



C.I.GROUP PUBLIC COMPANY LIMITED

# EMPOWER WITH CARE

ANNUAL REPORT 2020





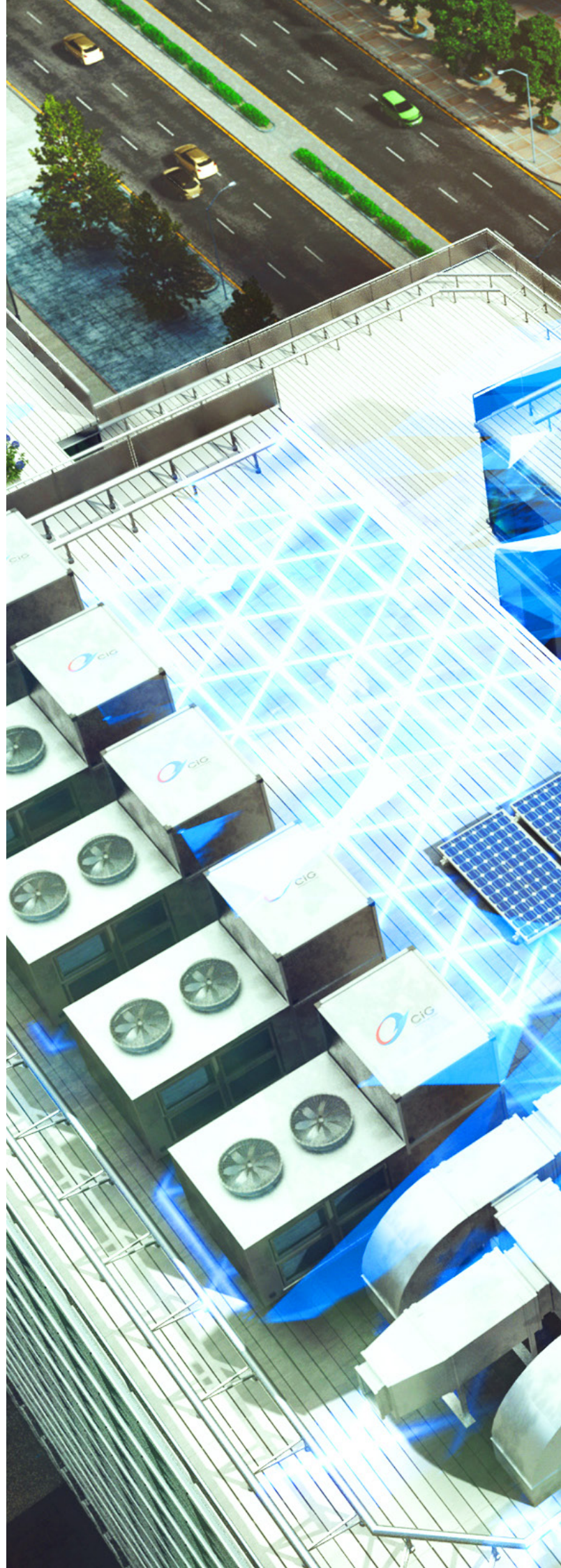
## VISION

**We aim to be the world leading producer and service provider in heat exchanger technology advancement with excellent quality.**



## MISSION

1. Commitment to get the highest world standard with certificate.
2. Constantly improve production and management system by challenging and change with high technology and new system..
3. Create customers satisfaction to accomplish leading of the market.
4. Create durability in operating and encourage to improve human resources capacity in order to be readied to new management system and ability to create innovation on HVAC products continuously.
5. Be a good organization of social with management in respect to environment be complied with the world standard and being a part of social and community quality of life improvement.
6. Initiate the company's brand for recognizing of customers.
7. Create happy and proud organization.





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## OUR STORY

Throughout 30 years, we have been the integral part of many businesses' success. By focusing on customer-centric solutions and providing design and R&D support to craft our coils. We look forward to shaping the future by not only focus on fighting the nature. But to adapt to all the changes. And to prepare for every new life.



# BUSINESS OBJECTIVES AND IMPORTANT DEVELOPMENT

## Objectives

1. Develop and create brand awareness. Supply high quality product and services to domestic and export markets.
2. Develop state-of-the-art and low-cost production processes that make efficient use of resources.
3. Create innovative products that can differentiate from other suppliers and exceed demand of customers.
4. Employees are efficient and loyal to the company. Be a desirable place to work for.
5. Transparent operations in accordance with the anti-corruption policy complied with the private sector collective action coalition against corruption project.
6. Provide good return to shareholders and stakeholders.

## Important changes and events

C.I. Group Public Company Limited was founded on 20 August 1991 from a collaboration of a group of managements who used to work for an American air-conditioning parts manufacturer with registered capital of 10 million Baht. The objective of the company was to manufacture evaporator coils, condenser coils and chilled water coil which are important parts of air-conditioners, refrigerators and heat exchangers for domestic market. In 1998, the company started to export its products.

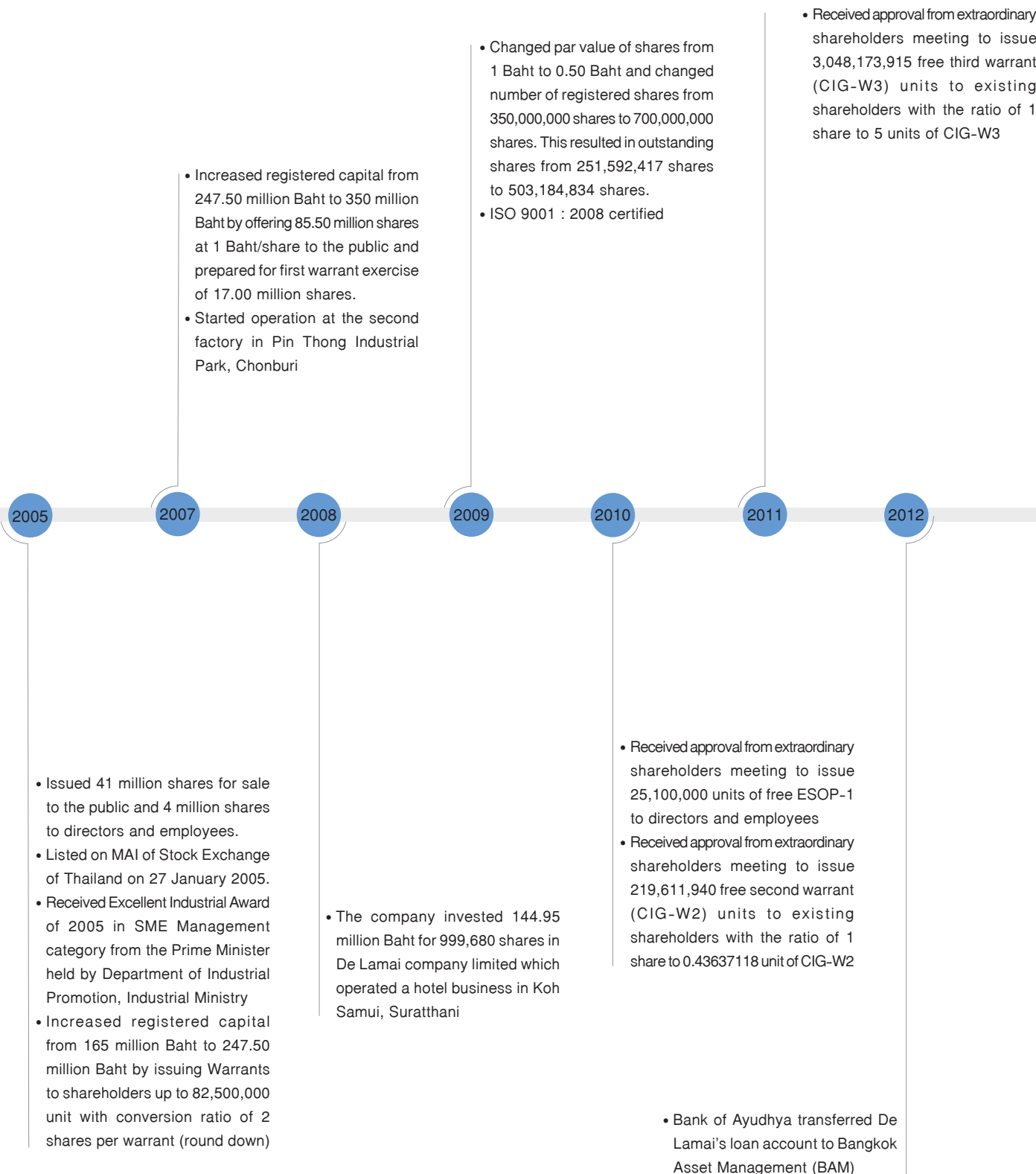
As of now, the company has registered capital of 648.590 million Baht and is one of the largest producer and distributor of coils in Thailand. In addition to product sales, the company continues to create value and become part of success for customers.

The company's first factory/office is located in Pathumthani. Later, the company expands its production base to Sriracha, Chonburi with an area of 6 sq.ra. and to Muang, Samutprakarn with an area of 1 sq.ra. The company's headquarters is located at 1/1 Moo 7, Bangkoowad, A.Muang Pathumthani, Pathumthani 12000.





# IMPORTANT CHANGES AND EVENTS IN THE BUSINESS AND MANAGEMENT OF THE COMPANY





- Received approval from ordinary shareholder's meeting to issue 601,836,915 free third warrant (CIG-W4) units to existing shareholders with the ratio of 1 share to 2 units of CIG-W4
- The subsidiary: CIG (Thailand) company limited, signed an agreement to sell its investment in ordinary shares of Shenzhou Xiai Heating and Refrigeration Equipment Manufacture Company limited at the price of 17.55 million Baht to another non-related company.

- Get approval from ordinary shareholder's meeting to issue 216,185,556 free fifth warrant (CIG-W5) units to existing shareholders with the ratio of 4 share to 1 units of CIG-W5
- Rebranding to make it easier to remember and signs of change to be more international
- Signed an agreement to distribute its products, Kingspan Insulated Panel Pty Limited, manufacturer of Insulation Panel from Australia

- 31st October : Siam Railway Development Co., Ltd.(subsidiary) increased registered capital from THB1,000,000 to THB50,000,000

- 12th February: De Lamai Co., Ltd. has changed the registered name to CIG Development Co., Ltd.
- 31st July : Fahkwanthip Co., Ltd. (the affiliates of sub-company, CIG (Thailand) Co., Ltd.) was approved from Central Bankruptcy Court to be out of the Debt Restructuring and Debt Rehabilitation Plan. And the extraordinary of shareholders' meeting of Fahkwanthip Co., Ltd approved to increase registered capital from THB101,100,000 to THB251,100,000 on 10th September 2018 which CIG (Thailand) Co., Ltd holds Million 74.50 Baht or 29.67 percent.

2013

2014

2015

2016

2017

2018

2019

2020

- A subsidiary, CIG (Thailand) Co.,Ltd. invested in Fakwantip Co.,Ltd.
- The civil case with a debtor namely Mrs. Suthasinee Setapan or Mutamara has been closed after the Civil Court dismissed the objector, the defendant of the case. The asset went into an auction according to Civil Court's order. The company entered and won the auction to buy the collateral asset at 60 million Baht and the company has received title deed transfer.
- The subsidiary, De Lamai Company Limited, received a debt restructuring approval from Bangkok Commercial Asset Management Company Limited. for repayment of 102 million Baht to settle all of its outstanding debts.
- The company financially support its subsidiary, De Lamai Company Limited, by granting a 102 million Baht loan for debt repayment to Bangkok Commercial Asset Management Company Limited.

- Get approval from ordinary shareholder's meeting to issue 216,195,708 free the seventh warrant (CIG-W7) units to existing shareholders with the ratio of 5 share to 1 units of CIG-W7
- 16th January : Set up a new company, Siam Railway Development Co., Ltd., in railway repairing service center business

- Get approval from ordinary shareholder's meeting to issue 216,192,158 free the sixth warrant (CIG-W6) units to existing shareholders with the ratio of 4 share to 1 units of CIG-W6

- 21st January : Set up a new company, Illustro Co., Ltd. To provide research on air-conditioning control and handling systems; internet of thing parts (IOT) and other application systems. To provide testing and installment service of high voltage equipment and new innovation.
- 20th April : Annual General Meeting 2020
- Get approval from ordinary shareholder's meeting to issue 432,392,860 free the seventh warrant (CIG-W8) units to existing shareholders with the ratio of 2 share to 1 units of CIG-W8
- 14th August : Set up a new company, CIG Blusolutions Co., Ltd. To provide research, development, production, assembly and distribution of air condition, parts of air conditioners and refrigeration including freezer, cold room and alike.
- 28th October : Illustro Co., Ltd. (subsidiary) increased registered capital from THB1,000,000 to THB5,000,000
- 12th November : Set up a new company, Golden Ax Thai Waterwoks Co., Ltd. To produce and distribute tap water.



## MESSAGE FROM CHAIRMAN

For the year 2020, it was quite fluctuated due to impact of the epidemic of COVID-19 throughout the world which inclusive of our partners especially the company which have business in industrial, construction and tourism (the business with high impact from COVID-19). The Coronavirus outbreak did effect to declining of the 2020's export volume of the Electrical and Electronics industrial (EE) around MB72,000 to MB94,000.

Boards and the company's management acknowledge of adjustment to decrease impact and find a way to enter into new business with high potential to grow in order to build long term stability such as technology and innovation business which could improve the company's main products to imply and suit with such this pandemic that not sure when would be ended.

However, the Company has been strictly managing business with honesty and governance complied with principles of good corporate governance. Moreover, the Company had started from improving image, concentrate on costs reduction, increasing operational efficiency and productivity, researching for production and product innovation which is friendly to environment under line of trust that business and society must be grow together and supporting each other and keeping and improving human resource continuously with intention to create high return to shareholders

On behalf of the Company's Board of Directors, executives and employees, would like to thank for your always support. The Company would not capable to archive any goals without cooperation and support from all stakeholders, our customers; shareholders; suppliers; employees; financial institution and our business partners. With high effort of directors, executives and all staffs, we believe that the Company could worthy be trusted in growth and sustainable in the future.



Pol.Gen. 

(Prung Boonpadung)  
Chairman of the Audit Committee





# AUDIT COMMITTEE'S REPORT

In 2020, the Audit Committee performed its duties in compliance with the scope established by the Company's Board of Directors regarding the control and monitoring prescribed in the Audit Committee Charter.

In this regard, the Audit Committee held 4 meetings, which all was attended by the Committee. The major issues in operation can be summarized as follows:

1. Review quarterly and annually financial statements for the year 2020 of C.I. Group Plc. in cooperation with the executives and internal audit office. The auditor was also invited to participate in the meeting and to reply to the questions on preparation of financial statements in accordance with the law and accounting standards before approving such financial statement.
2. Review and comment on related transactions or conflict of interest issue (if any) inclusive of disclosure of the referred information as per SET and SEC's rules and regulation which the Audit Committee has an opinion that all of the above issues are reasonable to the best company's business concerned and be disclosed properly and correctly.
3. Monitor the internal audit function through the performance review made by the Internal Audit Office. Considerations were made in approving the scope of operation, annual audit plan. It was believed that the efficiency of internal audit was in a reasonable level. In additions, recommendations and observations were provided to assist in the review and consideration of performance and independence of the Internal Audit Office.
4. Review and follow up if the problem has been resolved within the time frame given as agreed in the meeting. Transparent monitoring of operation was also performed.
5. Meet with the concerned executives, auditor, and internal audit and provide useful suggestion to the management team.

6. Provide internal control system as well as internal audit to the company properly and efficiently to be in the standard of internal audit set forth.

7. Allow the company to abide by SET regulations, laws or concerned business laws.

8. Consider, select, prescribe remuneration, and propose the appointment of an auditor for the year 2020. Considerations were made from the assessment of the auditor's performance, which was satisfactory. Besides, verification of the auditor's qualification was made in compliance with the announcement of SEC and SET. As a result, the Audit Committee resolved to propose to the Company's Board of Director to consider and propose for approval from the shareholders' meeting in appointment of Mr. Ampol Chamnongwat, Miss Praphasri Leelasupha, Mr. Naris Saowalagsukul, license no. 4663, 4664 and 5369 respectively, or other CPAs, who is in list of Auditors approved by the office of SEC, of the Sam Nak-Ngan A.M.C. Co.,Ltd. as the CIG's Auditor for the year 2020

In conclusion, the Audit Committee has performed as per his duties and responsibilities with their best knowledge and carefulness. The accomplishment of the Audit Committee's duties was from independence which could generate benefits to all stakeholders equally. The Audit Committee has opinion that the company's financial information is accurate and complied with The Certified Accounting Standard; risk management is appropriated; internal control system is appropriate and effective; operations are relied on good corporate governance under rules and regulation related to the company's business.

Pol.Gen.



(Prung Boonpadung)  
Chairman of the Audit Committee

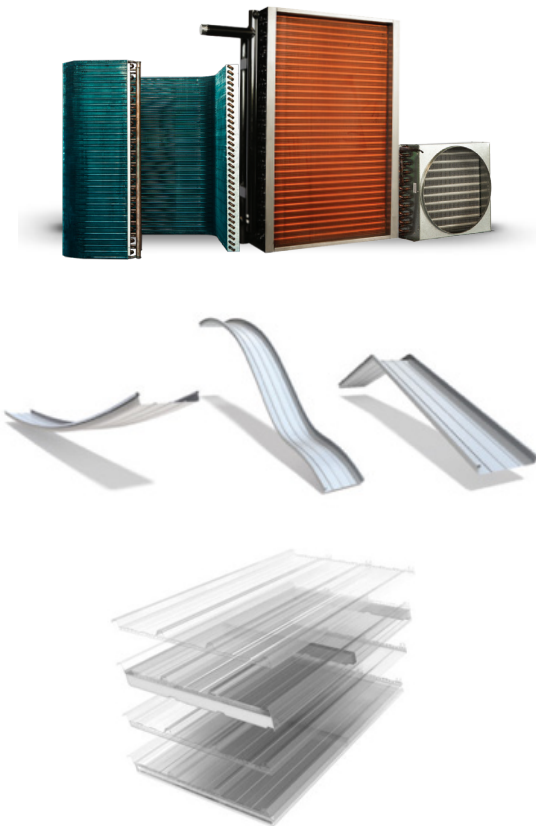


# NATURE OF BUSINESS

## HISTORY

The company was incorporated on 10 April 2003 with registered capital of 94,000,000 Baht which was a result of a merger between C.I. Group Company Limited and Heat Interchange Company Limited by the same groups of shareholders namely Poomsanoh, Wangkorkiat and Wongsawang. The company's objective is to manufacture coils, which are important parts in air conditioner, chiller and other types of heat exchanger for domestic and international markets.

The company's office and first factory is located in Pathumthani and later on expanded to Sriracha, Chonburi on 6 sq.rai of land and to Muang, Samutprakarn on 1 sq.rai of land. The headquarters is located on 1/1 Moo 7, Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000.



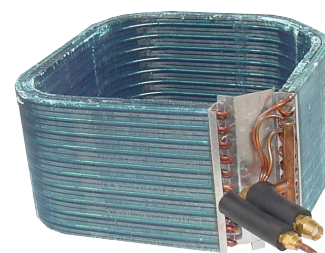
## OVERALL BUSINESS OPERATION

The company is a manufacturer of evaporator coils, condenser coils and chilled water coils which are important parts in all kind of heat exchangers. Most of manufacturing orders are made to order basis for domestic and international market with sales proportion of 70% and 30% respectively.

Domestic customers consists of well-known air-conditioner manufacturers for international and domestic brands especially those with policies to buy parts from other sources and those in replacement markets such as air-conditioning or refrigeration service and maintenance companies. For export markets, the company sells directly to customers in Asia, Europe and sells through sales agents in USA, Canada, Australia and New Zealand. At present, the company is considered by customers as a high quality coils manufacturer. The company is the only manufacturer in Thailand with product certification from Canadian Standards Association ("CSA") from Canada and Underwriters Laboratories Inc. ("UL") of USA which is globally accepted standards. Moreover, our teams of engineers provide consultancy services as well as product designs.

- |             |             |              |                 |                |           |
|-------------|-------------|--------------|-----------------|----------------|-----------|
| • AUSTRALIA | • EGYPT     | • ISRAEL     | • NEW CALEDONIA | • SAUDI ARABIA | • TUNISIA |
| • BAHRAIN   | • GERMANY   | • ITALY      | • NEW ZEALAND   | • SINGAPORE    | • TURKEY  |
| • BRUNEI    | • HONG KONG | • JAPAN      | • PAKISTAN      | • SOUTH KOREA  | • UAE     |
| • CAMBODIA  | • INDIA     | • MALAYSIA   | • PHILIPPINES   | • SPAIN        | • UK      |
| • CANADA    | • INDONESIA | • MEXICO     | • POLAND        | • SRI LANKA    | • USA     |
| • CHINA     | • IRELAND   | • NETHERLAND | • RUSSIA        | • SWEDEN       | • VIETNAM |

The company has expanded its services into designing and installing air conditioning system and wall insulation products, Polyurethane and Polyisocyanurate type, which is co-partnered with manufacturers of insulation products from both domestic and international, in order to provide one-stop service for customers who require a quick construction of energy saving with good air quality building. The Company has signed an agreement as a distributor of Kingspan Insulated Panel Pty Limited, a manufacture of Insulation Panel from Australia.



The company has extended from coil production to air conditioning and cooling production. By using expertise in designing and manufacturing coils to work at full capacity as an important factor in product development and market acceptance for this group of products including Condensing Unit, Air cooled condenser, Unit Cooler and Air Handling Unit.



## BUSINESS OVERVIEW OF THE COMPANY'S GROUP

### Investment Structure of the Company and the Subsidiary:

The Company has 5 subsidiaries which are:

#### 1.CIG Development Co., Ltd. (Changed from De Lamai Company Limited)

C.I. Group Public Company Limited holds 999,680 ordinary shares with par value of 100 Baht or 99.97% of the paid up capital of CIG Development Co., Ltd. with THB100,000,000 registered capital, Registration Number 845547005846 which has two offices are (1) Head office: 1/1 Moo.7 Bangkoowad, A.Muang Pathumthani, Pathumthani. Business: Auction and construction contractor. (2) Branch: 171/4-9 Moo.4, Maret, Koh Samui, Suratthani. Business: hotel in Koh Samui under the name "Samayabura". There are 3 directors namely Mr.Aree Poomsanoh, Mr.Theera Poomsanoh and Mr.Taweesak Wangkorkiat.



#### 2. CIG (Thailand) Company Limited

C.I. Group Public Company Limited holds 599,850 ordinary shares with par value of 100 Baht or 99.98% of the paid up capital of CIG (Thailand) Co., Ltd. which is in manufacturing and distribution of air conditioners and refrigerators business as well as other types of products. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000. Registration No. 0135554002471. The company has registered capital of 60,000,000 Baht. There are 3 directors namely, Mr.Aree Poomsanoh, Mr.Theera Poomsanoh and Mr.Sekbud Buaduang.



#### 3. Siam Railway Development Company Limited

C.I. Group Public Company Limited holds 499,997 ordinary shares with par value of 100 Baht or 99.99% of the paid up capital of Siam Railway Development Co., Ltd. which is in railway repair center business. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000. Registration No. 0135560001243. The company has registered capital of 50,000,000 Baht. (the registered capital was increased 49,000,000 Baht on December 2, 2019 from 1,000,000 Baht). There are 4 directors namely, Mr.Aree Poomsanoh, Mr.Theera Poomsanoh, Mr.Sekbud Buaduang, and Mr.Thatchai Sangkul.

#### 4. Illustro Company Limited

C.I. Group Public Company Limited holds 97 ordinary shares with par value of 10,000 Baht or 97% of the paid up capital of Illustro Co., Ltd. which is in services business who provide research on air-conditioning control and internet of thing (IOT) system and parts and other applications; high voltage equipment testing and installment service and new IT innovation. The company, registration No. 0135563001775, is located at 5/10 Moo.4 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000 with 5,000,000 Baht registered capital (the registered capital was increased from 1,000,000Baht on October 28, 2020). There are 3 directors namely, Mr.Aree Poomsanoh, Mr.Wutthikorn Threevithayanon and Miss Sukunya Silnumkij.

#### 5. CIG Blusolutions Company Limited

C.I. Group Public Company Limited holds 9,997 ordinary shares with par value of 100 Baht or 99.97% of the paid up capital of CIG Blusolutions Co., Ltd. which is to provide research, development, production, assembly and distribution of air condition, parts of air condition and refrigeration including freezer, cold room and alike. The company, registration No. 0135563017671, is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000. The company has registered capital of 1,000,000 Baht. There are 3 directors namely, Mr.Taweesak Wangkorkiat, Mrs.Chankapaw Dissakul and Mr.Sawai Chatchairunguang.

#### Joint Venture Company

##### Golden Ax Thai Waterworks Company Limited

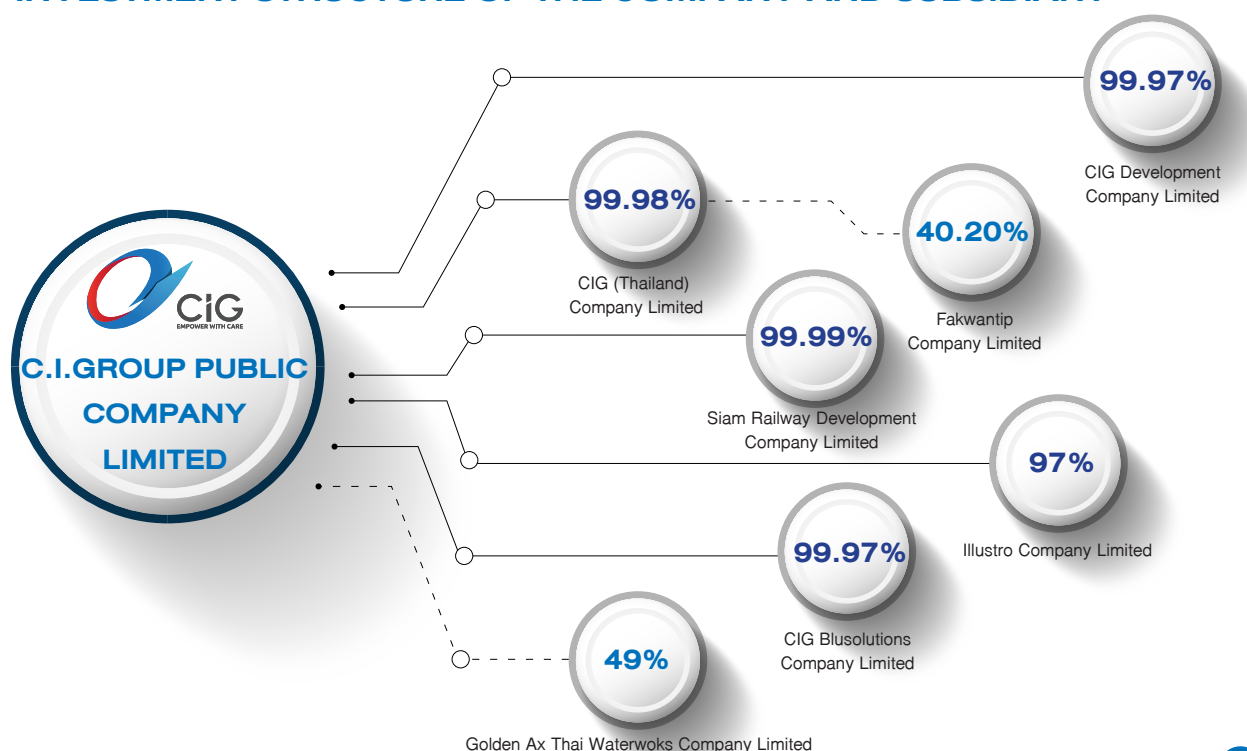
C.I. Group Public Company Limited (CIG) has invested in the Golden Ax Thai Waterworks Co., Ltd. which is joint with the Andaman Water Co., Ltd. The registered capital of the Golden Ax is THB1,000,000 whereas CIG holds 49% of the registered and paid up capital or MB0.49 investment. The company is in tap water business who produces and distributes parts and tools of tap water or water for consumption system and provides services on setting, repair, maintenance and consultant of tap water system. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000. There are 4 directors namely, Mr.Aree Poomsanoh, Mr.Taweesak Wangkorkiat, Mr.Chuwit Buapradit and Mrs.Wilasinee Buapradit.

