)		(15,027)
Income subject to tax		361		731
Expenses not deductible for tax purposes		377		124
Expenses deductible at a greater amount		-		(14)
Current year losses for which no deferred tax asset was recognised		11,135		2,067
Utilisation of previously unrecognised tax losses		-		(1,698)
Total	(0.28)	161	0.40	283

Consolidated financial statements (Charged) / Credited to

<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehensive income		Loss of control over the subsidiary	At 31 December
			(in thousand Baht)			
2023						
Deferred tax assets						
Trade receivables	650	(575)	-	-	-	75
Inventories	3,207	(1,461)	-	-	-	1,746
Other provisions	2,231	51	-	(396)	(396)	1,886
Non-current provisions for employee benefits	1,637	551	-	(114)	(114)	2,074
Property, plant and equipment	51	576	-	-	-	627
Total	7,776	(858)	-	(510)	(510)	6,408

Consolidated financial statements (Charged) / Credited to

<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehensive income		Acquired in business combination	At 31 December
			(in thousand Baht)			
2022						
Deferred tax assets						
Trade receivables	615	35	-	-	-	650
Inventories	1,904	1,303	-	-	-	3,207
Other provisions	1,596	276	-	359	359	2,231
Non-current provisions for employee benefits	1,865	636	(978)	114	114	1,637
Total	5,980	2,250	(978)	473	473	7,725

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Deferred tax</i>	At 1 January	Consolidated financial statements (Charged) / Credited to			At 31 December
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Acquired in business combination	
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(228)	279	-	-	51
Total	(228)	279	-	-	51
Net	5,752	2,529	(978)	473	7,776

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to			At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income		
<i>Deferred tax assets</i>					
Trade receivables	62	(62)	-	-	-
Other provisions	102	(102)	-	-	-
Non-current provisions for employee benefits	47	7	-	-	54
Total	211	(157)	-	-	54
<i>Deferred tax liabilities</i>					
Property, plant and equipment	4	(4)	-	-	-
Total	4	(4)	-	-	-
Net	215	(161)	-	-	54

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to			At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income		
<i>Deferred tax assets</i>					
Trade receivables	467	(405)	-	-	62
Other provisions	33	69	-	-	102
Non-current provisions for employee benefits	147	34	(134)	-	47
Total	647	(302)	(134)	-	211
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(15)	19	-	-	4
Total	(15)	19	-	-	4
Net	632	(283)	(134)	-	215

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Unrecognised deferred tax assets</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Allowance for expected credit loss	76	-	76	-
Tax losses	18,188	2,281	13,202	2,158
Total	18,264	2,281	13,278	2,158

The tax losses expire in 2024 - 2028. The deductible temporary differences do not expire under current tax legislation. The Group and the Company have not recognised these items as deferred tax assets because it is not probable that the Group and the Company will have sufficient future taxable profit to utilise the benefits therefrom.

22 Basic earnings (loss) per share

<i>For the year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company	15,160	127,808	(58,361)	70,216
Number of ordinary shares outstanding	800,000	800,000	800,000	800,000
Earnings (loss) per share (basic) (in Baht)	0.019	0.160	(0.073)	0.088

23 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>2023</i>				
2022 Annual dividend	25 April 2023	24 May 2023	0.0300	24.00
<i>2022</i>				
2021 Annual dividend	26 April 2022	25 May 2022	0.0250	20.00

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

24 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.

	Consolidated financial statements					
	Carrying amount		Fair value			Total
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Level 1	Level 2	Level 3	
	<i>(in thousand Baht)</i>					
At 31 December 2023						
Financial asset						
Investment in equity security	9,374	-	-	-	9,374	9,374
Financial liability						
Long-term borrowings from financial institutions	-	50,620	-	-	48,793	48,793
At 31 December 2022						
Financial liability						
Long-term borrowings from financial institutions	-	102,941	-	-	102,177	102,177

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

Financial instruments measured at fair value

Type	Valuation technique
Investment in equity security	<i>Adjusted Book Value:</i> The fair value is estimated considering net asset adjusted with fair value.
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.

Takuni Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(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 18.

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.

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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(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>	Consolidated financial statement					
	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less 2 years <i>(in thousand Baht)</i>	More than 2 year but less than 5 years	More than 5 years	
2023						
<i>Non-derivative financial liabilities</i>						
Bank overdrafts	13,209	13,209	-	-	-	13,209
Trade and other current payables	341,857	341,857	-	-	-	341,857
Borrowings from financial institutions	205,620	167,005	42,976	-	-	209,981
Lease liabilities	77,288	37,934	24,881	22,326	-	85,141
	<u>637,974</u>	<u>560,005</u>	<u>67,857</u>	<u>22,326</u>	<u>-</u>	<u>650,188</u>
2022						
<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
	<u>929,618</u>	<u>893,236</u>	<u>24,527</u>	<u>10,451</u>	<u>14,336</u>	<u>942,550</u>

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>At 31 December</i>	Carrying amount	1 year or less	Separated financial statement			Total
			Contractual cash flows			
			More than 1 year but less 2 years	More than 2 year but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>			
2023						
<i>Non-derivative financial liabilities</i>						
Bank overdrafts	13,201	13,201	-	-	-	13,201
Trade and other current payables	10,140	10,140	-	-	-	10,140
Payables from acquisition of subsidiaries	510	510	-	-	-	510
Short-term borrowings from other parties	4,000	4,117	-	-	-	4,117
Borrowings from financial institutions	55,000	55,000	-	-	-	55,000
Lease liabilities	51	15	31	22	-	68
	<u>82,902</u>	<u>82,983</u>	<u>31</u>	<u>22</u>	<u>-</u>	<u>83,036</u>
2022						
<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 other parties	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.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.

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	269,832	346,912	339,447	354,451
Financial liabilities	219,288	400,859	4,051	58,901
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	63,620	60,941	55,000	-

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.

25 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.

26 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Property, plant and equipment	302	5,052	-	-
<i>Other commitments</i>				
Purchase orders for construction materials	115,647	10,692	-	-
Bank guarantees	1,399,447	1,138,335	-	49,000
Total	1,515,094	1,149,027	-	49,000

Takuni Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

27 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. The Supreme Court has its order to suspend the execution according to the Appeal Court’s judgement during appeal on 24 August 2022 and the Supreme Court has an order to consider the plaintiff’s request for appeal to the Supreme Court on 28 March 2023. Currently, the case is the process of consideration by the Supreme Court. Therefore, the Company remained the provision followed by the Court of the First Instance’s judgement.

28 Event after the reporting period

On 27 February 2024, the Company invested in TTS Connect Co., Ltd. to engage in the sales of electric motorcycles. Its authorised share capital amounted to Baht 3 million which consisted of 30,000 ordinary shares at a par value of Baht 100 per share. The Company held 40% of shares.