#### Associated Company through Subsidiary

##### Fakwantip Company Limited

he CIG (Thailand) Co., Ltd. has engaged in a joint venture of Fakwantip Co., Ltd in a portion of 40.20% of registered capital, THB118,902,000 or equal to Million Baht 47.80 investment. The Fakwantip is a company in energy business which has ethanol as a main product. The Fakwantip Co., Ltd. is located on 468 Moo. 4, Suntun — Wangdinsor Rd.,Tumbol Kaomaikaew, A. Kabinburi, Prajinburi., Thailand. There are 3 directors namely Mr.Aree Poomsanoh, Mr.Ronchai Jinwattanaporn and Mr.Michael Jangchonggao.

### INVESTMENT STRUCTURE OF THE COMPANY AND SUBSIDIARY





# CORPORATE SOCIAL RESPONSIBILITY: CSR



The company believes that business and society should maintain harmonious relationship, help one another, and strengthen each other's weaknesses. Therefore, the company focuses on growth based on corporate governance and social responsibility in a sustainable way while considering the best interest of all stakeholders.

## Mission on Corporate Social Responsibility

1. Commitment to get the highest world standard with certificate.
2. Constantly improve production and management system by challenging and change with high technology and new system.
3. Create customers satisfaction to accomplish leading of the market.
4. Create durability in operating and encourage to improve human resources capacity in order to be readied to new management system and ability to create innovation on HVAC products continuously.
5. Be a good organization of social with management in respect to environment be complied with the world standard and being a part of social and community quality of life improvement.
6. Initiate the company's brand for recognizing of customers.
7. Create happy and proud organization.

In order to process upon above intention and idea, the Company has set a Corporate Social and Environment Responsibility Policy, to be applied with both the Company and subsidiaries to be used and followed as the Company's Principle, which is:

## CORPORATE SOCIAL AND ENVIRONMENT POLICY

### Conserve Environment and Energy

Supporting activities are related to protecting environment and conserving energy resources such as water, fuel and paper efficiently.

- Promoting energy conservation and protection of the environment
- Meeting environmental and conservation standards and regulations.
- Developing and improving manufacturing process and waste management system in order to get rid of pollution that impact to the environment complying to match with ISO14000 standard.
- Promoting environmental awareness among employees at all levels to enhance their responsibility to protect

environment both inside and outside of the plant.

### Human Rights and Human Resources Practice

Insist to the Company's traditional; respects and obeys on the human rights; fair and practice to all level of employees equally and support employees on being a part of making benefit to society both on direct and indirect way.

- Developing skills of employees at all levels; building knowledge management towards Knowledge Support Policy and developing human resources in order to increase their work quality as professional one.
- Encouraging employees to take part in community development.
- Welfare, safety and sanitation within the workplace of employees are set including of developing working systems and innovation.

### Responsibility to Consumer

Improve products and services which safe to consumers and environment, quality is match or better than requirement of the consumer based upon fair condition and

- Emphasize on services standard, responsible on the Company 'services, provide accurate information which must not be exaggerated.
- Keep customers' information confidentially and must not get any advantage on it for the Company or related person benefit.
- Marketing and Investment Policy and promoting products and services that concern on social responsibility.

### Corporate Governance

The company focuses on transparency and moral in its business operation including information disclosure, control of internal data usage, maintaining corporate governance and effective risk management.

- Good corporate governance
- Internal data usage policy
- Transparency
- Data Disclosure
- Risk Management

### Community and Education

The Company emphasizes on stakeholder and community where it's located. The Company intends to improve quality of life around the neighborhood by educating people, preserving environment and promote local traditional.

- Using business process to improve quality of life, booth up economic and strength of the neighbor community and society.
- Support on all activities and projects which necessary to the community and related to education projects for

schools in the community.

- Together with the Company staffs/employees, employees' family, local community and with overall society in order to improve all quality of life in the way that is value added to both business and development.

### Implementation of Corporate Social Responsibility Policy

The company has studied characteristic and business context both internally and externally using generally accepted principles to create mission on corporate and social responsibility. The management has set up social responsibility policy for a guideline and has set up a team to manage, control and monitor to ensure of compliance to the Policies. Recently, the company are working as the Corporate and Social Responsibility Plan which base upon principle of the Action Plan as follow:

1. Concentrate on decreasing of adverse effect (if any) to community and environment to be less or at least equal to national standard level.
2. Concentrate on practices to upgrade to new innovation in order to improve efficiency and productivity of business such as saving energy, recycle, decrease raw material usage and etc. By which linkage to requirement of external stakeholders' through creating cooperation with staffs to improve the organization combining with corporate and social responsibility idea till quality management was set still. At this stage, the company has working on getting ISO14001 certified from overall departments' cooperation.
3. Generate competitive advantage in the global market by still getting national quality standard, CSA and UL, certified to make international customers confidence. Moreover, the company did sign off in participating in Thailand's private sector collective action against corruption to create clear and transparency business standard which enhance supportive in the company's industrial products from every segment in Thailand.

By which each department had set action plans along with critical points of concern which was chosen as follow:

**Health and safety:** responsible by Safety Section

- The company has comprehensive safety measures.
- Safety training sessions are conducted regularly.

**Waste management and excess materials:** responsible by Production Section

- The company has effective water treatment system to adequately treat waste water before
- releasing water into public drainage.
- Develop production process to reduce waste and excess materials.
- Re-use of excess materials in production process.



**Environmentally friendly products and services:** responsible by Engineering Section

- Joining CFC elimination project to discontinue the use of Chlorofluorocarbon (CFC) in air-conditioning manufacturing process.
- The Company's products do not require use of CFC.
- The Company's repair and maintenance service reduces the need for replacements and therefore reduce effects to environment.

**Product and services accountability:** responsible by Production Section / Quality Control Section

- The company carefully controls its production of products to ensure high quality and customer satisfaction.
- On time delivery is a priority to ensure smooth and efficient supply chain.
- All products come with a warranty according to general sales conditions.
- Fast repair and maintenance service to meet urgent demands of customers.

**Employee benefits:** responsible by Management / Human Resource Section

- Trainings are offered to all employees to increase potentials and career path.
- Annual health check-ups are offered to reduce medical costs and promote good health among employees.
- Annual New Year party to entertain and increase morale of employees.
- The company gives scholarships to employees' children.

**Corporate Governance and Integrity measures:** responsible by Internal Audit and Corporate Secretary Section

The company focuses on transparency and moral in its business operation including information disclosure, control of internal data usage, maintaining corporate governance and effective risk management.

- Good corporate governance
- Internal data usage policy
- Transparency
- Data Disclosure
- Risk Management

**Community and education:** responsible by Management Section

The company supports various activities and projects on community and educations for local schools. Furthermore, the company extends its support for victims of natural disasters.

- Offer scholarships to students at various educational institutions and local communities such as Bangkoowad School, Eur Ar Torn village, Bangkoowad Municipality.
- Provide trainings to polytechnic students such as

Lamthong Polytechnic School and Pathumthani Polytechnic School.

- Help victims from disaster and mitigation.

In order to follow the Social Responsibility's Action Plan, the team will gather and follow up on results of the plans at least once a year in order to consider if the plans or process may need to be changed to mostly achieve the targets set.

**Business operations that may affect social responsibility**

Due to the fact that the company is in manufacturing sector, some of the production processes may require use of lubricants and/or other chemicals. The company has set up preventive plans to reduce any effects on the environment and local community. The company stopped using CFC which is harmful to the environment even though it is a widely used chemical in air-conditioning industry. The company is thriving to improve its products and production processes to protect the environment and community from any harmful substances. Furthermore, the Company continues improving quality both production process and products to ensure that will not have negative effect to society and environment by following ISO 14001 criteria. The Company seeks for raw material and components which must comply with international safety standard and could be reused in the processes. Moreover, the Company has target on effectively usage of energy to maximize benefit, create less waste, reuse materials and avoid supplying non-compostable raw materials or components.

**Legal disputes**

The company and its subsidiaries have never had any legal disputes on environmental / social aspects. The company has never been accused or been investigated of such issues.

We care for local community and environment for better lives of our children. CIG received a certificate from Council of Industry for our effort in protecting our environment by stop using CFC (Chlorofluorocarbon) which is commonly used in air-conditioning industry. Such chemical is harmful to the environment. In 2000, we built a water treatment system as well as re-using water in our production line. These mark the start of Green Factory Initiative.



We received the certificate from the Department of Industrial Factory for project participation of "Ozone Depleting Substance Phase out " for terminating the usage of Chlorofluorocarbons (CFC) for all steps of production process.

### Adverse effects to society and environment

The company's operations from the past until end of 2020, there is no evidence of adverse effects to society and environment according to 8 principles of CSR.

### CSR Activities for society and environment

In 2020, the company engaged in various activities such as environment and energy conservation project, production process without harmful chemical, cost reduction, material reduction and maintaining good relationship with local communities.

### Health and safety

The company aims to control monitor and prevent regarding safety healthcare and work environment risk of all staffs by which must not breach the law and regulation and allied with international standard and Quality Safety Healthcare and Environment Policy in order to decrease accident to be zero and decrease hurt or injured from work in every sites as we understand that all of human resources, business partners and contractors of the company have their rights in working under safe environment for their good quality of life at work.

The company intend to put subconscious in safety and healthcare to all staffs in every levels through policy management and control and real practices such as training and create upon understanding by using activities and motivation to persuade to grow up responsibility on safety throughout the organization.

- The company has set rules and regulations in safety properly by providing necessary personal protective equipment: PPE to employees for their work.
- The company has always set safety training for all employees.



In 2020, the company conducted internal and external safety training such as Enhancing Safety Awareness, Chemicals Safety and Emergency Response, Fire Extinguish Foundation, Safety for Supervisor, Safety for Management and etc.

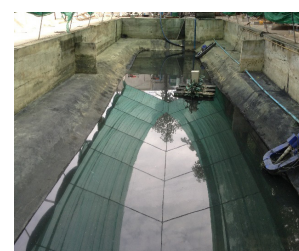
### STATISTIC OF SERIOUS ACCIDENT AT WORK OF 3 FACTORIES FOR 2018-2020



STATISTICS OF 3 FACTORY	2018	2019	2020
Number of Accidents	13	9	15
Number of staffs injured	13	9	15
Number of total off days of the injured staffs	66.13	9.75	129.5

### Waste management and excess materials

- The company has effective water treatment system to adequately treat waste water before releasing water into public drainage.



- The company focuses on optimizing usage of raw materials and materials, resulting in reduced production costs of 1,470,000 baht per year.

- » Reduced raw material, hair pin, 1,032,000 Baht/Year costs and usage of copper pipes.
- » Reduced header costs. 198,000 Baht/Year
- » Powder Painting Project, 240,000 Baht/Year ACC, Unit, AHU.



## Energy management

The company promotes energy conservation and initiated energy saving project. There were 3 projects with electricity cost reduction of 1,672,309.58 Baht per year as follow;

- Air compression improvement project of Pathumthani factory: Electricity saving of 696,267.59 Baht per year
- Air compression improvement project of Pinthong factory: Electricity saving of 809,577.99 Baht per year
- Switching to LED lighting in all 3 factories: Electricity saving of 166,464 Baht per year

## Employee benefits

The company offers trainings to employees of all levels to increase potentials and reduce risk of skill shortage.

### Employee Development Programs

		Hours per person per year			
Average training time		2017	2018	2019	2020
Director and employees		4.92	5.51	5.42	5.22

		Baht per person per year			
Expenses for training		2017	2018	2019	2020
Director and employees		919.92	562.35	637.07	183.00

In 2020, the Company introduced many training courses including basic coils products, Mango Program, design air-conditioners against COVID-19, Heat Exchanger Coils, Knowledge on Social Security work, Insight into corporate income tax, basic Auto Cad Program, Ionic React Bundle and etc.



- Annual health check-up



- Scholarships for employee's children



## Responsibility to Community and Education Support

The company has been supporting activities and projects that support communities and education project for schools in neighborhood such as:

- Donate air purifiers to the Pathumthani Hospital, which is a provincial hospital, to be installed at the operating room of the hospital



- Donate computers to the Mirror Foundation in order to donate to schools in the wilderness and countryside area.



- Executives and employees donated blood to the Thai Red Cross Society.



- The company joined the project “maiA Virtual Run 2020” in collaboration with the Stock Exchange of Thailand, with the common goal of run for fund raising to donate to the Thai Red Cross Society for Somdej Phraborom Ratchathewi Hospital, Sriracha.



- Provide scholarships to the nearby institutes' students such as Bangkoowad School, and allow junior high school students to visit for their education etc.



- Provide job trainings to undergraduate students such as Pathumthani Technical College, King Mongkut's University of Technology North Bangkok and Panyapiwat Institute of Management, Phranakhon Rajabhat University.



- Lectures to senior students of the Architecture Faculty of the Rangsit University on the topic: “Wide Span Structure Design for Public Building” and cases study on innovative architectural design related to the company products, technical of long span structure design in detail and construction of wide span public buildings and advice using the products in architectural design.



## Anti-Corruption

The company understands that corruption will be effected and be as an important threat to social and economic development and unfair business operation which will effect to the company image regarding corporate governance, competitive ability and unacceptable company for both Thai and international. Moreover, it would decrease confidence of shareholders, investors and all stakeholders. Therefore, the company has been paying attention on doing business without supporting to business, individual or person who get involved in seeking benefit which should not get in both direct and indirect from using dishonestly authorization with clear method to cooperate and support with government and private sectors. The Company's Board of Director No.4/2015, November 11th, 2015, had approved appointment of Anti-Corruption Committee who plays important roles in setting system, supporting and promoting Anti-Corruption Policy in order to communicate to all staffs/employees and all related persons in all departments including risk assessment of activities having a chance to conflict with anti-corruption policy and setup review appropriate of system and measurement to be complied with business situation change, order, rules and regulations of law continuously.

Moreover, on 22nd December, 2016, the company did sign off on agreement to join in the Private Sector Collective Action Coalition Against Corruption Committee: CAC, and get certified as a member of CAC on 17th May, 2018.





## Anti-corruption policy

To ensure the Anti- Corruption Policy of the company is always up to date, the board of directors frequently review it. In the Board of Director Meeting No.4/2017 on August 11th,2017, did approve of the Anti-Corruption Policy (updated) besides of the one that was approved in the Board of Directors Meeting No.3/2014 dated August 19th, 2014. Also, approved Guideline of Anti-Corruption Policy to enhance effectiveness of control and guide to act concretely as follows:

1. Directors, managers and all employees of the company as well as its subsidiaries shall not directly or indirectly accept or support corruptions in any forms. This applies to all subsidiaries, including but not limited to contractors, sub-contractors, and any parties involved. The anti-corruption policy must be reviewed regularly to match rules, regulations, law and changes in business operations.
2. Anti-corruption is an essential part of business operation. It is a responsibility of board of directors, management, all employees, contractors, and sub-contractors to express opinions on how to conform with anti-corruption policy so that the anti-corruption objectives are achieved.
3. The company will not act or support bribery in any form under all activities it is involved including but not limited to control, charitable donations, donations to political parties,

corporate gifts and support all activities with transparency and not to influence government officers or private sector employees to act in his or her favor.

4. The company just implements effective internal control and it must be reviewed regularly to prevent inappropriate actions especially sales, marketing and purchasing activities.
5. The company must educate anti-corruption to directors, management and all employees to promote integrity, honesty and responsibility to all business operations as well as communicate the company's willingness to become corruption-free.
6. The company must have transparency and accuracy reporting system for its financial positions.
7. The company allows various ways of communication related to corruption and makes sure that confidentiality is strictly protected while ensuring unfair treatment and investigate all issues that were reported.

## Anti-Corruption Policy Process

The Company set the Good Corporate Governance Policy and Code of Conducts to be used as a guideline for employees to follow in the same lane during operation such as guideline in giving and taking gifts, welcoming parties or other benefits as stated in the Code of Conducts (business ethics) which also complied with the Anti-Corruption Policy by distributing to all directors, management

and employees to be as self-guidelines. Moreover, the company also communicates regarding the Anti-Corruption Policy and guidelines to subsidiaries, co-businesses, business partners and stakeholders including public through several media such as letter, electronic mails, information board, Company's Website or others as appropriate in order to allow all stakeholders to acknowledge and follow the guidelines set. Also, did communicate and train all of the company's employees continuously to ensure of correct educated regarding anti-corruption, the company's expectations and punishment for example training on good corporate governance and anti-corruption to all new employees through orientation. Furthermore, set training for directors, management and all employees on the referred issues.

The company has set "No Gift Policy" since 2017 to create the company's norm with expecting all staffs of the company to work in full capacity without wishing for benefit in return and transparency work with social and environment concern together with good governance. In order to spread the policy to business partners, customers and related organization to inform of un-accepted of getting gifts for our management and employees inclusive of subsidiaries during New Year festival or any others occasion, the Company did again sent letters to all prior to new year or any special festival.



## Whistleblowing Policy and Protecting Whistleblower Procedures

The board of directors considered to approve the Whistleblowing Policy and Whistleblower Protection Procedures in the meeting no.4/2017 on Friday, 11 August, 2017 to allow employees and stakeholders to report when suspected misconduct, illegal acts or failure to act upon business conduct of directors, management and workers. Raise of serious concerns, clue on illegal act and corruption which may lead to discredit of the company image and assets would be listen by the company equally, transparency with care and fairness to every concerned parties. By which process time will be set appropriately with confidence and careful operate. In the same hand, protecting whistleblowers and related persons to ensure of fairness or not affect or defame in anyhow will be concerned through the process. The company' secretary and internal audit office are set as a Complaint Center for corporate governance and business conducts which channels of report the concerns and process are shown in the company's website as:

3 Channels to report complaint concerns and suggestion are:

1. The company's website : [http:// www.cigpcl.com](http://www.cigpcl.com)
2. Email : [secretary@cigpcl.com](mailto:secretary@cigpcl.com)  
: [internalaudit@cigpcl.com](mailto:internalaudit@cigpcl.com)
3. Mail or hand-in to:  
Company's Secretary Office  
C.I.Group Public Company Limited  
1/1 Moo. 7 Bangkoowad Rd., Bangkoowad,  
Muang Pathumthani 12000

## Anti-Corruption Risk Assessment

Anti-Corruption Committee (Management Level) takes responsibility in reporting result of assessment of anti-corruption risk in every activities involved in business by states jobs with high risk and its effect inclusive of preventive or decrease risk with high effective method together with follow up result after adjusting process as the propose method in form of report submitting to Audit Committee on regular basis.

## Punishment

The company set to let all employees in every levels must sign-off to acknowledge Anti-Corruption Policy Guideline and Code of Conduct of Management and Employees to show their promise and agree with good practices as their guideline. The Guidelines are rules that everybody in the organization must follow strictly if they breach will be consider as miss-act which the company will punish as per state in the company's Article of Association or related law and regulation.



### Example of Communication Method for Anti-Corruption Policy

The company had set training for directors, management and staffs at all level for better understanding in their role to the Anti-Corruption Policy.



Picture: Lecture on "Anti-Corruption for Executives: Business Sector with Anti-Corruption" to create understanding of how important of anti-corruption for private sector and government toward sustainable of the company's competitive advantage to the directors and management by Dr.Bandid Nijathaworn, President & CEO of Thai Institute of Directors.



Picture: a training course "Together Create Transparency to Anti-Corruption" for management and staffs for their better understanding on overall of the Good Corporate Governance Policy, Anti-Corruption Policy and the Guidelines to form basic knowledge in complied practices with the policies by external speaker.



## **THE INNOVATION**

**Our world is facing new threats from climate change, energy shortage, to emerging infectious diseases. Together makes better.**

Our R&D engineers are teaming up with architects, specialists and universities to use creativity to turn these threats into new engineering design solutions. Good things are happening right next to you!



# THE INDUSTRIAL SITUATION AND COMPETITIVE

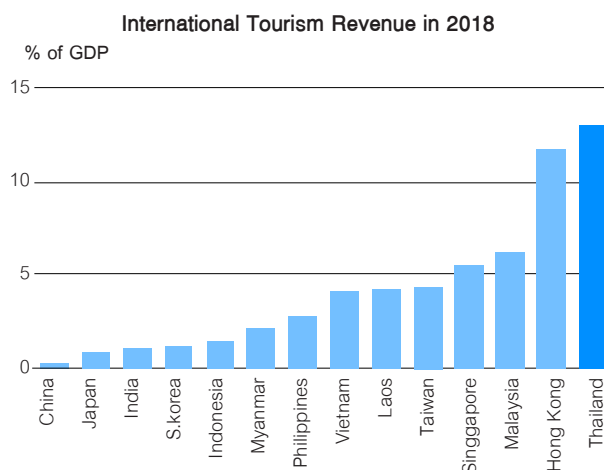
## SUMMARY OF THAI INDUSTRIAL IN 2020 AND TREND IN 2021

The year-long COVID-19 crisis has driven global and Thai economies into an unavoidably severe crisis. Although Thailand has been notably successful in controlling the first wave of infections, a resurgence of COVID-19 infections towards the end of the year could pose heightened risk. The Thai economy is affected heavily due to its highly reliance on foreign tourism, at 13% of GDP, relatively larger than other ASEAN countries. On top of this, internal and external supply disruption has dragged on economic activities, and the income and multiplier effect have then amplified these impacts. In addition, domestic headwinds arising from worsening political tensions in the last quarter of the year have also buffeted the economy. As such, following growth of 2.4% in 2019, the 2021 economic outlook is expected to contract by -6.4%, the worst performance since Asian Financial Crisis in 1998.



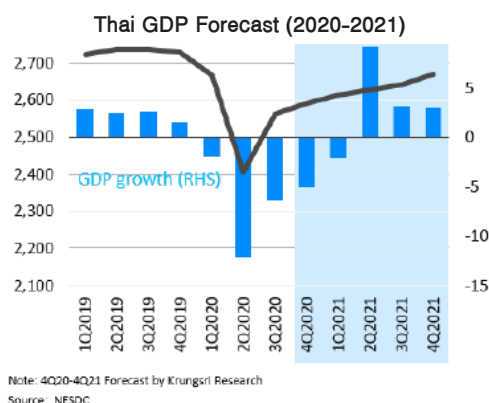
The tourism sector, which used to be the major driver of Thai economy, was adversely affected by the lockdown measures and travel restrictions to contain the pandemic and thus resulted in a plunge in foreign arrivals. For the six months between April and September 2020, almost none foreign tourists were recorded. In the last quarter of the year with the issuing of new 'Special Tourist Visas' (STVs), the number of foreign tourists remains extremely low. The full-year number for 2020 is estimated at 6.7 million, a -83.2% crash on 2019's total of

39.8 million. Export growth is forecasted to remain negative for the second year running at -7.5% in 2020 on a slowdown in production and weakened economies of trading partners. Thai exports contracted in almost all markets with the sole exception of the US. However, work-from-home and social distancing policy helped boost demand for certain products, including food products, computers & parts, electrical appliances, and personal protective equipment, such as rubber gloves.

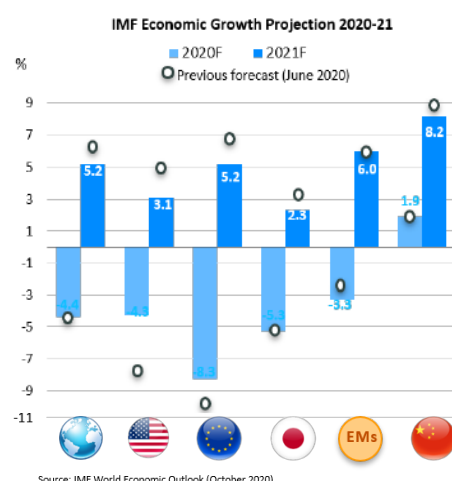


## IN 2021, RECOVERY WILL BE PATCHY, BUT BOTH OPPORTUNITIES AND CHALLENGES LIE AHEAD

Economic growth in 2021 is forecasted at 3.3%, following a 6.4% contraction in 2020. This will partly be caused by a low base effect, together with the ongoing stimulus measures, a speeding up of government spending, cyclical recovery in the economy and stronger demand overseas. Nonetheless, there remain many challenges ahead amid the negative domestic headwinds, particularly the domestic resurgence of COVID-19 infections, high uncertainty surrounding domestic political tensions, the delayed recovery in the tourism sector and crisis legacies such as unemployment and debt.

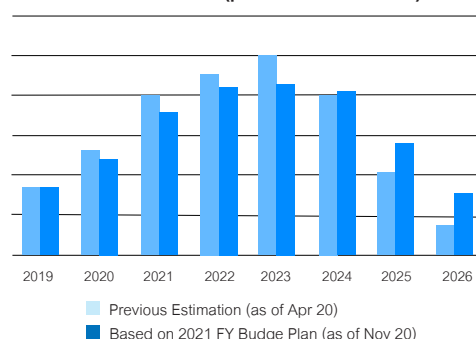


For tourism sector, though COVID-19 vaccines have now been developed and the first phases of mass vaccination programs are underway, clear signs of a rise in tourist arrivals in Thailand are not expected before the last quarter of 2021, by which point large numbers of people will have been vaccinated worldwide. A return to the pre-pandemic level of tourist arrivals could therefore take at least 2-3 years. In 2021, the number of foreign tourists are expected to record 4 million, compared to 6.7 million in 2020. Consequently, employment and business activity related to tourism sector are likely sluggish continuously. On the external front, Thai export growth is expected at 4.5% in 2021 following signs of cyclical recovery of foreign demand, led by advanced economies where massive stimulus measures have been implemented. The International Monetary Fund now sees growth of 5.2% for the global economy in 2021 following the contraction of 4.4% in 2020, while the World Trade Organization predicts a 7.2% rise in global trade volume in 2021, after a 9.2% fall in 2020. The Thai economy will also be supported by stronger demand for personal protective equipment, medical product and work-from-home related equipment. Looking forward, greater economic ties in the ASEAN will provide Thai exporters with opportunities from expanding economic relation alongside the tendency of greater regionalization. At the end of 2020, ASEAN and its five key trade partners — China, Japan, South Korea, Australia and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP) agreement, which is expected to be ratified by signatories and then to come into effect in 2H21. However, trade policy between China and the US under the new US president is likely to remain strained and could challenge Thai export sector.



Domestically, as the economy is recovering from severe crisis, government spending will remain a central plank of the recovery from both expedited FY2021 budget disbursements and utilized loans under the framework for economic and social recovery plan. Meanwhile, public investment may be hampered by the delays of megaprojects, but the overall value of infrastructure investments in 2021 should rise from a year earlier. Private investment will also tend to strengthen, especially those related to public investment and export sector, while manufacturing industries are also showing positive sign of recovery thanks to demand for personal protective equipment and work from home policy. This is being reflected in rising capacity utilization in several sectors that have reached their pre-pandemic levels, paving the way for investment expansion in the next period. Private consumption would be propelled by further measures to stimulate spending and domestic tourism that have now been extended into 1Q21. Purchasing power of mid- to upper-income groups should support consumer spending. Nonetheless, the resurgence of COVID-19 infections and the crisis scars, particularly unemployment and high household debt to GDP, which reached the 18-year high, would limit growth in household consumption.

### Investment value of mega infrastructure projects worth THB 3.2 trn (plan for 2019-2026)



Note: The THB 3.2 trn of mega-project based on Transportation Action Plan, except for two high-speed railways; (i) Bangkok-Hua Hin route, and (ii) Bangkok-Chiang Mai route  
Source: Ministry of Transportation (MOT), Krungsri Research

Regarding the fragility of the economic recovery, inflation likely remains near the lower bound of the official target framework, despite gradually returning positive. As the still-low



inflation and the major central banks' extraordinary monetary easing, Thailand's Monetary Policy Committee (MPC) is expected to maintain policy rate at their historically low level of 0.50% through the whole of 2021. However, the economic recovery would still take a long time to return to pre-pandemic levels and would not be distributed evenly across the economy. In this response, financial assistance measures are likely targeted, coupled with additional measures, ranging from keeping businesses afloat to help preventing insolvency problems.

It is not yet completely clear what path the road to recovery will take through 2021 or what obstacles lie in ambush. Much rides on the success of the development and mass production of a vaccine against COVID-19, which may not meet the expectations of the widespread vaccination for global population by 4Q21, and thus further delaying recovery in the world economy. The fluctuation in global financial markets may also have domestic consequences if international capital flows have an undue impact on the value of the baht, and the export sector remains vulnerable to side-effects arising from any worsening of US-China trade relations under the new US president. Internally, risks are rising from the severity of COVID-19 resurgence, the extended political protest, the delayed recovery of the tourism sector, crisis legacies from unemployment and household debt which may weigh on purchasing power and the repayment ability, as well as the uncertain recovery of the business sector, especially SMEs, after assistance measures from government and financial institutions come to an end. Nevertheless, the growing trend to greater regionalization should support an expansion in the export sector, rising levels of investment, and stronger economic growth for Thailand in the next period.

#### Thailand Economic Outlook

% YoY Growth unless otherwise stated	2019	2020F	2021F
GDP	2.4	-6.4	3.3
Private consumption	4.5	-1.1	2.5
Public consumption	1.4	3.0	3.8
Private investment	2.8	-11.0	3.2
Public investment	0.2	12.5	10.5
Exports (in USD terms)	-3.3	-7.5	4.5
Imports (in USD terms)	-5.6	-14.0	6.5
Tourist arrivals	39.8	6.7	4.0
Headline inflation	0.7	-0.9	0.8
Oil price (Dubai, \$/Barrel, avg.)	63	42	48
Exchange rate (THB/USD, end of period)	30.1	30.0	29.3
Policy interest rate (% , end of period)	1.25	0.50	0.50

Note : 2020-21 Forecast by Krungsri Research (as of November 2020)  
Source : NESDC, BOT, MOC, MOTs

Source : Krungsri Research, January 2021

## AIR-CONDITION INDUSTRY FOR THE YEAR 2020

Thai air conditioner exports are set to face numerous challenges ahead. These include competition from new rivals like Vietnam in the inverter air conditioner segment (normal model), plus the fact that consumers in emerging markets have increasingly purchased inverter air conditioners, and this has led to pressure on Thai non-inverter air conditioner shipments. Moreover, there has been a technological transition towards smart inverter air conditioners with internet access in emerging markets. To ease those impacts, Thailand may need to overhaul its air conditioner production and export structures, and build export opportunities for products with promising prospects.

**Urgent strategy :** Before Vietnam can expand the production capacity of its inverter air conditioners (normal model) to compete with Thailand's in global markets, Thailand must accelerate its efforts to create opportunities for Thai manufacturers of inverter air conditioners (normal model) to make greater inroads into the emerging markets so that they are ready to compete with their Vietnamese rivals and help offset a possible decline in demand for non-inverter air conditioners in the future.

**Long-term strategy:** To facilitate the transition towards the era of IoT, Thailand should promote investment in the production of smart IoT inverter air conditioners along with creating opportunities for such Thai manufacturers to export products to developed countries

Currently, household air conditioners are considered to be an important product that Thailand has potential for export and compete in the world market. It can be the world's second-largest exporter after China with more than 17.4 million units exported in the past year.

However, technology changes and consumer demand including competing with new competitors such as Vietnam in the future are pressure for Thailand to consider accelerating the change in the air conditioner export structure to accommodate the new normal of the market and the upcoming competition. When considering the current Thai air conditioner export structure the product that Thailand still relies on the most is conventional air conditioners (Non-Inverter) which is not high technology and tends to decrease in demand continuously. It occupies more than 49.3% of the export volume of air conditioners, Non-Inverter. While normal conventional inverter air conditioners with the addition of energy-saving technology are in demand in the world market, Thailand accounts for about 36.5% of exports. For

intelligent inverter air conditioners with high technology such as motion sensors to distribute cold directly to the receiver, PM2.5 dust detection and filtering system and control / command via smart phone, Thailand accounts for only 14.2% of exports. When analyzing the current structure of the Thai air conditioner market, found that in the emerging markets, which is a key market for Thai non-inverter air conditioners account for more than 42% of the total non-inverter export volume, trend of saving energy costs in consumers of those countries, high economic growth, is getting increased which contributed to increasing demand for conventional inverter air conditioners more than the conventional products such as Non-Inverter which consume higher energy. This depressed global market demand for non-inverter to decline more than 16% in the past year and is likely to continue to decline in the future. This will effect to Thai non-inverter exports as well.

The Kasikorn Research Center analyze that Thailand's export volume of non-inverter air conditioners in 2020 and 2021 is likely to continue to decline in line with world demand by 23.8% and 7.2%, respectively, from 13.9% contraction in 2019, partly affected by COVID-19 to the purchasing power of consumers, the target group of Non-Inverter air conditioners, which currently has a major market base in emerging and developing countries that is likely to begin to gradually recover according to the world economy next year. Thai exports to these countries accounted for 41.9% and 19.8%, respectively. With exports of non-inverter air conditioners on a decline trend over the past year, Thailand has the opportunity to benefit from the increased demand for general inverter air conditioners in emerging countries. However going forward, in addition to its original competitor China, Thailand may face competition from new competitors like Vietnam, as Japanese air conditioner manufacturers that formerly use Thailand as their main production base in the region have invested in Vietnam since mid-2018. Vietnam is a top star of Thailand export especially normal inverter air-conditioner which is popular in its market. Since the electricity expenses of Vietnamese people compared with their income are relatively high, around 30% of their average monthly income, more than 55% of sales of air conditioners in Vietnam are inverters.

The start of such a production in Vietnam has put a pressure on the volume of Thai air conditioner exports to Vietnam to be down by 1.9% over the past year and tends to decline continuously in 2020 and 2021 by 2.2% and 3.0%, respectively. On the other hand, exports of conventional inverters to the global market of Thailand in the short term would continue to grow despite some slowdowns from the effects of COVID-19. This was largely driven by increased demand in the emerging markets

mentioned above. The Kasikorn Research Center estimates that the export volume of Thai conventional inverters in 2020 and 2021 should expand around 5.6 and 6.2 percent, respectively, from expansion around 7.8% in 2019. For the next few years, medium term, when the global economy, including Vietnam, resumes its expansion after the COVID crisis ended, the number of potential of the Vietnamese inverter air conditioner consumers for is likely to increase further. As a result, the production of air conditioners in Vietnam has the opportunity to increase its economies of scale, which will encourage manufacturers to consider expanding production capacity of conventional inverter air conditioners in Vietnam again. In addition to capturing only on domestic market like in the past, producers in Vietnam are likely to begin exporting to foreign markets at that time. The impact on Thailand will no longer be limited to the Vietnamese market but will also include competition in the world market especially in the emerging countries' market in the ordinary inverter product group which continue growing in demand, average of 9.4% per year. The trend of expansion of production capacity and exports of Vietnam is likely to increase, respectively, and will gain Thai ordinary version of the inverter air conditioner market share in the future. According to the Kasikorn Research Center, production capacity of Vietnam for conventional inverter air conditioners should reach 5 million units around 2025, compared to the current capacity of about 500,000 units. This will put pressure on the export volume of the Thai ordinary inverter air conditioners to drop below 5.2 million units or equivalent to a reduction rate of at least 35% from the Thai export volume, without Vietnam as a competitor, which will likely grow in line with world demand to reach 8 million units by 2025. For the long term over five years, it may be difficult for Thailand to compete with Vietnam, who has a higher chance to reach the economies of scale in production than Thailand, in the conventional inverter air conditioners since there is an investment in production of only the conventional inverters without any production of non-inverter simultaneously together with a high growth and the larger size of market than Thailand. Therefore, in order to rip away from competitors like Vietnam, Thailand needs to adapt by investment in smart inverter air conditioners, which require higher technology and continue increasing in demand in developed countries. In the past few years, Thailand has performed well in attracting investments in smart air conditioners though almost all investments are still on non-IoT models, which are still growing well in developed countries, resulting in continue increasing of the export volume of air conditioners in this category. However, recently, the market of developed countries is beginning transition to the IoT



era, causing Thailand to develop a long-term strategy for IoT smart air conditioners to prepare for upcoming opportunities. Due to study of Kasikorn Reserch Center, Thai smart inverter air conditioners, in 2020 and 2021 are expected to expand by 22.8% and 14.2%, respectively, from an expansion of approximately 26.6% in 2019. By the reason above will likely cause the overall air conditioner export volume in 2020 to shrink approximately 6.5% before returning to growth of 2.3% in 2021, in line with the global economy that is likely to begin to recover in the next year under such circumstances

In summary, in the future Thai air conditioner exports are likely to run into problems, including reduction in export volume issues to Vietnam, competition with Vietnam among conventional inverters in the world market and declining exports volume of non-inverter products, as well as the trend of technology transition to smart air conditioners IoT. Therefore, Thailand needs to accelerate restructuring air conditioning production and export to mitigate the impacts that may occur as well as creating export opportunities in products with potential for growth in an urgent period, the next 2-3 years, before Vietnam can expand production capacity of conventional inverter air conditioners to compete with Thailand in the world market. Accelerate creating opportunities for manufacturers to expand the market of this category to more emerging markets to prepare to compete with Vietnam. At the same time, it can compensate for the declining trend of non-inverter air conditioners demand. in addition, in the long term, to support the trend of transition to the IoT era and to strengthen Thailand in maintaining the position of a major air conditioner producer of the world, Thailand should promote investment in smart inverter air conditioner or Internet of Things (IoT) models along with creating opportunities for manufacturers to export such products, starting with the developed country market.

*Source : Kasikorn Research Center, December 2020*



# RISK FACTORS

In business operations, there are some internal and external uncertainty that might negatively affect how the company achieves its goals. Such risks include strategy, operation and financial risks. Thus, preparing for uncertainty may reduce those risks and reduce the impact to the company.

The company's audit committee, board of directors, managing director and department managers regularly assess, analyze risks and their trend that might affect the company. In the board of Director Meeting No.7/2016 on November 11th, 2016, has been considered Risk Management Policy detail of policy related is followed:

## RISK MANAGEMENT POLICY C.I. GROUP PUBLIC COMPANY LIMITED

C.I. Group Public Company Limited ("The Company") is committed in its management of risks against corporate objectives that include risk management in safety and health of employees, society and communities as well as environment and corruption, to be complied with laws and regulations. The Company would provide fair treatment to all stakeholders while focusing on business performance and investment objectives in accordance with good corporate governance to minimize the probability of risks may effect to the Company' success or reduce damage from occurred risks, and/or in our endeavor to capture a business opportunities by using COSO-Enterprise Risk Management Framework 2004 as a risk management framework.

### Definition

Risk means situation that have probability to occur in which could effect to achievement of the Company's objectives.

### Guidelines

1. The Company shall have a system and process for risk management at enterprise level as well as in all subsidiaries which shall be aligned with corporate objectives and strategies.
2. The Company shall manage risks to be within the Risk Appetite level or in any case not to deviate from the risk tolerance levels.
3. The Audit Committee will also act as Risk Management Committee which shall govern the corporate risk management to be in accordance with The Company Policies, provide advice and suggestions and monitor to

ensure of efficiency and productivity of risk management as specified in the Charter of the Audit Committee.

4. The Company's managements and executives shall manage corporate and subsidiaries risks in a holistic manner and shall govern risks management under their accountability or as per appointed by the Board of Directors. Also, the managements shall report the risk management performance to the Audit Committee for their consent and advice on regular basis or as appropriate.
5. Manager of every functions of the Company shall be responsible on manage risks at the corporate level, function level and at the operation level within their scope of responsibilities or as per appointed by Management or Executives as well as initiate and stimulate employees' awareness of criticality of risk management.
6. Internal Audit Department shall be responsible on providing advice, opinion, suggestion and guidelines of risk management to other corporate units. Also, shall be responsible on preparing the Corporate Risk Management to management and to report to the Audit Committee on regular basis or as appropriate.
7. All employees shall follow and adhere to the Company's Risk Management system and process of corporate, department and operation level as stipulated by the Company by which set as one accountability.

Regarding to operate under the Risk Management Policy, shall inclusive of setting framework, manual and recruitment to be sufficient to implement the most beneficially Risk Management Policy in the organization.



## Review and Improvement of the Policy

The Policy and all Manuals/Guidelines of Risk Management shall be reviewed and improves on regular basis by reporting appropriateness and efficiency of applying in the organization to the Audit Committee in order to continuous improvement.

## Details of risks and preventive measures are as follow;

### 1. Risk of fluctuations in raw material prices

The company's main raw materials are copper tubes, aluminum fins and zinc coated steel plates. Such raw materials are commodities and their prices varied by the world market prices. Thus, the company's operating results may be affected by these price fluctuations. However, the company maintains close relationship with suppliers so that the company receives timely news and price trends. Moreover, the company's management team has more than 20 years experience in coil manufacturing industry and, to a certain extent, analyze the situation and predict movements in prices of copper, aluminum and iron plates.

To reduce such risk from fluctuation in raw material prices, the company informs the customers of current commodity prices prior to sending quotations. The company maintains safety stock of 2 months. For large customers with annual fixed prices, the company set out conditions so that any big fluctuations will result in adjustment of prices to reflect actual costs. The time needed for such adjustment is between 1 — 2 months which is in line with the company's safety stock. For other customers, fluctuations in raw material prices will automatically result in product price changes.

### 2. Supply risk

The company relies on a few large suppliers. In 2020, the company ordered 77.09% of required copper tubes from 3 large suppliers. The largest of which accounted for 44.12% of total copper tubes orders.

Moreover, the company also relies on a few suppliers providing other raw materials such as aluminum fins and zinc coated steel plates. This is due to the fact that by ordering big volume to suppliers, the company benefits from higher negotiation power and volume discount thus reduces the production cost. These few suppliers have traded with the company for a long period of time and maintained close relationship. The supply risk is therefore reduced slightly.

In any case, the company is aware of supply risk and is trying to spread raw material orders to other suppliers while

obtaining the same or similar trade conditions with those from large suppliers. At the present, the percentage of raw material orders to large suppliers has declined slightly.

### 3. Risks from raw material shortage

One of the company's main raw materials for manufacturing is copper which cannot be stored for a long period of time due to oxidation while reprocessing of copper can be conducted. The copper tube mostly imported from abroad. The copper price is based upon the futures metal market price which is fluctuated according to demand of the world market. However, for regular customers, the company will adjust the selling price immediately if the major raw material price changes.

To reduce such risk, the company has continued its research and development to find a copper substitute material and successfully developed all aluminum coils which can reduce costs for both the company and customers. The company is a member of ASHRAE (The American Society of Heating, Refrigerating and Air-Conditioning Engineers), an organization that is a center of heating, cooling and air-conditioning knowledge in the US, so that the company has access to data, news, and latest technology in order to maintain the company's competitiveness in manufacturing.

### 4. Risks from exchange rates

The company received 45.48% of its revenue from export market. Thus, the company is exposed to foreign exchange risk. However, the company also orders of some its raw materials from overseas. In 2020, export revenue accounted for 45.48% of total revenue and imported 55.09% of total materials from overseas. Since these revenue and cost are in US Dollars, the company enjoys natural hedging to a certain extent. In 2020, the company gained 3.96 Million Baht from exchange rate.

Moreover, the company's policy allows for 30 — 60 days credit terms from overseas customers. Therefore, exchange rate risks will be in short term basis. The company is fully aware of such risk so it continues to closely gather information and trends of exchange rates and at times exercise risk control actions by utilizing currency forwards.

### 5. Risks from free trade agreements and trade organizations

Free trade agreements encourage stronger competitions within the market which is in line with the overall industry situation for air-conditioning in terms of price and the demands for new products. This drives all players in the market to

compete in price and quality. Moreover, Thailand has seen greater number of air-conditioners imports from China which has price advantage. At the present, the company focuses on customers who need high quality coils with different competitiveness than mass products from China which cannot fully satisfy customer's changing needs. With US, Canana certified and award-winning quality products and services, the company is able to maintain good relationships with customers and enhances the company's competitive advantage.

However the company has taken steps to prepare for more intense competitive threats from other players such as quality improvements, production efficiency, cost control and expansions to other export markets. In addition, the company also focuses on customized products that have little or no substitutes.

## 6. Risk from major customer dependency

In the last 3 years, none of the company's largest customer account for more than 30% of total sales which could conclude proportion of sales to 5<sup>th</sup> major customers of the company for 2018-2020 as followed:

	2018	2019	2020
Sale proportion to the top 5 customers*	58.94	40.23	73.60

\* Inclusive of international distributors

Most of these customers are in production and selling air conditioners. Most of them are royal customers with good relationship for a long time. The company has invested in research and development of new products during these times. The quality of our products has been proven by various quality certifications thus the company believes that it can retain existing customers and can further expand its customer base to new and existing markets.

## 7 Liquidity Risk

The company might face liquidity risk when the cash or cash equivalent balance is inadequate in running the business. The company monitors closely at its cash or cash equivalent balance to make sure that the company and its subsidiaries will not be interrupted as a result of lack of liquidity. The company is trying to reduce such risk and pays attention to cashflows management to ensure the right balance between cash inflows and cash outflows to avoid liquidity problems.

## 8. Risks from subsidiaries

In the case that one or more of its subsidiaries is/are unable to get capital needed for running the business, the company, as a majority shareholder, is required to financially support its subsidiaries. Therefore, should the operation results from the subsidiaries varied from the forecast, the company might be affected from such investment in subsidiaries and might not get returns as originally planned.

However, recently the company' subsidiaries, CIG Development Co., Ltd., has expanded into construction contractor business in order to spread out the company's business risk inclusive of getting trough to airconditioning system which could support the main business. In term of risk protection, the subsidiary concentrates on doing sub-contract to an expert. The company expects that its subsidiaries will be running their businesses at full pace which will provide synergy to the company in the future.

## 9. Other Risks

Since a widespread flood in 2011, the company has become aware of natural disasters and other risks that may cause damage to assets, machines, and other fixed assets which are essential for its operations and may cause business interruptions. The company has sought adequate insurance policies covering various risks to the business in order to reduce effects of those risks. Moreover, the company has 3 production capacities in 3 factories at different locations. In case of disruption in one of the factories, the others has excess capacities to cover a disrupted factory to ensure that the company is able to meet demands of its customers.

## 10. Technology Change Risk

One of the risks that industrial players will face is a change of technology in production process or the product itself. Some of those changes may allow the company to benefit from increasing productivity wush as increased machine productivity in some areas where time consumption may be reduced or less labour requirements. All of these may lead to cost reduction. On the other hand, such changes may harm the company if it is not able to adapt in a timely manner such as change in product or substitute products. However, heat exchanger industry is quite mature and the change has been minimal. Over the past 30 years, changes in technology that occurred was not too radical and the company was able to keep up with all the changes. To reduce such risk, the company became a member of ASRAE (the American Society of Heating, Refrigerating and

Air-conditioning Engineers) which is a key organization with knowledge in Heat, Cool and Air Conditioning systems of the USA. so that the company has access to latest news and technology to ensure that the company maintains latest production capability. Moreover, the company focuses on research and development to ensure that it can adapt to any change and reduce technology change risk.

#### **11. Environmental Effects risk**

Due to the fact that the company is in industry sector, the company's production process requires oil, water and some chemicals that may affect the environment or its labour. To reduce environmental effect risk, the company provides suitable safety equipment to ensure safety of labour. The company also uses closed system when dealing with chemicals such as coloring spray to ensure that there will be no chemical waste released to the environment. The company has installed adequate water treatment system to recycle water and ensure that water released to public drainage will be free from chemicals. Moreover, the company has a safety committee and high safety standard for all its employees. Any compromised safety issues will be dealt with according to its effects.

#### **12. Conflict of Interest Risk of Management**

Since the subsidiary, CIG Development Co., Ltd., get into the contractor construction business which might create conflict of interest due to the Chief Executive Officer of the company holds shares of the A.S.A Karnchang Co., Ltd., a contractor construction company. In order to protect the conflict of interest risk, the company has set a connected transaction policy to ensure of related person involving in considering the related case that may cause the conflict of interest. However, the A.S.A Karnchang Co., Ltd. recently not doing business anymore which could get risk of any conflict of interest with the said company of the company's top management. On the other hand, since the Chief Executive Officer has experience in the contractor construction business would benefit to the company.

#### **13. Risks of investing in associates**

If the associated company is unable to find funding sources to support the expansion of investment of CIG (Thailand) Company Limited, a subsidiary of C.I.Group Public Company Limited, the company as a major shareholder need to support raising fund to be as a finance resource for new projects. Therefore, if the performance of the associated company does

not go according to plan, the company, as a shareholder, may be affected by its investment and may be at risk of not receiving the specified return on investment.

However, the joint venture company of CIG (Thailand) Co., Ltd., Fah Khwan Thip Co., Ltd. has set up a circulating system that converts raw materials into electricity to reduce production costs.

#### **14. Risks of construction business**

In the business of providing construction services of the company. The company will accept the work and will start the process when receiving purchasing order from the customer as a project and the company will recognize the revenue of such work according to percentage of completion which will be assessed by the company's project engineer.

Therefore, according to the company's revenue recognition policy, the work performed by the company for its clients will be surveyed and assessed on a basis of success. The revenue from the service is recognized as part of the work performed in the income statement with recording unbilled income in the statement of financial position until the company delivers the work to collect payment from the customer with the reversal of revenues, unbilled revenues are account receivables in the statement of financial position. Therefore, the company has the risk in the event that the customer cancels or refuses to accept the work that the company has already started to complete, including the risk of the delay of the work that may occur and exceed the time limit that the company has assessed operating time, may have impact on the financial position and operating results of the company.

The company has never had any problems with the customer canceling or refusing to accept the submitted work as yet. However the company acknowledge about the risk in this matter, therefore, the company has improved a tracking system of the work by documenting each step, including the time of customer approval in order to enhance customers' partners confidence in long-term business. By that, the company believes that the company has relatively low risk in this matters and is able to manage it. For the risk of delay in operating time, the company has consulted with the customer to find a way to prevent or solve prior. In case there is a problem with the performance may be delayed work, which does not occur from the company, the company still be able to recognize revenue and collect additional installments from customers.



## 15. Risks of new financial reporting standards

The company aware of new and revised financial reporting standards that became effective in the current year, so during the year, the Group has adopted revised financial reporting standards and financial reporting interpretations (revised 2019) including guidance promulgated issued by the Federation of Accounting Professions which are effective for fiscal years beginning from January 1, 2020. These financial reporting standards were aimed at alignment with the International Financial Reporting Standards, which most of the changes are towarded revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements except the set of TFRSs related to financial instruments and leased which involves changes to key principles.

The financial reporting standard will be effective in the future.

During the current year, The Federation of Accounting Professions issued a number of revised accounting standards, financial reporting standards, accounting standards interpretations and financial reporting standards interpretations including the conceptual framework for financial reporting standards (new), which will be effective for fiscal years beginning on January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision to reference to the conceptual framework in Thai financial reporting standards and revision of the definition and accounting requirements. The Group's management believes that these financial reporting standards do not have any significant impact on the financial statements when they are adopted.



# FINANCIAL HIGHLIGHT

## Financial Performance in conclusion (Separate financial statements) of C.I. Group Public Company Limited

Million Baht

Details	Amount		
	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Total Assets	1,219	957	774
Total Liabilities	453	510	449
Shareholder's Equity	765	447	325
Total Revenues	1,087	1,537	930
Net Profit (Loss)	157	63	73
Gross Profit (Loss)	(59)	(311)	(121)
Earnings (Loss) per share	(0.07)	(0.36)	(0.14)

## Financial Performance in conclusion of C.I. Group Public Company Limited and Subsidiaries

Million Baht

Details	Amount		
	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020
Total Assets	1,168	1,022	875
Total Liabilities	469	529	512
Shareholder's Equity	699	493	362
Total Revenues	1,104	1,556	977
Net Profit (Loss)	148	61	62
Gross Profit (Loss)	(53)	(199)	(130)
Earnings (Loss) per share	(0.06)	(0.23)	(0.15)

# SHAREHOLDERS AND MANAGEMENT STRUCTURE

## SHAREHOLDERS STRUCTURE

### Shareholders

The list of 10 major shareholders as of December 25th, 2020 is as follow:

Total  
Shareholders 2,340

% Shares in  
Scripless Holding 83.74

Rank	Major Shareholders		# Shares	% Shares
1.	Poomsanoh Group			
	Mr. Aree	Poomsanoh	102,908,600	11.90
	Miss. Alisa	Poomsanoh	104,616,901	12.10
	Miss. Ananya	Poomsanoh	3,580,000	0.41
2.	Mr. Chairat	Kowitmongkon	52,591,300	6.08
3.	Mr.Surajit	Parnchan	37,698,800	4.36
4.	Wangkorkiat Group			
	Mr. Taweesak	Wangkorkiat	30,500,000	3.53
	Mr. Nattapat	Wangkorkiat	5,600,000	0.65
5.	Sangnoi Group			
	Mr. Phairote	Sangnoi	20,362,000	2.35
	Mrs. Alisa	Sangnoi	960,000	0.11
6.	Mr. Poonsak	Thongsawate	19,060,600	2.20
7.	Miss. Patcharee	Pueamyai	17,934,600	2.07
8.	Mr. Kowit	Hunhirun	14,547,082	1.68
9.	Thai NVDR Co., Ltd.		14,309,610	1.65
10.	Mr.Theera	Poomsanoh	12,000,000	1.39



## MANAGEMENT STRUCTURE

### Committee

There are 3 committee namely, the Board of Directors, the Executive Committee, and the Audit Committee as detail follows:

1. **The Board of Directors** The Board of Director is comprised of 7 peoples as name follows:

Name-Surname	Position
1. Pol.Gen.Dato'Prung Boonpadung	Chairman of Board Directors / Chairman of Audit Committee
2. Mr.Aree Poomsanoh	Vice Chairman
3. Mr.Taweesak Wangkorkiat	Director
4. Mr.Theera Poomsanoh	Director
5. Mrs.Chankapaw Dissakul	Director
6. Mr.Songphol Annanon	Independent Director / Audit Committee
7. Mr.Nadith Rodphet	Independent Director / Audit Committee

## DEFINITIONS

**Executive Directors** Directors who holds executive positions and are responsible for managing the company

**Non-executive Directors** Directors who do not hold executive positions and are not involved in management of the company. Non-executive directors might or might not be independent directors.

**Independent Directors** Directors who are independent from major shareholders and are independent from any kinds of relationship that will prevent independent consideration. Independent directors must have following qualifications;

1. Independent directors must not be or has been directors involving in management of operation, employees, consultants or controlling member of the company, its subsidiary, joint venture, subsidiary of the same level, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
2. Independent directors must not be related by birth or by law in a relationship as father, mother, spouse, brother, sister and child including spouse of child, management, major shareholders, controlling member or person(s) that will be appointed as management or controlling member of the company or its subsidiary.
3. Independent directors must not have any business relationship with the company, subsidiary, joint venture, major shareholders or controlling member in a way that might affect independent consideration. He or she must not be or never have been implied shareholders, or controlling

member having business relationship with the company, its subsidiary, joint venture, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment. "Business relationship" as stated earlier includes normal business transactions, renting or letting properties, assets or service transactions, giving or receiving financial support by borrowing or lending, guaranteeing, giving assets as collateral for debt or that of the same kind that creates a binding liability for more than 3% of total tangible assets or from 20 million Baht or more whichever is lower. Thus, such calculation comply with method of calculations for related party transaction according to the Stock Exchange Commission's rule for related party transactions. Such calculations is inclusive of those that happened within 1 year prior to business relationship of the person.

4. Independent directors must not be or have been the company's auditor(s), its subsidiary, joint venture, major shareholders or controlling member and must not be implied shareholders, controlling member or partners of auditor's office that has the auditor(s) of the company, its subsidiary, joint venture, major shareholders or controlling members unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
5. Independent directors must not be or have been professional service provider of any kind including legal or financial advisor that received professional fee of 2 million Baht or more from the company, its subsidiary, joint venture,

major shareholders or controlling members and must not be implied shareholders, controlling member or partner of such professional firm unless he or she has ceased from such case for at least 2 years prior to his or her appointment.

6. Independent directors must not be directors appointed as representative of company's directors, major shareholders or shareholders who are related to major shareholders.
7. Independent directors must not operate in a company of the same kind or is in direct competition as that of the company, its subsidiary or partner in partnership or as executive directors with involvement in management, employee, consultants or hold more than 1% of voting rights of other companies that operate in the same business or in direct competition with the company or its subsidiary.
8. Independent directors must not have any characteristics that may prevent him or her from giving independent opinions on the company's business operations.

#### **Authorized Directors**

Authorized Directors who can sign to comply with the company are Mr. Aree Poomsanoh or Mr. Theera Poomsanoh or Mrs. Chankapaw Dissakul or Mr. Taweesak Wangkorkiat co-sign totally two persons and affix the company seal.

#### **Scope of Authority and Duty of the Board of Directors**

1. To manage the company honestly in accordance with laws, objectives, obligations and resolutions of Shareholder Meeting and to take precautions in order to protect the company benefits.
2. To authorize an appointment a set of directors as Executive Committee to execute one or several tasks in order to implement the work assigned by the Board of Directors as well as to authorize an appointment the Chairman of Executive Committee together with other committee such as Audit Committee, Nomination and Remuneration Committee as deemed appropriate.
3. To set objective, procedure, policy, plan, and company budget and monitor the management of the Board of Executive Committee or the assigned person to follow with the policy set forth.
4. To consider review and approve and govern policy, direction, strategy, business plan, and annual budget, investment on big project proposed by the Board of Executive Committee by supporting in apply innovation and technology to value added to the business.
5. To continuously follow up on the operation as plan and budget set forth.

6. To consider and approve other activities concerning the company and have it done to benefit the company.
7. Govern in intelligent technology and ensure of disclosure policy inclusive of confidential information leakage. The confidential information management will cover keeping information method especially market sensitive information.
8. Monitor sufficiency of liquidity, debt payment capability and recover business method in case the company is facing cash flow problem. Also, ensure of financial management understanding of the employees and provident fund.

Except for the following tasks which can be implemented only under the resolutions from Shareholder Meeting and under the stipulation that any director or person who might be involved with either conflicts of interests or any other beneficial conflicts with the company or subsidiary company shall not be granted the right to vote in that matter.

- a) Matters stipulated by Laws must be obtained the resolutions from Shareholder Meeting.
- b) Transactions that any directors are involved with either conflict of interest or any other beneficial conflicts particularly stated by Laws or Stock Exchange Specifications must be obtained the resolutions from Shareholder Meeting.

The execution of the following matters must be approved by the Committee Meeting and the Shareholder Meeting with the votes not less than 3 over 4 of total votes of the eligible shareholders present in the meeting.

- a) To sale or transfer all or important part of the company business.
- b) To purchase or acquire of other company or private company.
- c) To make, to amend or to abolish the contract to rent all or some important part of company business. The appointment of other person who will manage company business or the merging with other person in order to share profit and loss.
- d) To amend the Memorandum of Associations or Objectives.
- e) To increase or decrease capital, to issue debenture, to merge or to terminate the business.

#### **Rotation of Retirement**

At every Annual General Meeting of Shareholders, one-third of the directors liable to retirement by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office. The directors to retire by rotation at every Annual General Meeting shall be those

been longest in office since their last appointment, but as between persons who became directors on the same day, those who will have to retire is to be determined by lot, unless otherwise agreed to among themselves.

#### Election of the Directors

Since there is no particular committee to perform this task, the selection of persons to be appointed as company's directors shall be made in Shareholders Meeting. The selection shall be made as per the criteria and method as stated in the company regulations as follows:

1. Each shareholder has as many votes as he/she owns share.
2. Each shareholder may use all his votes to elect one or many persons as the company directors; however, no voter may divide his/her votes among several candidates or allot to one candidate fewer votes than what he/she has.
3. Candidates who receive highest votes shall be elected as directors on a consecutive basis until all required directors during that meeting is obtained. The Chairman of that meeting shall act as an arbiter in case that equal votes occurred and numbers of directors exceed the required number of directors.

#### Selection and Appointment of Directors and Executive Management Directors' Selection

1. The Board of Directors or each Director could propose a nominee to be selected as the company's Director. The Board of Directors will introduce the person to the shareholders in order to select where as the company's Secretary would check the nominees' qualification prior to propose to the shareholders. The shareholders may consider selecting nominees who has appropriated engagement with the company or the main shareholders together with what the company agree to do for the shareholders.
2. Standard of Directors' Selection

The person who would be selected to be a Director of the company must qualified on

- Experiences
- Knowledge
- Honest and well understand in overall of the company business

However, in some case may need to select Directors who have significant relationship with shareholders or stakeholders due to Contract or Agreement with the shareholders regarding director seats in the company's board.

#### Executive Managements' Selection

In order to select and appoint executive management of the company must comply with regulation and practices of authorization of the company as follows:

1. Hire and appoint of the Chief Executive Officer and/or Chief Executive Officer of Businesses (CEO) must be approved by the Board of Directors.
2. Appointment of Chief Financial Officer, Chief Investment Officer and/or Chief Operation Officer is under authorization of the Board of Executive Committee.
3. Appointment of any management level lower than above is under authorization of the Chief Executive Officer and/or Executive Management belloved depend upon situation.

#### Director Development

The company's Director and Executive Management have paid continuously high attention on attend any courses that related to performance and capability on duty improvement. (as could see in their profiles) All of the Directors had already attended the training course with The Thailand Institute of Directors (IOD) which the company supports and mange to let Directors consider joining related courses with IOD or other institutes throughout the year together with joining site visit of institution, organization or related as appropriated in order to generate new effective thought that could be applied with the company's business.

#### Directors Orientation

The company has set an orientation for new Directors in order to create best understanding with the company's business and policies inclusive with related information such as investment structure, shareholders structure, business performance, information and systems are used within the company, related rule and regulations and laws.

**2. The Board of Executive Committee** The Board of Executive Committee is comprised of 5 people as name follows:

Name-Surname	Position
1. Mr.Aree Poomsanoh	Chairman of Executive Committee
2. Mr.Taweesak Wangkorkiat	Executive Committee
3. Mr.Theera Poomsanoh	Executive Committee
4. Mrs.Chankapaw Dissakul	Executive Committee
5. Mr. Sawai Chatchairungruang	Executive Committee



### Scope of Authority and Duty of the Board of Executive Committee

1. To manage the company honestly in accordance with laws, objectives, obligations, resolutions of Shareholder Meeting and resolutions of the Board of Directors Meeting and to take precaution to protect the company benefits.
2. To determine organization structure, authorization lines and to ensure its coverage of details in terms of selection, training, employment, reshuffle and dismissal of company personnel.
3. To plan and to determine the business plan, business strategies and annual budget and then to propose to the Board of Directors for approval. Also, to consider and to approve the allocation of annual budget, to amend, adjust, or increase annual expense budget in case of urgent needs and then to present to the Board of Directors accordingly.
4. To audit and monitor the company business operation, policy, and administrative guidance in a manner that is compatible to business situation.
5. To audit and to monitor in order to ensure that the company is operated in accordance with the approved business plans.
6. To consider company large-scaled investment project and have it presented to the Board of Directors for approval.
7. To authorize and to approve the following financial implementations.
  - a) The Board of Executive Committee is entitled to approve unlimited financial amount in case that such implementation is stated in the business plan or annual budget.
  - b) If not stated in documents mentioned in (1), the Board of Executive Committee is entitled to approve an amount not exceeding 150 million Baht. Such approval shall include the approval on the expense occurred from general operations. Investment on permanent property, loan, acquisition of credit including provision of guarantee, etc. and acknowledge the Board of Directors.
8. To implement other tasks as periodically instructed by the Board of Directors.

However, The Chairman of the Board of Executive Committee or the Board of Executive Committee are not entitled to approve any matters that might be a conflict of interest to themselves or other party or matters that may cause any beneficial conflicts whatsoever with the company or subsidiary company.

**3. The Audit Committee** The Audit Committee is comprised of 3 people as name follows:

Name-Surname	Position
1. Pol.Gen.Dato'Prung Boonpadung	Independent Director and the Chairman of Audit committee
2. Mr.Songphol Annanon	Independent Director and Audit Committee
3. Mr.Nadith Rodphet	Independent Director and Audit Committee

The audit committee number 3 has adequate expertise and experience to review creditability of the financial reports.

Audit Committee Secretary: Ms.Wanphen Khaosuan

### Independent Director / Audit Committee Qualification

Audit committee consists of at least three independent committees who are on 2 year term of designation. The company has recruitment policy for audit committee who qualifications shall meet the followings;

1. Holding not exceeding 1% shares of paid-up capital amount of the company and its affiliates, joint-ventures, or related companies (inclusive of a number of shares held by those concerned persons)
2. Neither participation in top management of the company and its affiliates, joint-ventures, related companies or major shareholders, nor being salary employee, staff or consultant of company and its affiliates, joint-ventures, related companies or major shareholders.
3. Neither partaking in the interest nor being stakeholder directly and indirectly in relation to finance and administration of the company and its affiliates, joint-ventures, related companies or major shareholders, and must not participate in such interest and stakes within two years prior to being appointed as audit committee, unless the Board of Director, under deliberate discretion, assumes that such conduct shall not affect the performance and independent comment by the audit committee.
4. Not being a next of kin or relative of the executives or company's major shareholders
5. Not being appointed as fiduciary proxy for the directors, major shareholders, or shareholders who are associated with major shareholder.
6. Independently perform duty and express the opinion or report the Performance assigned by the Directors, and not being subjected to the executives or major shareholders or shareholder's relatives.

7. Not be or have not been an auditor of the company, sub-company, co-company and major shareholder.
8. Not be or have not been any vocational service provider inclusive of consultant on law or financial which earn more than 2 MB per year.
9. Not engage in the same type of business and being a significant competitor for the company/sub-company

#### Scope of Authority and Duty of the Board of Audit Committee

1. To ensure that the company disclose its accurately and adequately Financial Statements to public by co-operating with the Auditor and Director who is in charge with preparing a financial report quarterly and annually. The Audit Committee may suggest the Auditor to examine or investigate any matters are considered necessary and important during the auditing period.
2. To review the company's internal control system and internal audit system to ensure that they are suitable and efficient , to attend a non- management meeting with an auditor at least once a year , to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit ;
3. To review the Company's compliance with the law on securities and exchange , the Exchange's regulation, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration by taking into consideration the creditability, personnel sufficiency, work volume of auditing firm as well as experience of the personnel to be appointed as company's auditor.
5. To review and ensure if the connected transactions or the transactions that may lead to conflicts of interests are in compliance with the laws and the Exchange's regulations, reasonable and created highest benefit to the Company;
6. To prepare, and to disclose an Audit Committee's Report in the Company's Annual Report which must be signed by the Audit Committee's Chairman. The Report must consist of :
  - an opinion on the accuracy, completeness and creditability of the Company's Financial Report,
  - an opinion on the adequacy of the Company's internal control system ,
  - an opinion on the suitability for an Auditor and reasons

to believe that the company's Auditor is appropriate to be re-appointed for another term.

- an opinion on the compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws relating to the company's business,
- an opinion on the transactions that may lead to conflict of interests,
- the number of the Audit Committee Meetings and the attendance of such meetings by each committee member,
- an opinion or overview comment was received by the Audit Committee from its performance of duties in accordance with the charter, and
- other transactions which, according to the audit committee's opinion, should inform to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.

7. To conduct other tasks as instructed by the Board of Directors whereas agreed by the Audit Committee, i.e. to make revisions on financial policies and risk management, make revisions on compliance with business ethics, make co-revisions with company directors on important issues which need to be disclosed to public stated by laws, for instance, report and analysis of management team.

#### Scope of Authority and Duty of the Managing Director

1. To direct and oversee the administration and the management to be in accordance with policies, plans and budget approved by the Board of Directors or the Board of Executive Committee and report the company performance to the Board of Directors or the Board of Executive Committee consecutively.
2. To consider the suitability of an annual budget allocation prepared by the Board of Executive Committee prior to propose to the Board of Directors.
3. To authorize an approval on the overall purchase and the expenditure on general matters as stated in the Company Authority Table.
4. To consistently evaluate the company operation in order to prevent risks from various factors inside and outside the company.
5. To authorize the issuance of orders, regulations, announcements, memorandum so that the company is operated in compliance with the policy or for company's interest.

6. To provide an authority and/or to sub-authorize to other persons to carry out specific task. Such sub-authorization shall be under the scope of authorization as stated in the given power of attorney and/or shall be comply with the regulations, specifications or order stated by the Board of Directors and/or the company.
7. To implement other tasks as periodically instructed by the Board of Directors or the Board of Executive Committee.

However, the Managing Director is not entitled to approve any matters that might be of a conflict of interests or conflicts to himself or other party or may cause any beneficial conflicts what so ever with the company or subsidiary company.

#### The Company's Secretary

The Board of Director had appointed Mrs.Chankapaw Dissakul, education: Master Degree in Business Management from the Emporia State University, USA. Major in Financial and Marketing. She got certificate from attending the Company Secretary Program of IOD No. 47/2012, to be the Company's Secretary which has duties as follows.

#### Scope of Duty of Company Secretary

1. Advice Directors regarding laws, rules and regulations related.
2. Ensure the company follows the laws, rules and company's regulations related to good corporate governance.
3. Set up meetings as required by rules and regulations, prepare and keep Directors' Record, Invitation Letter for Board of Director Meeting, Minutes of Board Meeting and Annual Report together with Invitation for the Annual General Meeting of Shareholders and the Minute of AGM in fully secure and effective.
4. Disclose information and news to SEC and/or SET as required by law and regulations.
5. Contact and communicate with the shareholders, SET and SEC
6. Support and being an assistant to the new Directors in order to find and provide necessary information and courses that could be value added to director jobs
7. Other tasks as requested by the Board of Directors.

#### Executive Remuneration

Remuneration in Cash

Remuneration for the Board of Directors

In 2019 and 2020, the remuneration of directors can be summarized as follows:

Name of the Directors	Position	Meeting Allowance (Baht)	2019		Meeting Allowance (Baht)	2020	
			Gratuity (Baht)	No. of Attendance BOD;AC		Gratuity (Baht)	No. of Attendance BOD;AC
1. Pol.Gen, Dato'Prung Boonpadung	Chairman of the Board of Directors, Independent Director and Chairman of the Audit Committee	60,000	540,000	7/7;5/5	40,000	540,000	5/5;4/4
2. Mr.Aree Poomsanoh	Director, Vice Chairman of the Board of Directors	30,000	300,000	6/7	20,000	300,000	5/5
3. Mr.Taweesak Wangkorkiat	Director	35,000	300,000	7/7	20,000	300,000	5/5
4. Mr.Theera Poomsanoh	Director	35,000	300,000	7/7	20,000	300,000	5/5
5. Mrs.Chankapaw Dissakul	Director	35,000	300,000	7/7	15,000	300,000	4/5
6. Mr.Songphol Annanon	Independent Director & Audit Committee	60,000	450,000	7/7;5/5	30,000	450,000	4/5;3/4
7. Mr.Nadith Rodphet	Independent Director & Audit Committee	45,000	450,000	5/7;4/5	40,000	450,000	5/5;4/4
<b>Total</b>		<b>300,000</b>	<b>2,640,000</b>		<b>185,000</b>	<b>2,640,000</b>	



## Executive Remuneration

In 2018-2020 The executive remuneration is summarized as follows:

Type of Remuneration	2018	2019	2020
Salary	25,334,850	27,172,452	26,217,446
Incidental benefit	-	-	-
Other	688,097	753,264	657,840
<b>Total</b>	<b>26,022,947</b>	<b>27,925,716</b>	<b>27,275,286</b>
<b>Number of Executive</b>	<b>9</b>	<b>10</b>	<b>10</b>

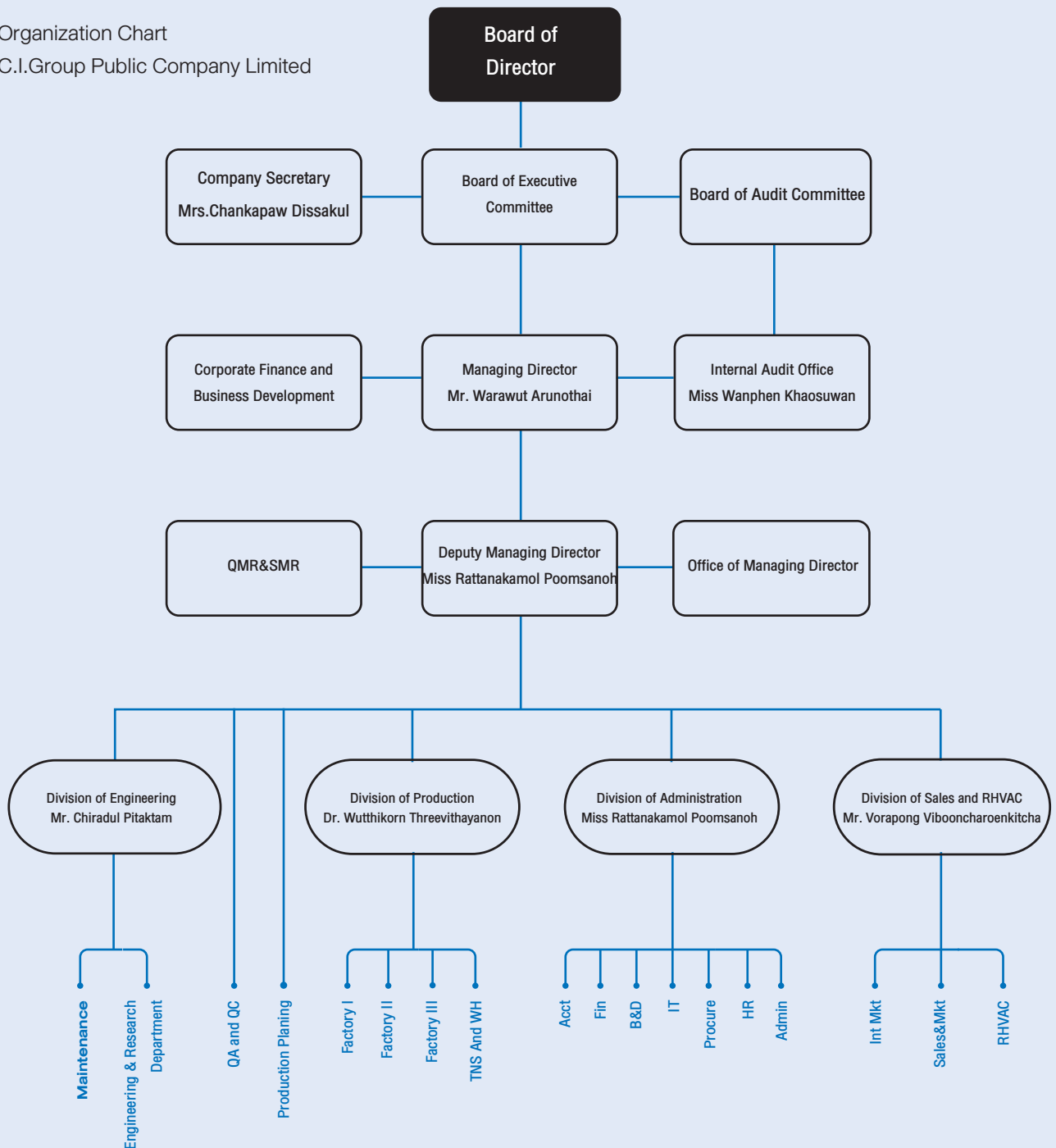
*Note: As of 31 December 2020, The Company has 5 Executive Managements and 5 Executive Committee.*


*Other Remunerations consists of ESOP-1 & PROVIDENT FUND*

The company paid compensation to the Chairman of the Executive Committee (CEO) in the form of salary and gratuity, which will be varied to the company's performance. For the year 2020, total remuneration of CEO was 7,500,000 baht.

# ORGANIZATION CHART

Organization Chart  
C.I.Group Public Company Limited



Approved by   
Chairman of  
Executive Committee

Date of Issue : 01/06/2020  
REV.46

# BOARD OF DIRECTORS AND EXECUTIVES

## BOARD OF DIRECTORS



### Pol.Gen.Prungrat Boonpadung

**Age:** 71 years old

**Position :** Chairman of the Board of Directors  
Independent Director  
And Chairman of the Audit Committee

**% of share holding :** -none-

**Number of CIG shares held as of 31 December 2020:**

- Self hold : none
- Spouse/underage child : none

No transaction on CIG share held during 2020

**Highest Education :** Doctor of Philosophy (Development Administration) (Ph.D.) Suan Sunandha Rajabhat University

**Date of the appointment as director :** May 13th, 2011

#### Working Experience :

Chief of Royal Court Security Police

Deputy Commissioner General : Royal Thai Police

Commissioner Special Branch : Royal Thai Police

Commissioner Provincial Police Region 9 : Royal Thai Police

Commissioner Provincial Police Region 5 : Royal Thai Police

Board of University Council : Suan Sunandha Rajabhat University

Chairman of the Board of Promotion Committee :  
Suan Sunandha Rajabhat University

Police Sub-committee : Human Resources Department

President of the Sub-Committee of Ethic : Parliament

#### Other current positions

Chairman of the Board and Chairman of the Audit Committee :  
C.I.Group Public Company Limited

Advisor : The Foundation of Thai-Chinese International School

President of the Parent and Teacher Association Of  
Demonstration School of Suan Sunandha Rajabhat University :  
Suan Sunandha Rajabhat University

#### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 90/2011

Role of the Chairman Program (RCP) Class 27/2012

Ethical Leadership Program (ELP) Class 2/2015

Advanced Audit Committee Program (AACP) Class 21/2015

Driving Company Success with IT Governance (ITG) Class 1/2016

Family Business Governance (FBG) Class 5/2016

Successful Formulation & Execution of Strategy (SFE) Class 27/2016

Financial Statements for Directors (FSD) Class 32/2017

Risk Management Program for Corporate Leaders (RCL) Class 6/2017

Directors Certification Program (DCP) Class 240/2017





## Mr. Aree Poomsanoh

**Age:** 65 years old

**Position :** Vice Chairman of the Board And Chairman of the Executive Committee

**% of share holding :** 11.90%

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : 102,908,600 shares
- Spouse/underage child: none

During 2020, bought 2,929,100 CIG' shares

**Highest Education :** B.B.A. (Administration), Sukhothai Thammathirat Open University

**Date of the appointment as director :** February 16th, 2004

### Working Experience :

Chairman of the Board and Managing Director : C.I. Group Public Company Limited

Director : Sirakorn Company Limited

Director : AC Square Energy Company Limited

Director : A.S.A. Property Company Limited

Director : A.S.A. Real Estate Company Limited

Director : A.S.A. Karnchang Company Limited

### Other current positions

Vice Chairman of the Board and Chairman of the Executive Committee : C.I. Group Public Company Limited

Chairman of the Board : CIG Development Company Limited

Chairman of the Board : CIG (Thailand) Company Limited

Director : V&A High Tech Company Limited

Director : Siam Railway Development Company Limited

Director : Fakwantip Company Limited

Director : Pathapi Resources Company Limited

Director : Illustro Company Limited

Director : Golden Ax Thai Waterworks Company Limited

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 27/2004

Role of the Chairman Program (RCP) Class 14/2006

Role of the Compensation Committee (RCC) Class 8/2009

Corporate Governance for Executives (CGE) Class 5/2015



## Mr. Taweesak Wangkorkiat

**Age:** 68 years old

**Position :** Directors and Member of the Executive Committee

**% of share holding :** 3.53%

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : 30,500,000 shares
- Spouse/underage child: none

No transaction on CIG share held during 2020

**Highest Education :** B.S., Faculty of Industrial Technology, King Mongkut's Institute of Technology North Bangkok

**Date of the appointment as director :** February 16th, 2004

### Working Experience :

Director and Member of the Executive Committee : De Lamai Company Limited

### Other current positions

Director and Member of the Executive Committee : C.I. Group Public Company Limited

Director and Member of the Executive Committee : CIG Development Company Limited

Director : CIG Blusolutions Company Limited

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 27/2004



## Mr. Theera Poomsanoh

**Age:** 63 years old

**Position :** Director and Member of the Executive Committee

**% of share holding :** 1.39%

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : 12,000,000 shares
- Spouse/underage child: none

No transaction on CIG share held during 2020

**Highest Education :** M.B.A. (Marketing), National Institute of Development Administration

**Date of the appointment as director :** February 16th, 2004

### Working Experience :

Managing Director : C.I. Group Public Company Limited

Director : AVV Company Limited

Director : AC Square Energy Company Limited

Director : North East Consultant Co., Ltd.

### Other current positions

Director and Member of the Executive Committee :  
C.I. Group Public Company Limited

Director and Member of the Executive Committee:  
CIG Development Company Limited

Director : MDICP Holdings Co., Ltd.

Director and Secretary : Air-Conditioning & Refrigeration Group  
The Federation of Thai Industries

Director : CIG (Thailand) Company Limited

Director : Greeneric Company Limited

Director : Siam Railway Development Company Limited

Honorary Director : The Golden Jubilee Museum of  
Agriculture Office (Management)

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 27/2004



## Mrs. Chankapaw Dissakul

**Age:** 54 years old

**Position :** Director and Member of the Executive Committee

**% of share holding :** 0.08%

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : 705,768 shares
- Spouse/underage child: none

No transaction on CIG share held during 2020

**Highest Education :** MBA (Financial/ Economics/ Business Administration) Emporia State University, USA

**Date of the appointment as director :** March 13th, 2006

### Working Experience :

General Manager/ Marketing Manager/ Administrative Manager :  
C.I. Group Public Company Limited

Director and Executive Committee : De Lamai Company Limited

### Other current positions

Director and Member of the Executive Committee :  
C.I. Group Public Company Limited

Company Secretary : C.I. Group Public Company Limited

Director : CIG Blusolutions Company Limited

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 60/2006

Company Secretary Program (CSP) Class 47/2012

Ethical Leadership Program (ELP) Class 1/2015

Director Certificate Program (DCP) Class 223/2016

Board Matters and Trends (BMT) Class 3/2017



## Mr. Songphol Annanon

**Age:** 49 years old

**Position :** Independent Director and Audit Committee

**% of share holding :** -none-

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : none
- Spouse/underage child: none

No transaction on CIG share held during 2020

**Highest Education :** MSA in International Business,  
Central Michigan University

**Date of the appointment as director :** March 23rd, 2011

### Working Experience :

Partner : Dr.Ukrit Mongkolnavin Law Office

Senior Lawyer : Dej-Udom & Associates

Lawyer : Chongchai Teangtham Law & Accounting Office

Lawyer : Chairapee Law Office

Audit Committee : Scan Global Public Company Limited

### Other current positions

Audit Committee : C.I.Group Public Company Limited

Director : Annanon Law Office

Senior Lawyer : Punyariddhi Law Office

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) class 90/2011



## Mr. Nadith Rodphet

**Age:** 50 years old

**Position :** Director and Audit Committee

**% of share holding :** -none-

**Number of CIG shares held as of 31 December 2020 :**

- Self hold : none
- Spouse/underage child: none

No transaction on CIG share held during 2020

**Highest Education :** MBA, Thammasat University

**Date of the appointment as director :** March 23rd, 2011

### Working Experience :

Country Finance Manager : Avande (Thailand) co.,ltd

Internal Audit Manager & Financial Controller :  
Millennium Auto Group

Finance Director : SME Trade Promotion Company Limited

Business Manager : Metro Infinium (Thailand) Company Limited

Audit Committee : Scan Global Public Company Limited

### Other current positions

Audit Committee : C.I. Group Public Company Limited

Financial Controller : Netizen Company Limited

### Certified from Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) Class 90/2011



# BOARD OF DIRECTORS AND EXECUTIVES

## EXECUTIVE MANAGEMENT



### Mr. Aree Poomsanoh

**Position** : Chairman of the Executive Committee

**Highest Education** : B.A. (Administration), Sukhothai Thammathirat  
Open University

**Number of CIG shares held as of 31 December 2020** :

- Self-hold : 102,908,600 shares
- Spouse/underage child : none

During 2020, buy 2,929,100 CIG' shares

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### Mr. Warawut Arunothai

**Position** : Managing Director and President of Corporate Finance  
and Business Development

**Highest Education** : B.A. (Administration), Assumption University

**Number of CIG shares held as of 31 December 2020** :

- Self-hold : 200,000 shares
- Spouse/underage child : none

During 2020, buy 200.000 CIG' shares

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### Miss Rattanakamol Poomsanoh

**Position** : Deputy Managing Director

**Highest Education** : B.Eng. (Computer), Assumption University

**Number of CIG shares held as of 31 December 2020** :

- Self-hold : 100,000 shares
- Spouse/underage child : none

No transaction on CIG share held during 2020



### Dr. Wutthikorn Threevithayanon

**Position :** Division of Production Manager

**Highest Education :** Doctor of Philosophy in Electrical Engineering (Ph.D.)  
Chulalongkorn University

**Number of CIG shares held as of 31 December 2020 :**

- Self-hold : 120,000 shares
- Spouse/underage child : none

No transaction on CIG share held during 2020



### Mr. Chiradul Pitaktham

**Position :** Division of Engineering Manager

**Highest Education :** MBA (Finance), NIDA

**Number of CIG shares held as of 31 December 2020 :**

- Self-hold : 226,000 shares
- Spouse/underage child : none

No transaction on CIG share held during 2020



### Mr. Vorapong Vibooncharoenkitcha

**Position :** Division of Sales and RHVAC

**Highest Education :** MBA (Mechanical Engineering), King Mongkut's University of Technology North Bangkok

**Number of CIG shares held as of 31 December 2020 :**

- Self-hold : none
- Spouse/underage child : none

No transaction on CIG share held during 2020



### Mr. Piyapot Keawjamlong

**Position :** Accounting Manager

**Highest Education :** B.S. (Accounting), Ramkhamhaeng University

**Number of CIG shares held as of 31 December 2020 :**

- Self-hold : none
- Spouse/underage child : none

No transaction on CIG share held during 2020

# CORPORATE GOVERNANCE

The Board of the C.I. Group Public Company Limited has emphasized the good governance practices to ensure the constant growth and development of the business. The company has embraced and complied with the Code of Best Practices in accordance with the Stock Exchange of Thailand. The company also encourages all members of the Board to be trained the Director Accreditation Program (DAP) held by the Thai Institute of Directors (IOD).

Under the Principle of the Good Corporate Governance, the company concentrate on effective internal control as an important method of management which could be a mirror of good corporate governance. Beyond that method, the company put an effort on 5 measurements which are:

1. Organizational Control and Environmental
2. Risk Management
3. Management Control Activities
4. Informational and Communication
5. Monitoring System

With objectives to ensure of the company's operation would reach the target of internal control under effectiveness of operation, usage of resources, asset monitoring and control, preventive or decreasing mistake and damages, leakage of all important issue of the company, waste, trustable of financial and others report and comply with law, rules, regulation, cabinet resolution and policy inclusive of the company's rules and regulation in order to create maximum benefit for shareholders and to ensure of rights of shareholders are protected.

In order to be used as a guideline of the organization, the Board of Directors has announced Corporate Governance Policy and Code of Conduct for Directors Management and Staffs which was effective since November 7th, 2014 by which has been improving to ensure operation is merit transparency and verifiable and follows business ethics. Hence could continuously create value added to the Company, trust of shareholders customers and related persons. The adjusted policy was approved and effective since November 11th, 2015 which had announced the Policy

through all company's media such as website, announcement board and intranet. For the Code of Conducts, director management and all staffs have got Manual to get acknowledgement which all were signed to agree of following the manual strictly.

In the Board of Director Meeting No.1/2021 on February 28th, 2021, has consider how far of applying the 2017's Corporate Governance Code (CG CODE) for listed companies to be used as a principle of the board of directors. Then, found out that the Company has set and applied quite several codes where as some such as established a Nomination and Remuneration Committee that the company still not establish as yet due to appropriation of the organization itself. On the other hand, the Company does have directors' recruitment and nomination method together with appropriate remuneration consideration base upon industrial standard. However, the Company would set plan beyond objectives of applying the CG CODE for listed companies completely. in order to create good corporate governance method of the company. The resolution of the meeting considered to review appropriateness of compliment the new CG CODE to the company business continuously or at least once a year.

The Board of Directors has intention to support and push the company to be effective, corporate governance and management organization by which aim to create high return to shareholders and all stakeholders, to do business with merit transparency and verifiable. Therefore, the company has set the significance of the Principle of Good Corporate Governance for the Board of Directors; Executive Management; Management and staffs to be used as method by embracing the following;

1. The Board of Directors will perform their duties with high attention and responsibility; independence and define clearly between roles of President of the Board of Directors and President of the Board of Executive Committee.
2. The Board of Directors have an important roles in set vision, strategies, policy and important plan which must consider on risks in order to implement an appropriate method of doing business together with must ensure



that the company's financial system and accounting audit are reliable and accepted.

3. The Board of Directors shall be leader in ethic, a role model on CG's behavior of the company and shall monitor on conflict of interest management and related items.
4. Board of Directors may set up a committee to decide on important issues.
5. Board of Directors must evaluate themselves for ease of auditing.
6. Board of Directors will set up Ethics Code of Conduct for management and all employees.
7. Board of Directors must disclose financial and non-financial data in a timely and equally manner for all shareholders and stakeholders.
8. Board of Directors must ensure that all shareholders are treated equally and have access to necessary information and provide suitable means for them to contact the company.
9. Board of Directors must set up a fair and transparent system for management recruitments.
10. Operate business in accordance with applicable law, regulation, rule and requirement set out by Stock Exchange Committee (SEC), requirement of the Stock Exchange of Thailand, and comply with the resolution of the shareholder meeting.
11. Prevent the company from entering into the conflict of interest which may occur among the companies, establish confidences with the shareholder under the transparent and verifiable tradeoff approach.
12. The Board of Directors consist at least no less than three independent committees.
13. Provide the evaluation and risk control appropriately.
14. The Board of Directors should hold a meeting at least on quarterly basis regularly and special meeting is allowed to be held when necessary. The meeting agenda should be designed in advance pursuant to the company's regulation so that the Board members have enough time to examine the information prior to the meeting.
15. The Board of Directors must be consisted of many variety of qualifications including skills, experience and expertise in guiding the company. The Board of Directors must also consisted of at least one directors who are not involved or associated with the core business of the company.

The company, in good faith, assumes that Good Corporate Governance is useful administrative guideline and honestly values its principles and compliance in term of corporate responsibility equitably to those related parties. For examples, the company clearly defines the competency and responsibility for the Board of Directors, Audit Committee, and Executive Committee and Managing Director.

## Leadership and Vision

The Board of Directors consists of a group of competent responsible persons who play important role in supervising, auditing, and evaluating the company performance, honestly responsible for pursuing the company in compliance with applicable law, regulations and shareholder meeting resolution, overseeing the administrative affair of management in pursuit to policy, goal, and designated budgets effectively and efficiently.

## Conflicts of Interest

To avoid the interest conflict which may occur among the Board of Directors, executive, and employees, the company declares the following guidelines;

1. The Directors shall neither operate nor engage in nor partake as shareholder or partnership with any juristic person operating the similar business or competing with the company, unless informed in the shareholder meeting prior to appointment resolution.
2. Executive and employees shall neither use internal information for their own exploitation in buying and selling the company's stock, nor disclose the third party or any concerned persons the internal information that jeopardizes the shareholders.
3. Executives and employees shall not utilize their position or acquired information to operate activity or any business relevant to company business to compete.
4. In case that the company and its affiliates have some related transactions or acquired the crucial corporate assets sold, the Board and the Management shall conduct a meeting for such respective matter carefully, honestly and reasonably for the sake of the optimum interest of the company and overall shareholders. The Directors or executives who are stakeholders concerning such a case are required to leave the Board meeting and disclose the information through channels so that the stakeholders can be advised thoroughly and equitably.

## Business Ethics

The company policy has exercised the disclosure of the performance of the Board and employees to customers, trade partners, society and related persons explicitly, and embraced the Best Practices honestly, justly and equitably. The company pursues the performance and concerned matters in accordance with the policy and ethics regularly, including to disciplinary punishment.

## Balance of Power for Authority of Non-executive Directors

The company currently has overall 7 directors, composing of 4 executive committees and 3 independent committees who have real independence out of the Management and have neither business relationship nor any other kinds of relationship with the company. This is to ensure of the autonomy and neutrality of the Board in respect of governance.

## Control Over Affiliates and/or Subsidiaries

When the company decided to invest in a subsidiary or affiliate, the company will control by ensuring of taking one board seat of directors as per portion of investment allowed.

### Approval of related transactions

For related transactions, they must be necessary and sound for the best interest of the company

A future related transaction depends on the reasons and necessity. Paying and receiving remunerations must comply with market or fair value and an approval from the audit committee is required.

### Related transaction policy

For future related transactions, Directors may not approve any transactions that he or she may have conflict of interest and must disclose such transaction to the Audit Committee to see if they are commercially sound and within the fair value to the Board of Directors.

Moreover, the company will follow rules and regulations set out by the Stock Exchange Commission (SEC) and will disclose all related transactions including acquisition and sale of important assets in subsidiary and joint ventures.

## Surveillance of Internal Information Use

The company has complied with the usage of inside information policy by which all directors, executives and employees including subsidiaries', associated companies' strictly abide

with. The policy states all directors, executives and employees must not use the inside information of the company or business partners to buy or sell or offer to buy or sell or persuade others to buy or sell or offer to buy or sell the company's securities or business partners for the benefit of oneself or others or doing business that competes with the company or related businesses although the company may not lose any benefits and must strictly comply with relevant laws. By which the directors and executives have the duty as follows:

- Report of the first holding of the company's securities and report of changes in securities holding which is included spouses and underage children as well as related parties under section 59 of the Securities and Exchange Act B.E. 2535, within 3 working days from the date of purchase, sale, transfer or acceptance of transfer to the Securities and Exchange Commission (SEC). Including prohibit to trade the company's securities during 1 month prior to disclose the financial statements to the public.
- Report the changes in securities holding to the Securities and Exchange Commission (SEC) in accordance with the regulations specified by the Securities and Exchange Commission (SEC) together with submitting a copy of the report to the company secretary as a documentary proof on the same day that the report is submitted to the Stock Exchange Commission as evidence.
- When receiving insider information that affects the price of securities must suspend the trading of the company's securities for 1 month before the financial statements or internal information are disclosed to the public and do not disclose that significant information to other parties.
- Report the company's securities holding to the Board of Directors through the Audit Committee at the end of every quarter. The Audit Committee will consider the securities holding of the directors and report to the Board of Directors under the activities of the Audit Committee every quarter.

## Governance in other areas

The company follows good corporate governance as stated by the Stock Exchange of Thailand apart from the aforementioned areas such as internal audit, social responsibility, risk management which will follow.

The company focuses on internal audit in management and operation level and set up rules and clear operating practices. Clear responsibility and scope of authority are clearly written to separate the operating personnel, evaluators and controllers from

one another so that a balance can be maintained. Moreover, a financial system control is in place. Financial reports will be sent to related persons.

## Shareholder's Right

The company treats all shareholders equally within widely accepted standards. Shareholders have the right to buy, sell and transfer securities they own freely. They have the right to receive dividends, attend shareholders meetings, propose agendas, nominate persons as Director Candidacy, express opinion in shareholders meetings and take part in decision making on important issues such as Director Appointment, approval of important transactions, alter company register and regulations. Shareholders have the right to vote according to the number of shares they own. Each share equals to one vote and no other shares have extra privilege than that of others.

As the owners, the shareholders are entitled to dictate the company's direction or decide on matters of significant impacts. Shareholder's Meetings therefore serve as their key forums for the expression of views, asking of questions, and voting, apart from election of directors to supervise operation on behalf of the shareholders. Shareholders are entitled to attend shareholders' meetings, take adequate deliberation time, and acknowledge meeting minutes.

## Shareholders' Meetings

### Program of Shareholder's Meeting

The company sets to have Annual General Meeting of Shareholders once a year within four months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholder's interests or involve conditions, regulations, and laws that require the shareholders' approval, it calls an extraordinary meeting of the shareholders.

In the year 2020, the AGM was held on April 20 at 13.30 hrs. at the master Meeting Room of C.I. Group Public Company Limited 1/1 M.7 Bangkoowad Road, Bangkoowad, A. Muang Pathumthani, Pathumthani 12000, Thailand. During 2020's, there was not any Extraordinary General Meeting held at all.

### Meeting Notice in Advance

For the 2020 AGM, the Board of Director's meeting No.1/2020 on Tuesday 25th February, 2020 decided to call a shareholders' meeting on Monday 20th April, 2020, its decision, meeting date, meeting agenda was disclosed in details ahead of

time by announcing on SET's website to alert the shareholders before sending meeting notices.

The company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail meeting notices together with details of the agenda and accompanying documents, supplementary and supporting information for decision making, opinions of the board, complete minutes of the past meeting, the Annual Report, meeting documents, proxy forms with complete instruction, to the shareholders more than 7 days ahead of the meeting date. Also, Three days ahead of the meeting, the invitation was announced through newspaper for three days, to allow the shareholders enough time to prepare for the meeting.

The AGM meeting notice and supporting documents were made available at CIG's website 30 days prior of the meeting date.

### Organize of the Meeting

Before each meeting, the secretary of the meeting introduces the directors, management team members, the external auditor and the legal adviser who acts as a moderator. After explaining the company's rules on voting and vote counting for individual agenda items, the chairman must clearly address how to vote on each agenda item. Once information has been provided for each item, the chairman gives the floor to all attendants to express opinions or recommendations and ask questions, giving adequate time for debate. The chairman and the management are to address and answers all questions clearly and precisely, treating all questions with due respect. For the election of directors, individual votes are required.

The chairman ensures that the meeting proceeds according to the order of the agenda and does not add an item without notifying shareholders in advance. If the meeting should decide to change the order of the agenda, it would need at least two-thirds of the vote of the shareholders in attendance. Alternatively, the shareholders with at least one-third of all the sold-shares may ask the meeting to consider other matters not mentioned in the meeting notice. At the 2020 AGM, the order of the agenda was not changed and there was no request to consider any other matter.

The minute of the meeting must be completely and accurately recorded. Voting completes each applicable agenda item. As a rule, shareholders' meetings last 2 hours. The 2020 AGM began at 13.30 hrs., with registration beginning at 12.00 hrs. At the meeting's opening, the shareholders and proxy holders in total



of 30 shareholders which holding 378,530,966 shares or 43.77 % of the total shares sold, which exceeded one-third of all the sold shares of 864,786,782 shares.

#### **Disclosure of Shareholders' Meeting Outcomes**

For the year 2020's AGM, the company duly submitted the summary of resolutions made to SET and the SET Board within the afternoon of the date of the meeting (April 20th, 2020). It also duly submitted the report of the shareholders' meeting with minutes, voting records, and every question raised by shareholders to SET and the SET Board within 14 days after the meeting which also could be access via the company's website.

#### **Equitable Treatment of Shareholders**

The company treats all shareholders fairly despite different shareholding proportions and thus different voting proportions. The fundamental rights of the shareholders are conserved regardless of their gender, age, origin, nationality, religious belief, physical impairment or political inclinations. At the AGM, the company has set staffs to take care and services shareholders. For any activity of the company, it will also open opportunities to everybody without any condition.

#### **Proposing Additional Meeting Agenda Items and Nominating Directors**

To enable minor shareholders to earnestly take part in business operations and auditing, the company has defined the criteria and consideration process for entitling them to propose meeting agenda items and/or nominate directors in advance to deliberate agenda items that could be useful to the company, including the selection of qualified directors to perform their duties efficiently in the best interests of the shareholders and all stakeholders alike. In practice, the company gives a right to one shareholder or shareholders with a combined holding of at least 5% of sold shares and paid-up shares of the company not less than 12 months to propose agenda items or nominate qualified directors before the AGM during the last quartet of the last year.

For the AGM of year 2020, the company posted such criteria on its website and posted an announcement on the website of SET from 13 September to 30 December 2019, so that the shareholders could propose meeting agenda items and/or nominate directors in advance. However, it attracted no recommendation of such agenda items and no nomination of directors, and the Corporate Secretary has duly informed the

Board meeting on the matter.

#### **Facilitating Shareholders at the Meeting**

For the 2020's AGM, the company facilitated all shareholders by manning officers to welcome and take care of them, and provided adequate convenience. The meeting venue was well chosen to facilitate all shareholders. Officers were set to verify documents. On the meeting days, registration opened 2 hours ahead of the meeting and extended until the period before the last meeting agenda. A barcode system quickened registration. Finally, the shareholders had access to a reception and fell free to have some snacks which the company had set for treating them.

Since most of the shareholders attending the meeting were Thai, each meeting was conducted in Thai. However, for the benefit of foreign shareholders, the company commissioned the translation of shareholders' meetings, supplementary documents and other relevant documents in English.

#### **Appointing Proxy**

To maintain the rights of shareholders who cannot attend the 2020 AGM in person, they can appoint proxies or delegate their votes to the assigned independent director of the company in attendance. To this end, the company has specified these independent directors' name in proxy form defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The company shall treat proxies as if they were shareholders. Thirty days ahead of each meeting, the company discloses the proxy form, which is attached along with details and procedures on its website. Shareholders may make further inquiries about this by phone or other channels such as the company's website or e-mail.

#### **Stakeholder's Role**

The company has valued the significance of privilege of all stakeholders in respect of maintaining the company's interest and the benefit, right and equitability of shareholders and stakeholders which include company's shareholder, employee, trade partners, customers, competitor, social and environmental setting as follow;

#### **Shareholders**

The company directors are dedicated to work with transparency and honesty for the best interest of shareholders and promote long term value creation for all shareholders. All

information that might affect the share prices and/or important decision makings must be disclosed in a timely manner.

## Employee

All employees are vital to the business. The company acknowledges the importance of all employees, providing equality, giving equal benefits, promoting teamwork and respect human rights. The company tries its best to provide good and safe working environment, giving attractive remuneration, proving good welfare and technology necessary to support their work. Moreover, the company tries to prevent any sexual harassment and provide all the rights to employees to comply with the labor laws.

The company believes that the company's growth depends on high quality personnel. Therefore, the company has a policy to develop and improve management system and promote human resource development so that they their potentials are maximized. The company is trying its best to become a high performance organization so that it maintains its competitiveness and adaptability to changes.

### Guidelines

1. The company treats all employees with equality without origin, race, sex, age, skin color, religion, disability, wealth, status, education or other discriminations.
2. The company gives equal opportunity for all employees to work and provide suitable remuneration with positive motivation such as salary, bonus, and other benefits according to the company's regulations while providing long term and short term training.
3. All employees must dedicate themselves to their duties and responsibilities with good attitude, honesty and ethics. They must not directly or indirectly transfer their responsibilities or duties to other persons unless it is necessary to do so.
4. All employees must work according to their line of command. In most cases, they must receive orders or instructions from their direct manager. They should avoid criticizing their direct manager or other employees that might cause damages to such person or to the company. All employees should be open to opinions of subordinates, managers and colleagues without bias or prejudice.
5. All employees may use company resources, venue and other facilities in their work. They must not use company resources, venue or other facilities for their own use.
6. Employees must be polite, dress property and comply with local customs without creating bad image or impression to the company.
7. Employees may use the name and their title for charity use that the company is involved but they must not use the name and title for their own benefits.
8. Employees should cooperate with company's activities to promote team work or good causes.
9. Employees must not cause troubles, irritations, confrontation or disturbance, sexual harassment to other employees or other persons.
10. The company promotes employee's rights according to labor laws.

## Business Partner

The company pays great attention to business partners which are important stakeholders. The company treats all business partners equally based on fair competition with respect and mutual cooperation. The company maintains business relationship and honors all contracts. Purchasing system is carefully monitored and transparent for auditing. Including promoting and supporting business partners to fight against corruption by learning the strengths and weakness of each other in order to develop businesses together.

### Guidelines

1. Company's purchasing department considers the needs, price and quality of products or services it tries to acquire. Purchasing procedures must comply with the company's rules and regulations with transparency. Information is equally distributed to all suppliers without bias or special treatments to promote fair competition. Procurements are based on international practice with careful consideration and suitable for each situation while complying with the laws and regulations applied to governmental sector.
2. The company promotes equality to all suppliers and among themselves. The company allows adequate time for suppliers to prepare paper works and quotations to the company.
3. Employees must not ask for any benefits or compensations in procurement process and must remain neutral. They must maintain business ethics and avoid conflict of interest with the suppliers.
4. Purchasing department and related employees must gather all evidence such as approval, quotation, negotiation papers or contracts for future reference.

5. The company must comply and honor all contracts. In case that the company is unable to fulfill the contract, related employees must notify the management in order to seek remedial actions.
6. All employees related to purchasing or procurement is responsible for good governance between the company and suppliers in a sustainable basis.

### Creditor

The company will act as a good debtor, taking into account the interests of both parties and strictly comply with the conditions of creditors.

#### Guidelines

1. Strictly comply with contract terms with creditors in terms of payment and other terms which have been agreed with creditors.
2. Disclose financial information to creditors according to the contracts in a timely manner.
3. Notify creditors in case of non-compliance with the terms of the contract and try find solutions to such problems.

### Customer

The Company focuses on the satisfaction of its customers who buy goods and services from the company with fair pricing, quality, commitment to product development and provide safe, fast and comprehensive quality to continuously meet customer needs.

The company utilizes quality management system, Security, safety, health and environment in the operation to focus on quality management process to deliver products and services to create customer satisfaction. The company put safety as the first priority by adopting standards such as ISO 9001:2015 / CSA / UL into practice.

The company applies customer management and marketing consistent with the vision and mission of the company to meet the needs and expectations of a wide range of clients. The Company's process of listening to our customers includes 1) direct contact via channels such as common meetings, training, seminars, etc. 2) contact through media channels such as phone, fax, website and Social Network etc. 3) satisfaction survey covering all segments. Different data from each channel will be analyzed so that the company is aware of customer's needs for future design and development of products.

The Company implements complaint handling process in the event of customer dissatisfaction on the services or products via channels for complaints mentioned above. All customer complaints will receive an initial response within 7 days and a response on expected remedial actions will be given to the client. Progress of remedial actions will be communicated to the client from time to time. Upon completion of the corrective actions, the client will be informed in order to maintain customer confidence in the company.

### Competitor

The company operates within the framework of the principles of fair competition and does not violate the rights of competitors. Competition by way of capitalism liberalization in business will be conducted fairly. No misrepresent, fraud or invalid claims will be used in such competition.

#### Guidelines

1. The company operates in a free market. Business operations will conform with fair competition without false claims to competitors.
2. Company supports the commercial competitors to the benefit of consumers. Cooperation between the Company and competitor must not be for the exclusive allocation of revenues and market share. Reducing the quality of products and services and manipulation of pricing of products and services will cause a negative effect on consumers as a whole. Personnel of the Company must be careful when dealing with competitors staff of all competitors and not to disclose confidential information to competitors.

### Community and Society

The company is a part of society. Thus it is responsible for developing and gives back to the community and society as a whole. For the company's sustainable growth based on the development of social policy, the company is committed to the community and social activities focusing on the development of society, the environment and conserve natural resources, supporting religion including education of young people and support activities in the community.



## Respect for International Human Rights Principles

The company requires all its directors, the management, and employees observe laws, customs, and culture which differ in each country that the company invests in and strictly respect international human rights principles under the Universal Declaration of Human Rights; it does not condone its violation.

### Guidelines

1. Employees must understand and comply with all laws related to their duties and responsibilities.
2. Employees who are required to work in foreign countries should study local laws, customs and cultures of the countries they are visiting so that all products, samples and equipment, documents and operation procedures comply with local laws and customs.
3. The company must comply with international human rights guidelines and must educate its employees while avoiding activities that violate them.

## Intellectual property or copyright and the use of information/communication technology and communications

1. The company encourages employees of the company to use Information Technology and communication to enhance the understanding outside parties for the benefit of the company. They must carefully use such technology and respect the rights of intellectual property owners.

### Guidelines

1. The company encourages employees to use the internet to work related matters. Employees must not interfere with the system and others in the office. They must not use the computer system of the company to publish information that is not suitable to customs and traditions or violates the laws, such as damage to reputation and assets. The possession of pornography and forwarding abusive mails or personal advertisement are also prohibited.
2. Employees must use licensed programs. Should they work on external computers, they must verify the required licenses and inform the management. They must not install or use illegal programs in the company.
3. Employees must protect their own password and never tell anyone. They should not use suspicious websites which may be harmful to the company's computer system.
4. In case that the employees require external user to use the

company's computer system, they should oversee all the usage and they must be responsible for any damages that might result from such use.

5. The company will check, search, track, investigate and control use of Information technology system of the company for security and safety purposes.

## Employee Safety and Welfare

The employee's welfare and safety on workplace has been emphasized by the company. Not only having provided the employees with general health insurance and special welfare for those employees who work under the risk situation or risky area, the company also requires that employees who are assigned to perform duty in high risky area and supervisors at every level in the organization shall be trained on the workplace safety in accordance with the workplace safety law, Ministry of Labour. This is to enhance the employees and supervisors of different work units to realize and manage their subordinates safely to avoid the accident or illness caused by working.

Currently, the company has set up the Workplace Environment and Bio-Hygiene Safety Commission, which included professional safety officials, management safety officials, and supervisor safety officials. All commission shall be trained on the work safety according to the curriculum provided by the Ministry of Labour, and responsible for coordinating, promoting, and enhancing the work safety area to employees. In addition, Enterprise Place Welfare Commission has been established aiming to take care of the employees, coordinate the understanding between the company and employees. Also, the company has partaken as member of the "White Plant" project to express the intention of the corporate social responsibility to cope with the proliferation of illicit drug problems which are currently spreading over the business places according to policy promoted by the Ministry of Labour.

## Receiving and Offering Customary Gifts, Assets or other Benefits

Giving and receiving gifts is essential for the company personnel to show they care or appreciate. However, it is unacceptable to offer and/or receive gifts, assets, or other benefits that may bring about obligation difficulties, affect decision making or eventually harm the company in any way. Bribery and corruption are strictly prohibited which will be complied with the related laws.

## Guidelines

1. Non-extravagant gifts, assets or other benefits may be given and received so long as they are moral, legal and it is a customary local practice. When either the given or the recipient have any doubts or believe that such gifts, assets or other benefits may not be appropriate, the gift shall be returned. If it cannot be returned, it shall be delivered to the Administration Office in order to collect to be an employees' reward during special occasion or donate to external person or organization as appropriate. Ethical and legal gifts or assets of appropriate value may be received from persons with whom personnel have associated with if it is the general practice and there are no ulterior reasons. The Company personnel must not illegally accept gifts.
2. The Company prohibits its personnel and their family members at all levels, under any circumstances, to solicit or receive gifts, assets or other benefits from contractors, sub-contractors, customers, trade partners or other related parties, which may lead to unfair judgments, impair decision making or create conflicts of interest.
3. The Company personnel are responsible for reporting and gifts, assets or other benefits they have received. The Company shall frequently communicate its policies related to giving and receiving gifts, assets or other benefits to its contractors, sub-contractors, customers, and trade partners.
4. The Company personnel shall not offer bribes or other similar benefits to other company personnel or outsiders, especially government officials. When offering gifts, assets or other benefits to government officers in Thailand and other countries, it must be ensured that such offerings or not against the local law and customs.

respects rules and regulations as set forth by SET, SEC and other government organization and following up all the changes (if any) at all time to ensure if the company's policies and regulations are correct including the standard set which could ensure shareholders' trust in our transparency, accuracy and accountability. The company also creates appropriate mechanism to receive complaints and fair treatment both for those who file complaints and those who have been complained such as:

1. Disclose information both financial and non-financial correctly, accurately and on-time.
2. Prepare Report of Directors' Responsibility on Financial Report together with Auditor Report in the company's Annual Report.
3. Set policy to make directors and managements to report all interests that are involved with interest of the company and affiliates of themselves and related person by having criteria and method of reporting as follows:
  - Report by the time of positioning as Directors and Management.
  - Report every time if the significant information have changed.
  - Report every end of the year.
  - In case the Directors retired by rotation which are chosen to be in the same position continuously, they do not need to submit new form if there is no change in the information reported.
  - The Directors and Management must submit Interests Report Form to the Corporate Secretary and the Corporate Secretary must submit the report form to the Chairman of the BOD and AC within 7 days after receiving the reports.

## Disclosure of Information and Transparency

### Financial and Non-Financial Reports

The company trusts that disclosure of information is a key index of transparency, an important factor to create confidence among investors and stakeholders. Thus, it is important to control and set standard in disclosure of information in both financial and non-financial to be precisely correct and accurately align with the required laws and regulation. The information must include all major concern, is adequate, trustable and on-time both in Thai and English. Channels of disclosure information are through the Set Community Portal' system of the SET and SET Community Portal and through the company's website. The company strictly

4. Disclose information of the directors' performance and number of attendance to the meeting individually.
5. Clearly disclose operation structure and investment in affiliates and subsidiaries.
6. Disclose the Director's remuneration of each director from acting as the Company's Directors.
7. Disclose Compensation Policy for directors and executive managements in details.
8. Report on Corporate Governance Policy and results of perform as per the policies.
9. Disclose all significant investment projects and effects of investment through SET Community Portal of the SET

and the company's website for investors, shareholders, mass media and related persons aware of the information thoroughly correctly and transparently.

#### **Investor Relations**

The company has assigned the Central Management by the executive directors and MD to disclose the company's information and responsible for getting contact with the analysts and related investors. The company has focused the accuracy and transparency of the information disclosure for the benefit of the investors through the company website <http://www.cigpcl.com>. If any questions relevant to disclosure or further information, they are recommended to contact the Central Management at call 02-976-5290 or via email: [secretary@cigpcl.com](mailto:secretary@cigpcl.com).

#### **Complaint-Filling and Access to Information**

All stakeholders have equal access to the company's public information, including reporting of news and leads, whether inside the company or outside the company through the company's website, by phone, letter or e-mail to the Corporate Secretary Office:

- Tel: 0-2976-5290
- Web site: : [www.cigpcl.com](http://www.cigpcl.com)
- E-mail: [secretary@cigpcl.com](mailto:secretary@cigpcl.com)

The queries, comment and recommendations will be forwarded to relevant units to take action through complaints management system. Follow-up on the action is done through e-mail. When completed, responsible units will notify the contact(s) person.

The company offers opportunities for the public to complain on improper behavior of directors, the management, and staffs or their violation of the company's business ethics through Internal Audit (Corporate Audit) and/or the Corporate Secretary Office. The company treats all complaints on the basis of equality, transparency and fairness to all concerned. An appropriate timeframe to consider the complaints is set and the secrecy and protection of those who file the complaints will be observed through the following channels:

- The Corporate Secretary : [secretary@cigpcl.com](mailto:secretary@cigpcl.com)
- The Corporate Audit (Internal Audit) : [internalaudit@cigpcl.com](mailto:internalaudit@cigpcl.com)

For the year 2020, no complaints on ethics were made.

## **Board Responsibility**

### **Segregation of the Chairman and the President & CEO Position**

To segregate policy-making duties from those of day-to-day management and to enable directors to oversee, look after, and assess performance effectively. The company has required that the Chairman and the President & CEO are always two distinct persons. This is because the Chairman needs to oversee the management's performance, guide, and assist, but not to take part in or interfere with day-to-day management, which is the duty of the President & CEO under the authority delegated by the Board.

In addition, the Chairman must exercise leadership and ensure that directors do not fall under the influence of the management, partly by chairing Board meetings and shareholders' meetings fairly and efficiently, while encouraging participants to exercise their voting rights and strictly comply with good CG principles.

### **Board Meeting**

The company has policy that the Board of Directors shall convene the meeting at least every three months, and additional meeting is permitted when necessary. At any meeting, the agenda shall be predetermined precisely and the letter of meeting appointment shall be mailed seven days in advance so that the Directors shall have enough time to investigate the related matter and topics reasonably prior to commencement of meeting. During resolution, the meeting must consist of at least 2 to 3 of total Directors. The detailed discussion at the meeting shall be recorded in writing, and the Board-approved meeting report shall be retained and be verified by the Board and concerned persons.

Overall, the Board of Directors has held 6 meetings in the FY 2020 which are 5 BOD and 1 AGM. The directors could propose idea and opinion open and freely. For which agenda that may relate or has any conflict of interest to the directors, the said directors will not vote or even not attend the meeting during the agenda.

### **Meeting of Non-Executive Directors**

The Board of Directors does support non-executive directors meeting among each other and/or with auditor to exchange concern about management and operation without any Management attending. In 2020, the Audit Committee had meeting 4 times (without management attending).



### Self-Assessment of the Board

The company has set Board Self-Assessment in every year by has decided the self-assessment of the ccommittee to align with the company's CG principles which complied with the SET's. The Board Self-Assessment consist of 3 set which are 1.) Self-assessment of the board of directors 2.) Self-assessment of individual director 3.) Self-assessment of each sub-directors committee (Audit Committee)

It was to be a vital tool for improving Board performance, provide reference data for the corporate governance rating, cover the assessment of all committees, as well as serving as information for the monitoring/assessment from external auditors.

### The Self-Assessment of the Board Method

There are two types of self-assessment forms, Assessment of the Board and Assessment of individual Directors which must be filled independently (Self-Assessment). The Self-Assessment Form has criteria by calculating into percentage of each item's total point as follows:

Over	85% =	Excellent
Over	75% =	Very Good
Over	65% =	Good
Over	50% =	Fair
Below	50% =	Need improvement

The findings from the self-assessments were as follows:

**Assessment of the Board** consisted of four categories:

1. Construction and Qualifications of Directors
2. Directors' Meeting
3. Roles, Duties and Responsibilities of the Directors
4. other matters such as relationships with the Management, self-assessment and improvement of the Directors and the development of the Management.

### Procedure of Assessment

1. Assess performance of the board of directors as a whole at least once a year every year to help directors to review performance concern and obstacle during the year in order to increase effectiveness of the board performance as per the corporate governance code.
2. The company secretary proposes the Board of Director's Assessment Form to each directors for their assessment on yearly operating performance of the board and collect to sum up the results from every directors. Then, conclude and analyses the assessment

results to the Board of Director to consider and figure out how to improve effectiveness of the board of directors performance.

Overall results for the year 2020 were Excellent for most directors, with an average score at 94.50%.

**Assessment of Individual Directors (Self-Assessment)** consisted of three categories:

1. Construction and Qualifications of Directors
2. Directors' Meeting
3. Roles, Duties and Responsibilities of the Directors

### Procedure of Assessment

1. Directors assess their performance individually at least once a year every year to help directors to review performance concern and obstacle during the year in order to increase effectiveness of the board performance as per the corporate governance code.
2. The company secretary proposes the Individual Director's Assessment Form to each directors for their assessment on yearly operating performance of the board and collect to sum up the results from every directors. Then, conclude and analyses the assessment results to the Board of Director to consider and figure out how to improve effectiveness of the board of directors performance.

In 2020, overall results of the three categories indicated excellent conformance by most directors, with an average score at 91.50%.

### Assessment of the Audit Committee's Performance

Under the company's Audit Committee Charter 2013 on performance assessment, the Audit Committee Manual for State Enterprises under the Ministry of Finance, and SET's Good Governance handbook for internal auditors and the audit committee section 1.1: responsibility of the Audit Committee, the Audit Committee must assess its performance by undertaking self-assessment at least once a year. The individual self-assessment or the entire Committee's assessment is presented yearly to the Board, specify in problems leading to unfulfilled objectives. The Audit Committee's meeting No.1/2021 on 28 February, 2021, passed a resolution to use the assessment form since it conform to the good governance stipulated by SET, with a waiver of cross-assessments because there were only three audit committee members. The Audit Committee's Meeting No.

1/2021 dated 28 February, 2021, passed a resolution to approve the assessment of the Audit Committee's performance 2020 with the following details:

Assessment of the entire committee consisted of the structure and composition/ role and responsibilities/ relationship with the Office of Corporate Audit and the external auditor/ relationship with the management/ reporting / quality consistency.

The assessment criteria were 3 = regularly implemented 2= sometimes implemented 1 = not implemented

The result of the assessment of the entire Audit Committee was at the regularly implemented level.

#### Directors and Executive Remuneration

The competitive and reasonable remuneration has been designed to the Directors and executives by the company at the similar level to the industry compensation and no surplus compensation has been paid. The committee remuneration pay shall be based on the meeting allowance depending on numbers of attendances, which shall be approved at the company's shareholder meeting. On the other hand, the executive remuneration shall be based on individual executive's performance and company's performance. It's believed that such incentive remuneration could be so motivated that powerful personnel can be retained.

#### Director's Compensation

The 2020's Annual General Meeting of the shareholders on 20 April, 2020 had resolution to approve Director and Audit Committee's remuneration for the year 2020 not exceeded THB 8,000,000 per year, there were details of compensation as follows:

POSITION	DIRECTOR'S COMPENSATION	MEETING ALLOWANCE THB5,000 / PERSON/TIME
Chairman of the BOD	THB30,000 / Month	Meeting Allowance
Chairman of the AC	THB15,000 / Month	will be paid to Directors who attend meetings only (BOD and AC)
Directors	THB25,000 / Month	
Independent Directors	THB25,000 / Month	
Audit Committee	THB12,500 / Month	

## Management Succession Planning

There is a recruitment and selection plan for persons who would take responsibility in every important management's position to ensure of appropriateness and transparency. Also, has set individual development plan both in short and long term aims to develop knowledge and capability on his/her work, management skill, personality and teamwork behavior along with the Company's Value and Culture to increase management and leadership potential to successors to be readied for the positions in time or when the positions was vacant.

Guidelines for management succession for each position are as follow:

#### 1. Managing Director

The company has set succession plan for Managing Director position to ensure of readiness of the company when the position is vacant or unable to perform inclusive of decreasing risk or effect from dis-continue of management where the potential group is middle management from Assistant to Managing Directors up who have high performance. The plan is for develop successors competencies and prepare to be readied as a candidate to take the position or might recruit and select person with qualification as the company's required with vision, competencies and experiences suit with the Company's Culture which the Chief of Executive Directors would select and propose to the Executive Board to vote prior to propose to the Board of Directors to approve the right person to take the position later on

#### 2. Manager

The company has set Succession Plan for replacement managers from Deputy of Managing Director, Assistant to Managing Director or Department Managers level which unable to perform or the position is vacant. Managing Director will take responsibility to select successors for the positions by consider from qualification, knowledge, competencies and experiences as required for each position. When successors are picked, the company will set an individual plan for each successor both in short and long term plan in order to ensure of readiness of successor when required.

The process of succession plan for manager level are:

- Analyze business situation of the company in term of policies, strategies, investment plan and operating extension plan.

- b. Assess man power to be complied with the company' strategies both in short and long term.
- c. Set man power preparation plan by either develop existing man power or recruit new to be prompt when need.
- d. Set Recruitment and Employee Training and Development Plan in advance prior to retirement or resign from the position.
- e. Set each position competencies which are education, skill, personality and attitude and Individual Development Plan for each successor.
- f. Select, performance assessment and evaluate potential of staffs to be potential successors.
- g. Use testing and evaluations tools to analyze employees' competencies.
- h. Inform successors who pass performance assessment and competencies evolution in advance to be prepared and job learning prior to take the position and also setting alternative successor.
- i. Develop and assess potential successors if could developed and create works as per expectation. If not, changing is allow.

#### Policy on Serving as Directors of Other Companies

In the year 2020, CIG had 6 affiliates, so the company put highly attention to adopt group management structure for synergy and alignment of policies. To achieve this, the company has appoints directors or management team members to serve as directors in these companies to supervise policies and business management which align with the company's for the benefit and value addition for all stakeholders. The objectives for such appointments are as follows:

1. To ensure that the management of a given company aligns with the policy of the CIG's group companies; to monitor its overall business performance to align with the company's policy and institute comparable standards.
2. To establish synergy for the business of the company's group and add value to all related parties.
3. To apply specific expertise in support of business, including financial know-how to improve accounting and financial processes to enable a given company to grow robustly. This includes assistance to

companies outside the group. The resulting application of the knowledge and expertise gained from serving in such leading companies will enhance the benefit to the company and foster cordial relations and business alliances for the company in return.

4. This is part and parcel of the responsibility of directors and the management of the company.

The company currently has three directors in the Director's Pool. The company has set a policy to limit the number of listed companies in which each director or management can hold a directorship to a maximum of three. This policy aims to protect the Company's best interests and to ensure that directors have sufficient time in performing their duties. This policy is also set to decrease the risk of conflict of interests and to ensure conformance to applicable laws and related regulation.

#### Directors' Development

The Board and the management value regular participation in development training relevant to their performance, as seen in each of their profiles. Most directors have undergone training with Thai Institute of Directors (IOD). The company supports and encourages their training with IOD as well as other institutes in all relevant courses throughout the year. In addition, it stages study trips to other agencies and organizations to promote helpful initiatives for application to the company's business.

In the year 2020, the directors are not trained. Due to the situation of the coronavirus (COVID-19)

#### Related Transaction and Acquisition/Sales of Company's Assets

In case that the company and its affiliates have some transaction relevant to or acquiring or sales the company assets that may lead to any kind of interest conflict, the company has to conduct the measures to bring forth the transparency and equitability for the benefit of the shareholders, by embracing the following guidelines;

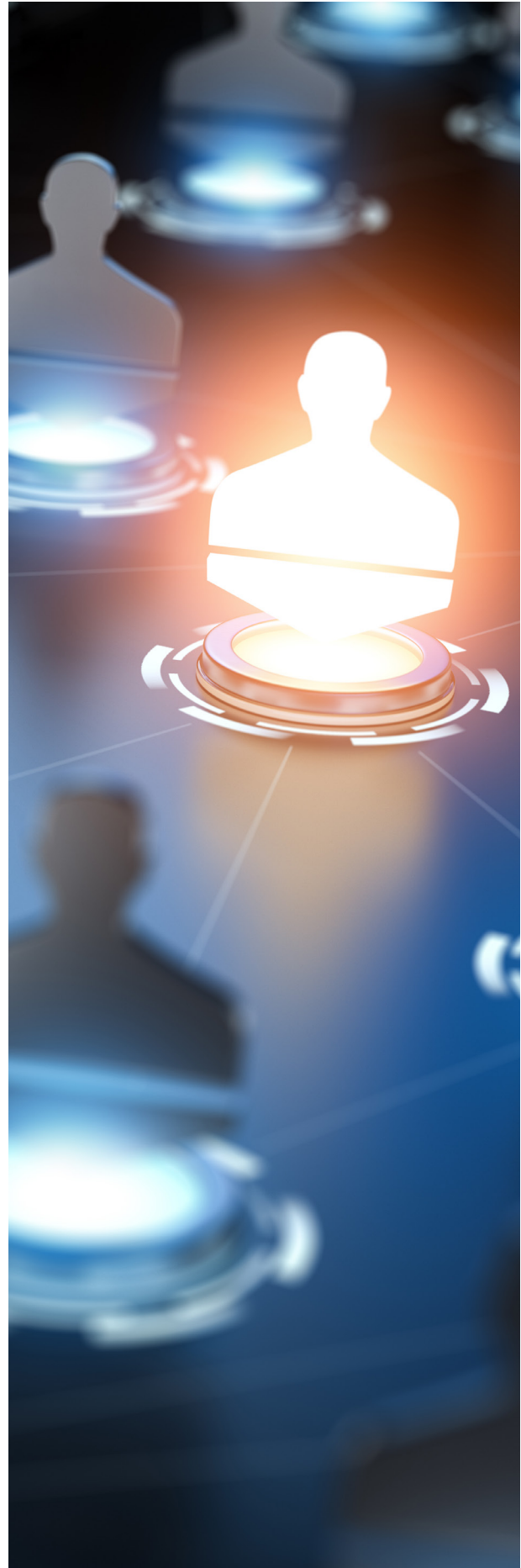
1. The transaction is regarded for the company interest as the transaction with the outsiders.
2. The transaction is passed on comments through entering the transaction under sound consideration of the audit committee in term of reasonability and price appropriation.



3. The transaction is consented by the Board of Directors transparently in conjunction with the stockholder's decision-making.
4. Information is disseminated to those concerned persons equitably.

#### **Dividend Policy**

The Company has a policy to pay an annual dividend not less than 50% of the Company's net profits after deducting all provisional reserves required by the Articles of Association and law. However, the dividend payments are subject to the Company's cash flow, investment plans of the Company and its subsidiaries, necessity, and other suitability as per the consideration of the Board of Directors.



## RELATED-TRANSACTIONS

### DETAILED RELATED-TRANSACTIONS

As during 2018 — 2020, the company and its subsidiaries transactions with party that may cause the interest conflict, the company has to undertake the following transactions with necessity and reasonability;

Related Individual / Juristic Person who may cause conflict of interest	Relationship	Description	Related-transactions Amount (million Baht)			Necessity and reasonability of transactions
			2018	2019	2020	
1. CIG Development Co.,Ltd / Auction/construction contractor and hotel Business.	C.I.Group Pcl., has held the ordinary shares 99.97% of the paid up capital of the De lamai Co.,Ltd. and Joint Directors ,	Long-term Loan	182.50	182.50	182.50	For using as working capital
		Interest receivable	6.86	7.54	7.54	
		Short-term Loan	22.26	38.04	40.65	
		Interest receivable	0.30	0.38	-	
2. Fakwantip Co.,Ltd/ Bio-Desel Manufacture	C.I.Group Pcl., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd, has invested in Fakwantip Co., Ltd as a joint venture in a portion of 40.20% of registered capital	Short-term Loan	14.00	19.00	19.00	For using as working capital
		Interest receivable	2.28	2.85	2.85	
3. CIG (Thailand) Co., Ltd	C.I.Group Pcl., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd, has invested in Fakwantip Co., Ltd as a joint venture in a portion of 29.67% of registered capital	Short-term Loan	21.00	32.00	37.80	For using as working capital
		Interest receivable	0.07	0.76	0.76	
4. Siam Railway Development Co., Ltd	C.I.Group Pcl., has held the ordinary shares 99.99% of the paid up capital of the Siam Railway Development Co., Ltd.	Short-term Loan	38.00	-	-	For using as working capital
		Interest receivable	0.43	-	-	
		Short-term Loan	-	-	0.82	
		Interest payable	-	-	0.07	
5. Illustro Co., Ltd.	C.I.Group Pcl., has held the ordinary shares 97% of the paid up capital of the Illustro Co., Ltd.	Short-term Loan	-	-	1.00	For using as working capital
		Interest receivable	-	-	0.03	

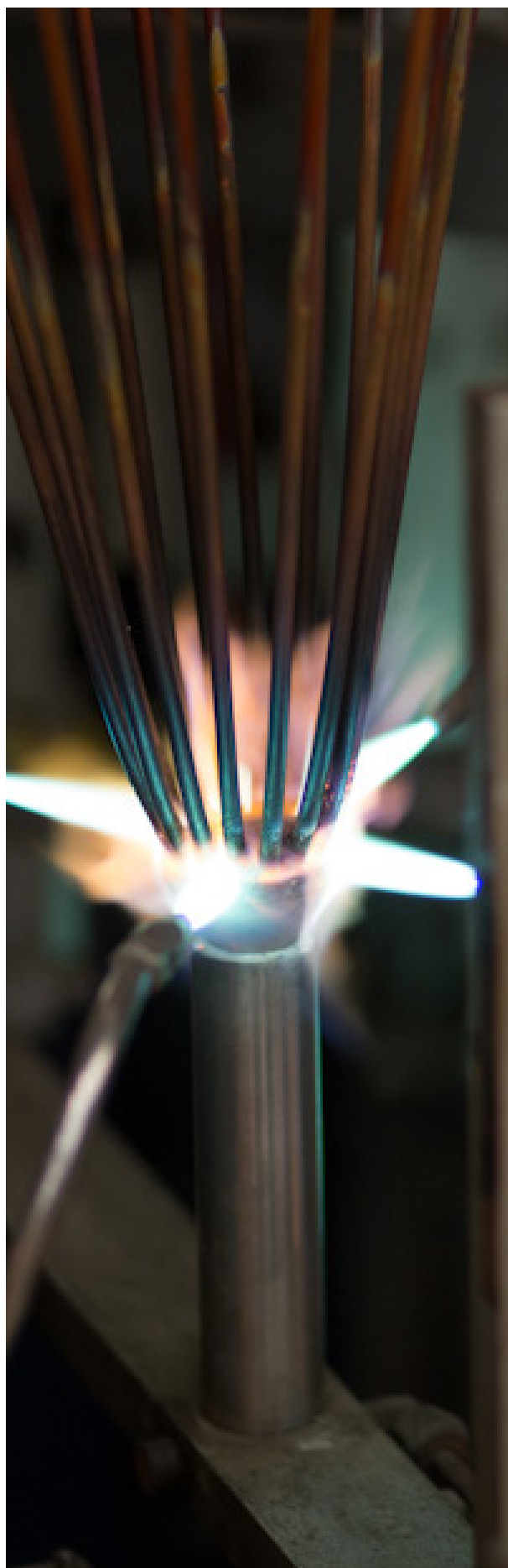
## MEASURES OR APPROVAL PROCEDURES FOR RELATED-TRANSACTION

In the inter-transaction procedures, it's necessary to be reasonable to allow the optimum interest of the company. That contingent inter-transaction should be considered based on reasonability and necessity. Pay and wages should be made in accordance with the fair price in the market and should be approved by the audit committee. Having such the preceding event occurred, the audit committee shall determine based on the necessity and reasonability of the transaction, and inform their opinion at the Board Meeting

## FUTURE RELATED-TRANSACTION POLICY

For any contingent inter-transaction, the Directors shall not approve any transaction that he/she or related party may invoke any kinds of the interest conflict against the company interest and such transaction should be disclosed in the presence of the audit committee to determine whether or not it is classified as general business with fair price, and further submit the Directors for approval.

However, the company has embraced the practices in accordance with the applicable law relevant to the security and the stock exchange, regulation, proclamation, order or the rule of the Stock Exchange of Thailand, including disclosure procedures for the related transaction, acquisition or distribution of the crucial assets of the company or the affiliates.





## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the Company's financial statements, the consolidated financial statement of the Company and its affiliated companies, and the financial information stated in the Company's Annual Report. These financial statements were prepared in accordance with generally accepted accounting standards in Thailand, which are based on appropriated accounting policies applied and practiced on a regular basis. The financial statements were carefully prepared based on the most accurate and up-to-date information available. All relevant information related to the policies and practices used to prepare these financial statements are sufficiently disclosed in the Notes to the Financial Statements in order to maintain the Company's high standards of transparency for the benefit of shareholders and investors.

The Board of Directors has initiated the adoption and maintenance of an effective system of risk management and internal control which provides reasonable assurance that the Company's accounting records are accurate, complete, and sufficient to protect the assets of the Company. This system is also designed to prevent serious misconduct or other irregularities in the operation of the Company.

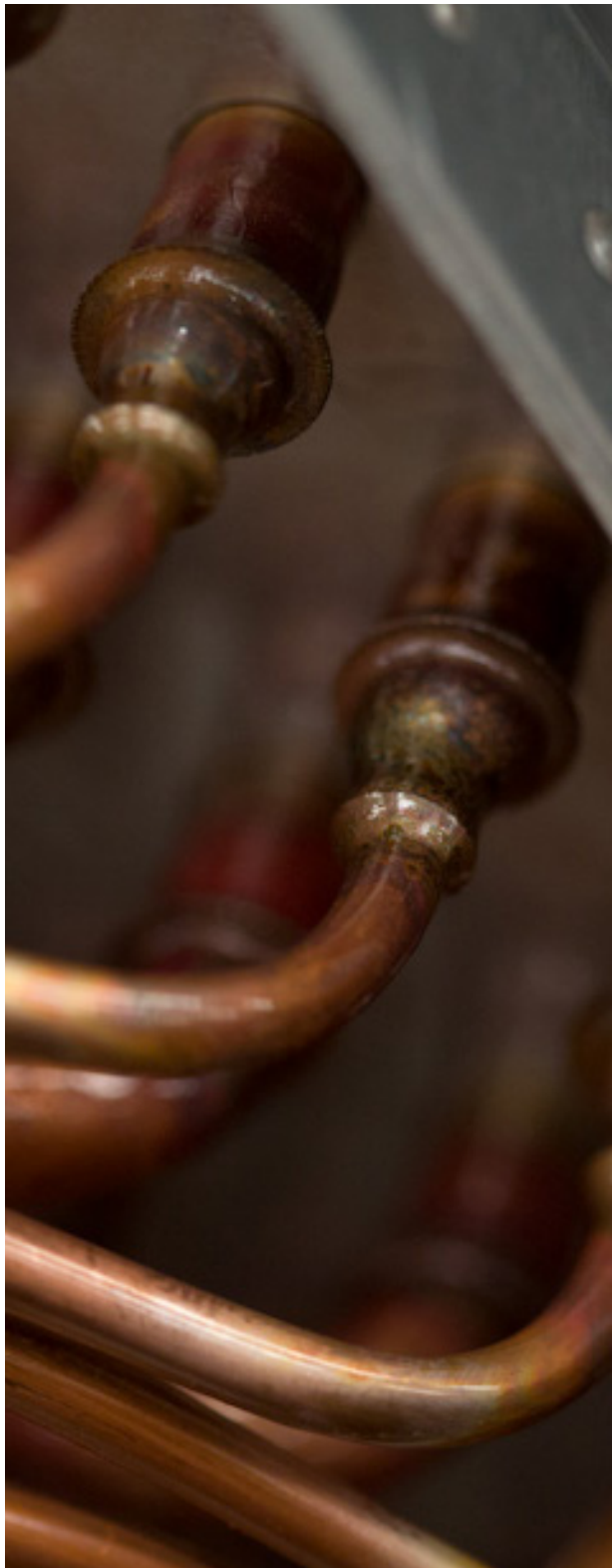
The Audit Committee was appointed by the Board and comprises independent directors to oversee the quality of the Company's financial reports and internal control procedures. The Audit Committee's view regarding such matters is disclosed in this Annual Report under the Audit Committee's Report.

In the Board of Directors' opinion, the Company's internal control system is satisfactory and can assure the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its affiliated companies as of 31 December 2020.

Pol.Gen

(Prung Boonpadung)  
Chairman of the Board  
of Directors

(Aree Poomsanoh)  
Chairman of the  
Executive Committee



# MANAGEMENT DISCUSSION AND ANALYSIS

## DESCRIPTION AND ANALYSIS OF FINANCIAL POSITION AND PERFORMANCE

### Conclusion of Operational Performance for the Fiscal Year 2020

The following conclusion of the company's financial and performance is an analysis upon the Financial Statement of the Company, C.I. Group (Public) Company Limited and its affiliates (company) by December 31st, 2020 as states in Notes to Financial Statement item 1. General Information.

#### Executive Summary

#### Summary of Thai Industrial Economic Conditions in 2020 and Trends in 2021

The industrial economic condition in 2020, considering from the MPI, is expected to shrink by 8.00% from the same period last year, especially motor industry and related business which are expected to shrink as export value has been reducing due to global COVID-19 situation. The economy in 2020 was also affected by domestic factors: production halt during April to May due to COVID-19 and reduction in petroleum products as demand was decreasing. Moreover, tourism industry was also tremendously affected by COVID-19, deteriorating overall consumptions in the country.

However, some industry was slightly rebounded. Pharmaceutical industries has expanded well in 2020 as well as live stock food industry, driven by domestic demand during COVID-19 situation.

#### Trends in 2021

The estimated growth rate of the Manufacturing Production Index (MPI) for the year 2021 is expected to expand by approximately 4.0 - 5.0%, due to positive factors: domestic demand recovery, global economic rebound, and expected government stimulus packages. However, it is expected that the recovery will gradually incur as COVID-19 situation is still in an uncertain condition even vaccine utilization is underway.

**Electrical and Electronics Industry** Production and exports are expected to increase by 6.4% and 8.3%, respectively, compared to the previous year, due to positive factors both from inside and outside of the country such as vaccine utilization, governmental measures to stimulate domestic demand, and reduction in production rate in USA and Europe which may lead to shift production order into Thailand in 2021.

#### Export Trends

Thai exports in 2020 (Jan - Oct), when compared to the same period last year, slowed down in both the overall and the industrial sectors due to global COVID-19 situation. However, during the 2nd half of the year, the situation made a small rebound because of better control of the contagion as well as regulatory relaxation, recovering overall economic condition at the end of the year.

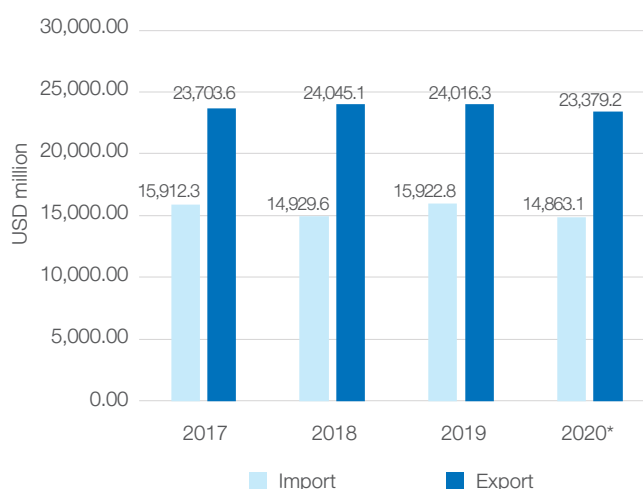
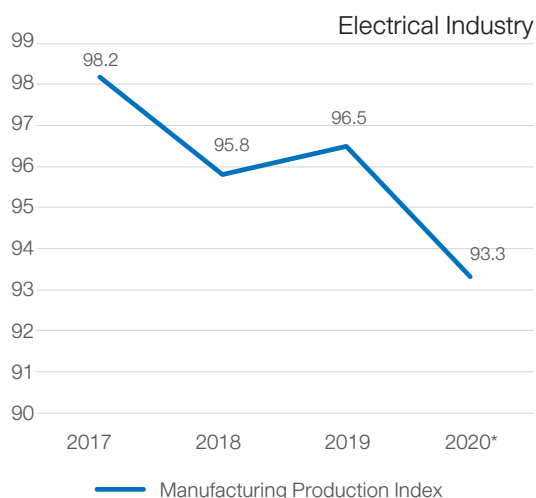
Overall, Thai exports in the future still faces pressure from COVID-19 situation but it is expected a good view if COVID-19 is in control domestically and globally. However, Global economic slowdown is still a main factor of confidence for Thai exports; and new president's trade policy of USA is also considered to impact Thai economy as a whole.

The production of electrical appliances in 2020 is steady compared to the previous year. The production index stood at 93.3 decreasing by 3.3%. The electrical appliances of decrease include compressor, air conditioners, rice cooker, microwave, and washing machine; which have decreased by 14.7%, 12.3%, 8.4%, 5.6%, 1.2%, 1.2% and 0.3% respectively. Air conditioners and fans export value incurred a drop, especially to China, Japan, ASEAN and Europe. Meanwhile, power transformer, electric cables, hot pot and refrigerators was increased by 12.0%, 11.0%, 8.9%, and 8.1% respectively, due to increase demand from domestics and international, especially from ASEAN countries, USA, China and Japan.

Domestic sales of electrical appliances performed both decreasing and increasing trend. Microwave, compressor, electric motor, rice cooker, washing machine and hot pot were in a down-trend groups with decreasing rate by 60.3, 16.2, 8.5, 6.8, 5.8, and 3.5, respectively. Whereas cable, refrigerator, air conditioning, fan and electric cable were increasing by 20.9, 7.8, 6.7, 1.8 and 0.7, respectively.

Electrical appliances exports in 2020 amounted to USD23,379 million, decreased by 2.7% from the previous year, due to a drop in exports to ASEAN, Europe and Japan due to export reduction of compressor, dry cleaning machine and air conditioners. However, microwave and refrigerator has increased, supporting from export to China and USA.

#### Manufacturing Production Index, Import-Export Value of Electrical & Electronics Industry



Source: The office of Industrial Economics and Electrical and Electronics Institute

\* Predictions

#### Electrical Industry Trend 2021

In 2021, the production and exports are anticipated to increase by 6.4% and 8.3%, respectively, due to positive factors from both inside and outside the country, such as recovery of COVID-19 situation, government stimulus measures, and order shifting into Thailand because of reduction halt in some industries in USA and Europe.

#### Operation Performance

##### (1) Overall Performance

With current domestic and international situation, the company has not achieved all of its goals, and with that, the overall performance has declined compared to those of previous years. The company and its subsidiaries reported net loss of 130.00 million Baht and net loss of 198.57 million Baht for 2020 and 2019 respectively. In 2020, the company recorded sales of 828.38 million Baht while gross profit margin was equal to 13.57%.

The company reported 2020 revenue of THB 977.21 million, decreasing by THB 579.07 million or 37.21% from the previous year. The company had revenue from sales of THB 828.38 million, slightly decrease by THB 59.23 million or 6.67%, whereas revenue from service amounted to THB 139.84 million, reducing by THB 439.19 million or 75.85%. These results showed underperformance than previously expected due to pressure from industry competition and economic downturn situation.

Cost of sales and service in 2020 showed THB 906.16 million, decreasing by THB 505.83 million or 35.82% from the previous year. Cost of goods sold amounted to THB 690.30 million, decreasing by THB 41.61 million or 5.69%, while Cost of service amounted to THB 215.86 million, decreasing by THB 464.22 million or 68.26%. This was mainly because of drops in overall revenue.



## (2) Financial Performance for Each Business

### 1. Income

The company recorded revenue of 968.22 million Baht, a decrease of 498.42 million Baht or 33.98% compared to revenue of 1,466.33 Million Baht in 2019. Details for each business units are as follow;

Unit: million Baht

	2020	2019	Change	
			Amount	Per-centage
Manufacturing Business	828.38	887.61	(59.23)	6.67
Construction Business	132.36	572.16	(439.80)	76.87
Hotel Business	5.81	6.87	(1.06)	15.43
Trading Business	1.67	-	1.67	100.00

Sales from the manufacturing business (coils) was equal to 828.28 million Baht, decreasing by 59.23 Million Baht or 6.67% from the last year. This was because of economic downturn situation and more intensive price competition of coil for household segment.

The revenue from construction decreases by 439.80 Million Baht or 76.87% to be 132.36 Million Bath in 2020, while the revenue from hotel business slightly decreased by 5.81 Million baht or 1.06% as from huge drop in chinese tourists, coming to Thailand due to COVID-19 situation.

### Revenue from sales and services

unit : million

	2020	2019	Change	
			amount	ร้อยละ
Revenue from sales and services	968.22	1,466.63	(498.41)	33.98
Revenue from domestic sales	548.57	1,098.69	(550.12)	50.07
Revenue from export sales	419.65	367.95	51.70	14.05
Deduct Cost of sales and services	906.16	1,412.00	(505.84)	35.82
Gross Profit	62.06	54.64	7.42	

### 2. Cost of sales and gross profit margin

Cost of sales in 2020 amounted to 906.16 million Baht, decreasing by 505.83 million Baht or 35.82% compared to cost of sales of 1,411.99 million Baht in 2019, following revenue drop in 2020.

The company recorded gross profit of coil business of 137.55 million Baht or gross profit margin of 16.60%, compared to 17.54% of the previous year. This was because of higher raw material price and factory overhead costs such as labor compensation and overtime, whereas product price was not yet adjusted.

Construction service business incurred loss margin of 44.85%, compared to the loss margin of 14.72% from the previous year. The main reason was some delay for project completion, incurring operating costs to accelerate project deliveries.

Hotel business reported loss of 14.23 million Baht due directly to COVID-19 situation. Loss partly resulted from depreciation and amortization expenses of 11 million Baht.

### 3. Sales, general and administrative expenses

Sales, general and administrative expenses in 2020 amounted to 168.17 million Baht, a decrease of 150.95 million Baht or 47.30% compared to 319.13 million Baht in 2019. The significant decrease resulted from the absences of allowance for doubtful accounts and investment which had ever incurred in 2019.

### 4. Interest expenses

The company recorded interest expenses of 19.48 million Baht in 2020, an increase of 0.36 million Baht or 1.88% compared to 19.12 million Baht in 2019 due to the company increasing use of credit facilities from financial institutions to support business expansion.

## Profitability

Description	2018	2019	2020
Profitability Ratio			
Gross Profit Margin (%)	13.59	4.19	6.41
Operating Profit (%)	(3.61)	(13.22)	(13.67)
Cash Profitability (%)	132.60	240.68	101.18
Net Profit (%)	(3.59)	(12.76)	(13.30)
ROE (%)	(5.41)	(33.31)	(30.39)
Efficiency Ratio			
ROA (%)	(3.39)	(18.14)	(13.71)
ROFA (%)	8.13	(32.01)	(33.97)
Asset turnover (times)	0.95	1.42	1.03

Return on Asset (ROA) increased from (18.14%) in 2018 to (13.17%) in 2020 and Return on Equity (ROE) increased from (33.31%) in 2019 to (30.39%) in 2020 due to reduction in net loss as mentioned above.

### Factors affecting the company's profitability in 2020

#### 1. Changing commodity prices of raw materials

Average raw material prices have increased in 2020 while the company's pricing depends on commodity prices. With the business nature of the company, 2 months minimum stock is required and this inevitably creates a gap between actual price charged to customers and actual cost. The company strives to improve its raw material and inventory management and change pricing policy to cover existing risks.

#### 2. Cost of sales

Overall cost of sales and service have increased from the projects and its operations costs and expenses such as labor, salaries, and overtime which also effect to the company gross margin.

#### 3. Exchange rates

The company received import tax benefit for import of its main raw materials. In order to be efficient, the company orders its raw materials from overseas, especially China. Therefore, the company is exposed to exchange rate risks. At the same time, the company also exports to overseas markets. Thus, if the company can maintain a good balance between export sales and raw material imports, the company will have less exposure to exchange rate risks.

### Factors Affect to Future Operation Performance

#### 1. Wage

The government's policy on minimum wage has caused further labor shortage. As labors from upcountry find it unnecessary to work in Bangkok vicinity as they can work in their home towns and can receive similar wage. This results in a higher labor cost that pushes up manufacturing cost. The company, however, has acted on this by employing migrant workers and focuses on new technologies such as new automatic machinery to reduce labor dependency.

#### 2. Exchange rates

Should US Dollars become volatile, the company may receive higher or lower order volumes which will affect sales. The company may delay placing orders for raw materials because copper and aluminum are the product's main cost which will directly affect profitability of the company. The company will systematically manage such risks by using financial instruments such as Forwards and natural hedging by balancing raw material imports and export sales.

#### 3. COVID-19 Situation

The company expects impacts from COVID-19 situation as follow

- Coil business may insignificantly be affected. the main interruption is from transportaton delay due to process adjustment and regulatory application. However, the company views that this problem is short-term as every parities in the value chain is well adjustable to changes of activities.

- Hotel business of the company is directly impacted, as seen by a huge drop in occupancy rate. The company expects to maintain liquidity and positive EBITDA until the situation recovers.
- Collection ability is viewed insignificant impact to the company since most of the company customers are international companies and/or governmental entities who have very strong financial position even in this kind of situation. As such, the company expected insignificant impact but slight collection delay is possible as COVID-19 somehow interrupt payment and delivery process.

### Audit Fee

Audit Fee for 2018-2020

(Baht)	2018	2019	2020
Audit Fee	1,100,000	1,120,000	1,120,000
Non-Audit Fee	692,032	143,646	148,242

Remark : Non-Audit Fee such as fee for additional financial statement report, traveling expense, overtime and daily allowance.



# REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and the Board of Directors C.I.GROUP PUBLIC COMPANY LIMITED

## **Opinion**

I have audited the accompanying consolidated and separate financial statements of C.I.GROUP PUBLIC COMPANY LIMITED and its subsidiary companies (“The Group”) and also of C.I.GROUP PUBLIC COMPANY LIMITED only (“The Company”), respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2020, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the possible effect to the matter described in the basis of qualified opinion paragraph, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of C.I.GROUP PUBLIC COMPANY LIMITED and its subsidiary companies and also of C.I.GROUP PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2020, and of their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## **Basis of qualified opinion**

As mentioned to the note 18.1 to financial statements, I can not to audited enough evidences in the value of investment in associate of Fakwantip Co., Ltd. as presented in the consolidated financial statements as at December 31, 2020 and 2019, amount of Baht - million for the both year (Net of allowance for impairment loss of investment in associated amount of Baht – million for the both year) because of the associate company out of rehabilitation plan on July 31, 2018 and the Company perform beginning equity method from originally recorded cost method. The associate company assessed the fair value of property and building in progress, the fair value is in accordance to the valuation report amount of Baht 51.18 million with a higher cost than the fair value amount of Baht 19.57 million, the Company is recorded investment in associate by equity method in the consolidated financial statements recognized such loss amount of Baht 5.81 million in beginning retained earnings. And machinery during installation is in the process of evaluating fair value, the Company recorded investment in associate by equity method in the consolidated financial statements recognized share of loss on investment in associate for the year



ended December 31, 2020 amount of Baht 15.93 million by book value of net assets as at December 31, 2020 of the associate company. However, the financial statement of the associate is the Company recognize. I have audited and presentation a qualified opinion on those financial reports of cannot audited cost of machinery during installation amount of Baht 283.02 million. The management of the entity has clarified that the plant has been started after the machine has been installed before 2014, so there is no evidence of payment. Such matter may result change in the value of investments associate and share of profit on investment in associate, if fair value measurement of asset complete. Its incapacitate other audited to be satisfied to investments associate and share of profit on investment in associate.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 for the year. 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 services**

The consolidated financial statements for the year ended December 31, 2020, the Group's recognition of revenue from construction services in amount of Baht 132.36 million and disclosed their policies on recognition of revenue from construction services and estimation of construction project costs in Note 5.14.2 and 5.15.1 respectively, to the financial statements. The management must exercise judgment in determining the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and the recognition of revenue from construction services and the estimates of possible losses from construction contracts.

### How my audit addressed the key audit matter

I examined the recognition of revenue from construction services and estimation of construction project costs by assessing and testing the effectiveness of the internal controls put in place over the recognition of revenue and construction costs, the estimation of project costs, the estimation of percentage of work completion and possible losses from construction contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the Group's designed controls, read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of process to assess the percentage of completion and cost estimates for projects, checked appropriate of estimates of project costs to the project budgets, checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred, observe the project in progress at the end of year and evaluated the possible losses on projects assessed by the management.

### 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 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 of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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 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 Thai Standards on Auditing 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 Thai Standards on Auditing, 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, related safeguards.

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.

The engagement partner on the audit resulting in this independent auditor's report is

SAM NAK-NGAN A.M.C. Co., Ltd.

(Mr.Ampol Chamnongwat)

Certified Public Accountant Registration No. 4663

Bangkok

February 28, 2021.

# STATEMENTS OF FINANCIAL POSITION

C.I.Group Public Company Limited and Subsidiaries

AS at December 31, 2020

(Unit : Baht)

	Consolidated financial statements			Separate financial statements	
	Notes	December 31,2020	December 31,2019	December 31,2020	December 31,2019
<u>Assets</u>					
Current assets					
Cash and cash equivalents	9	30,840,267.80	9,914,787.93	24,034,765.98	9,101,781.19
Trade and other receivable	7.1 and 10	175,877,641.08	196,704,626.11	165,623,241.88	195,723,311.12
Contractual assets	11	28,433,936.55	107,956,559.31	16,544,449.13	107,956,559.31
Short-term loans to related parties	7.1	1,600,000.00	-	1,000,000.00	-
Default payment of loan to other person	12	-	-	-	-
Short-term loans to other parties	13	-	-	-	-
Inventories	14	91,742,866.06	124,165,889.60	91,638,327.04	123,952,397.79
Other current financial assets	15	-	-	-	-
Other current assets		10,986,708.03	20,322,871.44	7,834,123.23	19,575,212.47
Total current assets		339,481,419.52	459,064,734.39	306,674,907.26	456,309,261.88
Non-current assets					
Other non-current financial assets	16	10,102,194.43	-	10,000,104.65	-
Investments in subsidiary	17	-	-	19,389,815.98	28,894,826.63
Investments in associate and joint venture	18	107,474.50	-	122,500.00	-
Bank depositpled as collateral	16	-	20,561,543.49	-	20,460,503.99
Long-term loan to related parties	7.1	-	-	-	-
Investment property	19	52,626,361.28	54,527,562.44	50,408,920.52	54,527,562.44
Property, plant and equipment	20	365,842,518.59	399,502,396.75	237,062,129.36	260,209,194.48
Right-of-use assets	21	17,815,666.79	-	3,639,534.62	-
Deferred leasehold land	22	-	10,111,249.33	-	-
Intangible assets	23	1,883,999.35	3,328,639.81	1,683,615.59	3,037,321.85
Deferred tax assets	24	36,586,248.54	34,026,968.84	100,126,144.15	93,404,721.07
Retentions		27,913,109.54	22,737,783.01	27,913,109.54	22,737,783.01
Other non-current assets		22,395,901.99	17,885,262.29	17,367,055.20	17,580,126.75
Total non-current assets		535,273,475.01	562,681,405.96	467,712,929.61	500,852,040.22
Total assets		874,754,894.53	1,021,746,140.35	774,387,836.87	957,161,302.10

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF FINANCIAL POSITION

C.I.Group Public Company Limited and Subsidiaries

AS at December 31, 2020

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	December 31,2020	December 31,2019	December 31,2020	December 31,2019
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	25	111,507,433.68	117,321,188.91	111,507,433.68	117,321,188.91
Short-term loans from related persons and parties	7.1	15,880,000.00	2,150,000.00	820,000.00	-
Short-term loans from other persons and parties	26	79,458,081.65	88,230,110.70	65,058,081.65	86,180,110.70
Trade and other payable	7.1 and 27	204,597,886.47	226,915,481.14	187,223,295.10	219,343,772.10
Contractual liabilities	11	8,970,305.53	7,748,788.97	8,970,305.53	7,748,788.97
Unbilled work costs		5,149,600.91	7,877,416.24	2,539,960.83	7,877,416.24
Current portion of lease liabilities	21	3,510,784.01	250,315.26	405,719.36	250,315.26
Current portion of liabilities under land lease agreement		-	889,000.00	-	-
Other current liabilities		5,041,829.55	3,188,669.01	1,467,555.81	1,072,494.69
Total current liabilities		434,115,921.80	454,570,970.23	377,992,351.96	439,794,086.87
Non-current liabilities					
Lease liabilities	21	9,203,715.37	800,772.89	3,462,771.42	800,772.89
Liabilities under land lease agreement		-	3,555,000.00	-	-
Employee benefit obligations	28	68,474,299.78	69,629,928.97	67,609,392.78	69,447,445.97
Other non-current liabilities		554,000.00	54,000.00	3,000.00	3,000.00
Total non-current liabilities		78,232,015.15	74,039,701.86	71,075,164.20	70,251,218.86
Total liabilities		512,347,936.95	528,610,672.09	449,067,516.16	510,045,305.73
Shareholders' equity					
Share capital	29				
Authorized share capital					
864,786,782 ordinary shares @ Baht 0.50		432,393,391.00	432,393,391.00	432,393,391.00	432,393,391.00
Issued and paid-up share capital					
864,786,782 ordinary shares @ Baht 0.50		432,393,391.00	432,393,391.00	432,393,391.00	432,393,391.00
Premium on ordinary shares		565,027,151.00	565,027,151.00	565,027,151.00	565,027,151.00
Premium on sale treasury stock		15,534,581.42	15,534,581.42	15,534,581.42	15,534,581.42
Retained earnings (deficit)					
Appropriated					
Legal reserve		12,707,000.00	12,707,000.00	12,707,000.00	12,707,000.00
Unappropriated		(663,236,436.44)	(532,526,655.16)	(700,341,802.71)	(578,546,127.05)
Total shareholders' equity of company		362,425,686.98	493,135,468.26	325,320,320.71	447,115,996.37
Non-controlling interests		(18,729.40)	-	-	-
Total shareholders' equity		362,406,957.58	493,135,468.26	325,320,320.71	447,115,996.37
Total liabilities and shareholder's equity		874,754,894.53	1,021,746,140.35	774,387,836.87	957,161,302.10

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF COMPREHENSIVE INCOME

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenue from operation					
Revenue from sales		828,378,902.57	887,606,476.27	822,157,105.91	875,749,369.98
Revenue from services		139,839,077.75	579,027,112.63	100,597,249.72	571,835,485.40
Total revenues from operation		968,217,980.32	1,466,633,588.90	922,754,355.63	1,447,584,855.38
Cost from operation					
Cost of sales		(690,295,424.25)	(731,907,778.30)	(684,802,324.72)	(727,973,289.90)
Cost of services		(215,864,349.03)	(680,081,763.24)	(164,925,042.88)	(656,261,580.42)
Total cost from operation	14	(906,159,773.28)	(1,411,989,541.54)	(849,727,367.60)	(1,384,234,870.32)
Gross profit		62,058,207.04	54,644,047.36	73,026,988.03	63,349,985.06
Other income		8,996,048.30	89,648,652.98	8,155,379.04	89,089,633.63
Selling expenses		(65,217,911.11)	(69,499,395.29)	(64,732,283.41)	(69,032,244.81)
Administrative expenses		(81,194,064.64)	(100,544,807.04)	(66,057,334.77)	(90,587,802.93)
Expected credit loss		(6,104,388.53)	(100,029,198.34)	(14,724,538.36)	(248,733,260.35)
Loss on impairment of investment in subsidiaries		-	-	(18,744,935.65)	(47,141,532.37)
(Loss) Reversal impairment of investment in associate		15,924,778.49	(15,924,778.49)	-	-
Directors and management's benefits	7.3	(31,410,558.85)	(32,688,352.66)	(31,410,558.85)	(30,888,352.66)
Loss from operating activities		(96,947,889.30)	(174,393,831.48)	(114,487,283.97)	(333,943,574.43)
Finance costs		(19,481,015.07)	(19,121,029.40)	(13,080,732.75)	(18,583,608.33)
Loss before share of loss on investment in associate and income tax		(116,428,904.37)	(193,514,860.88)	(127,568,016.72)	(352,527,182.76)
Share of loss on investment in associate		(15,939,803.99)	(21,544,566.71)	-	-
Loss before income tax		(132,368,708.36)	(215,059,427.59)	(127,568,016.72)	(352,527,182.76)
Income tax revenues	32.1	2,369,463.30	16,486,451.36	6,531,606.68	41,657,743.59
Loss for the year		(129,999,245.06)	(198,572,976.23)	(121,036,410.04)	(310,869,439.17)

Notes to the financial statements are an integral part of these statements.



# STATEMENTS OF COMPREHENSIVE INCOME

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial losses arising from defined benefit plan	28	-	(9,149,805.88)	-	(9,205,923.88)
Income tax relevance with other comprehensive income	32.2	-	1,829,961.18	-	1,841,184.78
Other comprehensive income for the year-net of income tax		-	(7,319,844.70)	-	(7,364,739.10)
Total comprehensive income for the year		(129,999,245.06)	(205,892,820.93)	(121,036,410.04)	(318,234,178.27)
Loss for the year attributable to :					
Equity holders of the Company		(129,950,515.66)	(198,572,976.23)	(121,036,410.04)	(310,869,439.17)
Non-controlling interests		(48,729.40)	-	-	-
Loss for the year		(129,999,245.06)	(198,572,976.23)	(121,036,410.04)	(310,869,439.17)
Total comprehensive income attributable to:					
Equity holders of the Company		(129,950,515.66)	(205,892,820.93)	(121,036,410.04)	(318,234,178.27)
Non-controlling interests		(48,729.40)	-	-	-
Total comprehensive income for the year		(129,999,245.06)	(205,892,820.93)	(121,036,410.04)	(318,234,178.27)
Basic loss per share					
Equity holders of the Company (Unit : Baht)	33	(0.1503)	(0.2296)	(0.1400)	(0.3595)

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## (Consolidated Financial Statement)

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

	Note	Issued and paid-up share capital	Premiums on ordinary shares	Premiums on sales treasury stock	Retained earnings (deficit)			Total shareholders' equity of the Company		Non - controlling interests	Total
					Appropriated legal reserve	Unappropriated	Total shareholders' equity				
Balance as at January 1, 2019		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(326,633,834.23)	699,028,289.19	-	-	699,028,289.19	
Loss for the year		-	-	-	-	(198,572,976.23)	(198,572,976.23)	-	-	(198,572,976.23)	
Other comprehensive income for the year		-	-	-	-	(7,319,844.70)	(7,319,844.70)	-	-	(7,319,844.70)	
Total comprehensive income for the year		-	-	-	-	(205,892,820.93)	(205,892,820.93)	-	-	(205,892,820.93)	
Balance as at December 31, 2019		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(532,526,655.16)	493,135,468.26	-	-	493,135,468.26	
Impact of first-time adoption of new accounting standards	6.1	-	-	-	-	(759,265.62)	(759,265.62)	-	-	(759,265.62)	
Balance as at January 1, 2020 (restated)		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(533,285,920.78)	492,376,202.64	-	-	492,376,202.64	
Increasing in non-controlling interests		-	-	-	-	-	-	30,000.00	-	30,000.00	
Loss for the year		-	-	-	-	(129,950,515.66)	(129,950,515.66)	(48,729.40)	-	(129,999,245.06)	
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	(129,950,515.66)	(129,950,515.66)	(18,729.40)	-	(129,969,245.06)	
Balance as at December 31, 2020		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(663,236,436.44)	362,425,686.98	(18,729.40)	-	362,406,957.58	

(Unit : Baht)

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## (Separate Financial Statements)

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Note	Issued and paid-up share capital	Premiums on ordinary shares	Premiums on sales treasury stock	Retained earnings (deficit)		Total
					Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2019		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(260,311,948.78)	765,350,174.64
Loss for the year		-	-	-	-	(310,869,439.17)	(310,869,439.17)
Other comprehensive income for the year		-	-	-	-	(7,364,739.10)	(7,364,739.10)
Total comprehensive income for the year		-	-	-	-	(318,234,178.27)	(318,234,178.27)
Balance as at December 31, 2019		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(578,546,127.05)	447,115,996.37
Impact of first-time adoption of new accounting standards	6.1	-	-	-	-	(759,265.62)	(759,265.62)
Balance as at January 1, 2020 (restated)		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(579,305,392.67)	446,356,730.75
Loss for the year		-	-	-	-	(121,036,410.04)	(121,036,410.04)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(121,036,410.04)	(121,036,410.04)
Balance as at December 31, 2020		432,393,391.00	565,027,151.00	15,534,581.42	12,707,000.00	(700,341,802.71)	325,320,320.71

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF CASH FLOW

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Loss for the year	(129,999,245.06)	(198,572,976.23)	(121,036,410.04)	(310,869,439.17)
Adjustment to loss for the year tax for cash received (payment) from operation				
Depreciation	45,937,661.57	54,304,262.65	34,389,982.18	43,166,829.10
Depreciation of right-of-use assets	2,572,153.24	-	531,003.03	-
Amortization of right to use land	-	1,516,451.00	-	-
Amortization of intangible assets	1,444,640.46	2,357,398.25	1,353,706.26	2,266,464.05
Gain from sales of investment property	-	(76,165,324.39)	-	(76,165,324.39)
Loss from disposal/written-off assets	143,782.19	692,855.29	130,363.31	682,650.57
Transfer of work in process to expenses	-	64,969.43	-	64,969.43
Loss from declining in value of inventories (reversal)	8,591,692.88	(5,708,198.02)	8,591,692.88	(5,708,198.02)
Allowance for expected credit loss - trade receivables	7,604,388.53	4,569,039.09	7,809,248.43	12,966,824.94
Allowance for expected credit loss - long-term loans to related parties	-	-	-	102,059,222.91
Allowance for expected credit loss - short-term loans to related parties	-	19,000,000.00	8,415,289.93	89,037,142.94
Allowance for expected credit loss - short-term loans to other parties	-	74,971,759.69	-	42,910,289.26
Allowance for expected credit loss - unbilled receivables (reversal)	(1,500,000.00)	1,759,780.29	(1,500,000.00)	1,759,780.29
Gain from unrealized on exchange rate	(110,921.20)	(224,964.25)	(110,921.20)	(224,964.25)
Impairment loss on investment in subsidiaries	-	-	18,744,935.65	47,141,532.37
Impairment loss on investment in associate	(15,924,778.49)	15,924,778.49	-	-
Share of loss on investment in associate	15,939,803.99	21,544,566.71	-	-
Employee benefit expenses	6,693,780.03	22,061,628.99	6,011,356.03	21,960,607.95
Interest expenses from lease liabilities	(686,407.23)	(2,127,579.80)	(649,381.12)	(3,694,724.08)
Interest income	610,486.37	-	378,744.82	-
Interest expenses	18,870,528.70	19,121,029.40	12,701,987.93	18,583,608.33
Income tax revenues	(2,369,463.30)	(16,486,451.36)	(6,531,606.68)	(41,657,743.59)
Loss from operating activities before changes in operating assets and liabilities	(42,181,897.32)	(61,396,974.77)	(30,770,008.59)	(55,720,471.36)

Notes to the financial statements are an integral part of these statements.



# STATEMENTS OF CASH FLOW

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities (continue)				
Operating assets (increase) decrease				
Trade and other receivables	12,511,418.89	(2,141,462.51)	21,576,843.25	(885,497.00)
Contractual assets	81,022,622.76	(75,483,359.60)	92,912,110.18	(75,483,359.60)
Inventories	23,560,239.61	60,824,745.63	23,451,286.74	60,771,598.32
Other current assets	8,610,589.85	(6,961,906.35)	11,015,515.68	(7,080,577.05)
Retentions	(5,175,326.53)	(22,737,783.00)	(5,175,326.53)	(22,737,783.01)
Other non-current assets	(2,639,509.34)	(3,447,662.34)	2,116,301.91	(3,486,661.72)
Operating liabilities increase (decrease)				
Trade and other payables	(29,502,607.76)	(25,885,529.71)	(36,950,083.17)	(20,460,233.62)
Contractual liabilities	1,221,516.56	7,748,789.97	1,221,516.56	7,748,789.97
Unbilled work costs	(2,727,815.33)	(13,714,286.00)	(5,337,455.41)	(13,714,285.70)
Other current liabilities	1,853,160.54	430,943.47	395,061.12	(127,344.84)
Other non-current liabilities	500,000.00	(26,001.00)	-	-
Employee benefit obligations	(3,195,853.38)	(1,779,261.87)	(3,195,853.38)	(1,779,261.83)
Cash received (paid) from operation activities	43,856,538.55	(144,569,748.08)	71,259,908.36	(132,955,087.44)
Income tax paid	(3,054,167.93)	(13,203,628.75)	(3,054,167.93)	(13,203,628.75)
Received income tax	1,876,511.13	-	1,876,511.13	-
Net cash received from (used in) operating activities	42,678,881.75	(157,773,376.83)	70,082,251.56	(146,158,716.19)
Cash flow from investing activities				
Decrease in other non-current financial assets	10,459,349.06	-	10,460,399.34	-
Increase in fixed deposit used as collateral	-	(101,040.00)	-	-
Cash payment for short-term loans to related parties	(1,600,000.00)	(5,000,000.00)	(13,017,789.93)	(55,275,642.94)
Cash received from short-term loans to related parties	-	-	3,602,500.00	61,500,000.00
Cash received from short-term loans to other parties	400,000.00	23,098,630.00	-	98,629.99
Cash payment for short-term loans to other parties	(400,000.00)	(51,519,691.00)	-	(4,000,000.00)
Cash received from interest	183,404.71	1,105,105.02	149,178.85	1,661,424.74
Cash payment in investments in subsidiary	-	-	(9,239,925.00)	(45,480,000.00)
Cash payment in investments in associate	(122,500.00)	-	(122,500.00)	-
Cash received from sales of investment property	-	165,000,000.00	-	165,000,000.00
Cash payment in purchase of investment property	(2,217,440.76)	(1,431,778.98)	-	(1,431,778.98)
Cash payment in purchase of property, plant and equipment	(7,828,413.47)	(19,837,345.48)	(6,780,127.46)	(15,686,379.19)
Cash received from sales of property, plant and equipment	8,000.00	8,411.22	8,000.00	8,411.22
Cash payment in right to use land	-	(678,300.00)	-	-
Cash payment in purchase of intangible assets	-	(399,000.00)	-	(399,000.00)
Net cash received from (used in) investing activities	(1,117,600.46)	110,244,990.78	(14,940,264.20)	105,995,664.84

Notes to the financial statements are an integral part of these statements.

# STATEMENTS OF CASH FLOW

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(5,813,755.23)	19,399,908.65	(5,813,755.23)	19,399,908.65
Cash received from short-term loans from other person and parties	20,700,000.00	93,550,000.00	6,000,000.00	91,500,000.00
Cash payment from short-term loans from other person and parties	(9,350,000.00)	(56,500,000.00)	(7,000,000.00)	(56,500,000.00)
Cash received from short-term loans from related person	17,450,000.00	4,675,350.00	7,320,000.00	-
Cash payment for short-term loans from related person	(3,720,000.00)	(2,525,350.00)	(6,500,000.00)	-
Cash payment for liabilities under finance lease agreement	(2,714,050.00)	(1,450,790.64)	(810,384.00)	(1,450,791.64)
Cash payment for short-term loans from other parties	(20,122,029.05)	(818,617.62)	(20,122,029.05)	(818,617.62)
Cash payment for liabilities under land lease agreement	-	(889,000.00)	-	-
Cash payment in interest expenses	(16,937,115.12)	(18,574,896.38)	(13,123,982.27)	(18,078,475.23)
Cash received proceeds from on non-controlling interests	30,000.00	-	-	-
Net cash received from (used in) financing activities	(20,476,949.40)	36,866,604.01	(40,050,150.55)	34,052,024.16
Effects of exchange rates in cash and cash equivalents	(158,852.02)	(31,787.03)	(158,852.02)	(31,787.03)
Net decrease in cash and cash equivalents	20,925,479.87	(10,693,569.07)	14,932,984.79	(6,142,814.22)
Cash and cash equivalents at the beginning of the year	9,914,787.93	20,608,357.00	9,101,781.19	15,244,595.41
Cash and cash equivalents at the ending of the year	30,840,267.80	9,914,787.93	24,034,765.98	9,101,781.19

## Additional disclosure :

Items not affecting cash flow are as follows :-

- Purchases of assets which had not yet been paid	1,132,915.00	230,425.00	1,132,915.00	230,425.00
- Transfer other receivable to short-term loans to other parties	-	1,440,409.00	-	98,630.00
- Transfer of supply to property, plant and equipment	271,091.05	100,588.51	271,091.05	100,588.51
- Transferred other current assets to property plant and equipment	-	41,794.00	-	-
- Transfer of deposit to property, plant and equipment	-	581,333.76	-	581,333.76
- Transferred employee benefit obligations to trade and other payable	4,653,555.84	-	4,653,555.84	-
- Transferred right-of-use to property, plant and equipment	661,231.18	-	661,231.18	-
- Acquisition right-of-use assets under lease	201,879.45	1,188,267.74	-	1,188,267.74

Notes to the financial statements are an integral part of these statements.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 1. General information

The Company was registered as a corporate entity under the Civil and Commercial Code on August 20, 1991 and later registered as a public company on March 1, 2004, registration number 0107547000133 with its registered head office located at 1/1, Moo 7, Bangkoowad Road, Tambol Bangkoowad, Amphor Muang, Pathumthani Province, Thailand.

The Company main business activity is producing and distributing air conditioning products and parts and construction service.

Its subsidiary companies which operate business according in the note to financial statements No. 3.1.

## 2. Basis of financial statements preparation and accounting policies

2.1 The financial statements are issued for reporting purposes to be used in Thailand are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 The consolidated and separate financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals (“TFAC”) established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 2.3 New financial reporting standards

#### 2.3.1 New and revised financial reporting standards that became effective in the current year

During the year, the Group has adopted revised financial reporting standards and financial reporting interpretations (revised 2019) including guidance promulgated issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements except the set of TFRSs related to financial instruments and leased which involves changes to key principles as explained in Note to financial statement No. 6.

#### 2.3.2 Financial reporting standard that will become effective in the future

During the current year, The Federation of Accounting Professions issued a number of revised accounting standards, financial reporting standards, accounting standards interpretations and financial reporting standards interpretations including the conceptual framework for financial reporting standards (new), which will be effective for fiscal years beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision to reference to the conceptual framework in Thai financial reporting standards and revision of the definition and accounting requirements. The Group's management believes that these financial reporting standards do not have any significant impact on the financial statements when they are adopted.

### 2.4 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles

requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. The significant estimates and assumptions are as follows :-



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Right of use asset and lease liabilities

In determining right of use asset and lease liabilities, the management needs to make judgment and estimated of the purchase option or renewal option exercised including review the estimate useful lives and residual values of the underlying asset when there are any changes.

In addition, the management is required to review right-of-use asset for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Lease agreement

Lease - where the Group is the lessor, in determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding significant risk and rewards of ownership of the leased assets have been transferred, taking into consideration terms and conditions of the arrangements.

## Expected credit loss

In determining the expected credit loss, the management needs to use judgment in estimating the expected loss and forecasts for the future about economic factors affecting credit risk of financial assets.

## Reduce inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

## Allowances for decline in value of dilapidated inventories and non-movement inventories

Allowances for decline in value of dilapidated inventories and non-movement inventories are estimated from inventories which are subject to dilapidation and non-movement.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### Estimate on construction

The Estimate on construction is estimate from the calculating of quantity and amount of material in construction including labor and overhead that necessary in construction service, Also forecasting based on trend changing that may occur. Estimate reviewed on an ongoing basis and estimates are revised and in any that the actual cost is differ from these estimate.

### Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment property, property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

### Estimate on employee benefit obligations

The obligation under the post-employment benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

### Litigation

The Group has contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and estimated contingent damage.

Other estimates are disclosed under related caption in these notes to financial statements.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 3. Basis of the consolidated financial statements preparation

3.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of five subsidiary companies (“the Group”) The detail of structure and shareholding ratio of the Group is as follows:-

<u>Name of subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Percentage of shareholdings As at December 31,</u>	
			<u>2020</u>	<u>2019</u>
C.I.G. (Thailand) Co., Ltd.	Thailand	Air conditioning and refrigeration parts manufacturing and distribution; including maintenance and inspection services and distribution system	99.98	99.98
CIG Development Co., Ltd.	Thailand	Hotel	99.97	99.97
Siam Railway Development Co., Ltd.	Thailand	Locomotive Maintenance and construction	99.99	99.99
Ilustro Co., Ltd.	Thailand	Construction of electricity production and distribution system	97.00	-
CIG Blusolutions Co., Ltd.	Thailand	Air conditioning and refrigeration parts manufacturing	99.97	-

3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.

3.4 The accounting periods of subsidiary companies ended the same date as that of C.I. GROUP PUBLIC COMPANY LIMITED.

3.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

3.6 Investment in subsidiaries which the Company holds 99.95% onwards are prepare the consolidated financial statements. The Company calculated the investment in the subsidiary as 100%.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 4. The Reclassified

Some items in the consolidated statements of financial positions as at December 31, 2019 have been reclassified in line with the presentation of the consolidated statements of financial positions as at December 31, 2020 there was no impact to profit and loss for the period and the shareholders' equity as reported which can be summarise as following.

(Unit : Baht)

	Consolidated financial statements		
	Before reclassified	Reclassified increase (decrease)	After reclassified
Statements of financial position as at December 31, 2019			
Other current liabilities	2,084,276.68	1,104,391.33	3,188,668.01
Other non-current liabilities	1,158,391.33	(1,104,391.33)	54,000.00
Statements of comprehensive income for the year ended December 31, 2019			
Other income	89,113,763.35	534,889.63	89,648,652.98
Service cost	673,258,496.03	6,823,267.21	680,081,763.24
Administrative expense	110,989,103.87	(6,288,377.58)	104,700,726.29

### 5. Summary of significant accounting policies

5.1 Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and all highly liquid investments with an original maturity of three months or less from the date of acquisition and not subject to withdrawal restrictions.

#### 5.2 Trade and other receivables

##### Accounting policies adopted after January 1,2020

Trade and other receivables are stated at the net realisable value and recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected credit loss rate are based on the payment profiles and corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The impairment losses are recognized in profit or loss within administrative. Bad debts are written off when incurred.

## Accounting policies adopted before January 1,2020

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on analysis of debt aging, payment histories and future expectations of customer payments from the uncollectability of each receivable. Bad debts are written off when incurred.

## 5.3 Financial assets and financial liabilities

### Accounting policies adopted after January 1,2020

#### Classification and measurement of financial assets

The Group classifies its debt instruments in the following categories:

- Financial assets measured subsequently at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL) and
- Financial assets measured at amortized cost.

At initial recognition, The Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Subsequent measurement of debt instruments depends on the Group business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: A financial asset will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in profit or loss.
- FVPL: Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

The equity instrument held must be irrevocably classified to two measurement categories at fair value through profit or loss ( FVPL) , or at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## Classification and measurement of financial liabilities and equity

Financial instruments issued by the Company must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. the Group reclassifies all financial liabilities as subsequently measured at amortized cost.

## Derivative

Derivative classifies and measured at fair value through profit and loss unless hedge accounting is applied to the derivative contracts.

## Recognition and derecognition

The Group shall recognize a financial asset or a financial liabilities in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. An entity shall remove a financial liability from its statement of financial position when, and only when, it is extinguished.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general approach for credit-impaired consideration.

### Accounting policies adopted before January 1,2020

#### Temporary investments

Marketable securities for trading are stated at fair value. The difference between fair value and cost is shown as provision for adjustment of investments. The Group recognized revaluation of securities as unrealized gain (loss) on trading securities in the statements of comprehensive income. Cost of the disposed trading securities during the year is based on the average cost of each security on the disposal time.

- 5.4 Inventory are stated at cost or net realizable value, whichever is the lower. Cost is determined by the first-in, first-out method.

Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

#### 5.5 Investments

- 5.5.1 Investments in subsidiary companies in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and the recognition of the change in the investment in the profit or loss is recorded when the investment is disposed or the impairment of the investment incurred.
- 5.5.2 Investments in an associate in the consolidated financial statements are recorded by the equity method.



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

5.6 Investment properties is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business. Investment properties of the Group are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

The depreciation of the investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life as follows :-

Building and building improvements	10 Years
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The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land and work in process.

The Group recognize the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

Transfers investment property to property and plant is stated at carrying amount of the investment property transferred at the date of the change in use and measured in accordance with accounting policy of property and plant.

5.7 Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are account for as separate items (major components) of property, plant and equipment.

Subsequent costs, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:-

Building and building improvements	10-20 Years
Machineries and spare parts	5-10 Years
Furniture, fixtures and office equipment	3-10 Years
Vehicles	5 Years
Other	5 Years

No depreciation is provided on land and assets under installation and asset under construction.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expense in profit or loss.

Transferred from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

5.8 Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is calculated over the cost of the asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows :-

Computer softwares	5 Years
Deferred expenses	10 Years

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 5.9 Leases agreement

### Accounting policies adopted after January 1,2020

#### Leases - where The Group is the lessee

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

The Group recognizes a right of use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying assets, lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right of use assets, as follows:

Land	3-26 years, plus renewal option reasonably certain to be exercised
Vehicles	5 years

The lease liability is re-measured when there is a change in future leases payments arising from the following items:

- A change in an index or a rate used to determine those payments
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Leases - where The Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Assets leased out under operating leases are included in plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

## Accounting policies adopted before January 1,2020

Leases of property, plant and equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The asset acquired under finance leases is depreciated over the useful life of the asset.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the year of the lease.

When an operating lease is terminated before the lease year expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the year in which the termination takes place.

### 5.10 Non-financial assets impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in. An impairment loss is recognized when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

#### Calculation of recoverable amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit and its value in use.
- In assessing value in use of an asset, the estimated future cash flows are discounted to their present value which using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The 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.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Reversals of impairment loss

- The loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation of net realizable value changes since the last impairment loss was recognized. 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 amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

## 5.11 Employee benefits

### Short-term employee benefits

The Group recognized salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

### Post-employment benefits (Defined contribution plans)

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognized as expenses in profit or loss in the year in which they arise.

### Post-employment benefits (Defined benefit plans)

The Group have obligations in respect of the severance payments then must make to employees upon retirement under labor law and the Group's retirement rules. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average year until the amended benefits become vested.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income in the year in which they arise.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

- 5.12 Provision is recognized in the statements of financial position when the Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.
- 5.13 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ratio that are not held by the Group and are presented separately under the shareholders equity in the consolidated statements of financial position and net profit (loss) of the non-controlling interest are presented separately in the consolidated statements of income and the consolidated statement of comprehensive income.
- 5.14 Revenue are recognized when customer control of the goods and services in an amount that reflects the consideration to which the entity expects to be entitled excludes value added taxes and present net off trade discounts with the following policies:-
- 5.14.1 Revenue from sales and services are recognized at the point in time when control of the goods and services are transferred to the customer, generally on delivery of the goods and services.
- 5.14.2 Revenue from construction services comprises the initial amount of revenue as agreed in the contract and income from the additional work as agreed in the quotation, which is recognized based on the percentage of completion method. The percentage of completed is determined by surveying the percentage of completed physical construction work compared to all construction work in accordance with the contract by the construction supervisor engineer. In the event that there is a certain possibility that the total cost of the project exceeds the contract revenue value The Group will recognize such loss immediately in profit or loss. The recognized revenues per the percentage of completion method which have not yet been due have been shown under the caption of "Contractual assets" Unrecognized income based on per percentage of completion method but payment under the contract have been show under the caption of "Contractual liabilities" in the statement of financial position. When the progress of completion cannot be estimated reliably, revenue from rendering of project construction service is recognized only to the extent of contract costs incurred that are likely to be recoverable.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

- 5.14.3 Rental income recognized on a straight line basis over the term of the lease.
- 5.14.4 Interest is recognized on an accrual basis based on the effective interest rate.
- 5.14.5 Dividend are recognized when the right to receive the dividends is established.
- 5.14.6 Other income are recognized on an accrual basis.

### 5.15 Recognition of expenses

- 5.15.1 Costs of construction contracts related to satisfying performance obligations under the contracts is recognized in the profit and loss when the cost incurred and when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in profit and loss immediately.
- 5.15.2 Finance costs such as interest expenses and similar costs are charged to profit loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 5.15.3 Other expenses are recognized on an accrual basis.

### 5.16 Income tax

Income tax comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

#### Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.



# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting year. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Group recognized deferred tax liabilities for all taxable temporary differences while they recognized deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 5.17 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing net profit (loss) attributable to shareholders of the Company (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per share are calculated by net income for the years attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares.

#### 5.18 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the reporting date are translated into Baht at the rates ruling on that date. Exchange gains and losses are included as incomes or expenses in profit or loss.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

5.19 The related persons and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related persons or related companies also meant the associated companies and the persons whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

5.20 The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

## 5.21 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 buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows :-

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 6. The impact of first-time adoption of new accounting standards

The Group has adopted TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2020, under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position are as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>December 31, 2019</u>	<u>TFRS 9</u>	<u>TFRS 16</u>	<u>January 1, 2020</u>
<u>Statement of financial position</u>				
Current assets				
Trade and other receivables	196,704,626.11	(949,082.02)	-	195,755,544.09
Non-current assets				
Other non-current financial assets	-	20,561,543.49	-	20,561,543.49
Bank depositpled as collateral	20,561,543.49	(20,561,543.49)	-	-
Property, plant and equipment	399,502,396.75	-	(1,582,727.02)	397,919,669.73
Right-of-use asset	-	-	18,230,571.99	18,230,571.99
Deferred leasehold land	10,111,249.33	-	(10,111,249.33)	-
Deferred tax assets	34,026,968.84	189,816.40	-	34,216,785.24
Other non-current assets	17,885,262.29	-	(32,100.00)	17,853,162.29
Total assets	678,792,046.81	(759,265.62)	6,504,495.64	684,537,276.83

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

<u>Consolidated financial statements</u>				
	<u>As at</u>			<u>As at</u>
	<u>December 31, 2019</u>	<u>TFRS 9</u>	<u>TFRS 16</u>	<u>January 1, 2020</u>
Current liabilities				
Current portion of lease liabilities	250,315.26	-	2,148,466.11	2,398,781.37
Current portion of liabilities				
under land lease agreement	889,000.00	-	(889,000.00)	-
Non-current liabilities				
Lease liabilities	800,772.89	-	8,800,029.53	9,600,802.42
Liabilities under land lease agreement	3,555,000.00	-	(3,555,000.00)	-
Total liabilities	5,495,088.15	-	6,504,495.64	11,999,583.79
Shareholders' equity				
Unappropriated deficit	(532,526,655.16)	(759,265.62)	-	(533,285,920.78)
Total shareholders' equity	(532,526,655.16)	(759,265.62)	-	(533,285,920.78)
Total liabilities and shareholder's equity	(527,031,567.01)	(759,265.62)	6,504,495.64	(521,286,336.99)

(Unit : Baht)

<u>Separate financial statements</u>				
	<u>As at</u>			<u>As at</u>
	<u>December 31, 2019</u>	<u>TFRS 9</u>	<u>TFRS 16</u>	<u>January 1, 2020</u>
<u>Statement of financial position</u>				
Current assets				
Trade and other receivables	195,723,311.12	(949,082.02)	-	194,774,229.10
Non-current assets				
Other non-current financial assets	-	20,460,503.99	-	20,460,503.99
Bank depositpled as collateral	20,460,503.99	(20,460,503.99)	-	-
Property, plant and equipment	260,209,194.48	-	(1,582,727.02)	258,626,467.46
Right-of-use asset	-	-	4,831,768.83	4,831,768.83
Deferred tax assets	93,404,721.07	189,816.40	-	93,594,537.47
Total assets	569,797,730.66	(759,265.62)	3,249,041.81	572,287,506.85

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>December 31, 2019</u>	<u>TFRS 9</u>	<u>TFRS 16</u>	<u>January 1, 2020</u>
Current liabilities				
Current portion of lease liabilities	250,315.26	-	182,218.84	432,534.10
Non-current liabilities				
Lease liabilities	800,772.89	-	3,066,822.97	3,867,595.86
Total liabilities	1,051,088.15	-	3,249,041.81	4,300,129.96
Shareholders' equity				
Unappropriated deficit	(578,546,127.05)	(759,265.62)	-	(579,305,392.67)
Total shareholders' equity	(578,546,127.05)	(759,265.62)	-	(579,305,392.67)
Total liabilities and shareholder's equity	(577,495,038.90)	(759,265.62)	3,249,041.81	(575,005,262.71)

#### 6.1 Addition disclosed from first time adoption of the set of TFRSs related to financial instruments.

The impact of deficit as at January 1, 2020 are as follows : -

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Unappropriated deficit as at December 31, 2019	(532,526,655.16)	(578,546,127.05)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020		
Increase from allowance for expected credit loss for trade and other receivable-net from deferred tax	(759,265.62)	(759,265.62)
Unappropriated deficit as at January 1, 2020	(533,285,920.78)	(579,305,392.67)



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Classification and measurement

As at January 1, 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities are as follows :-

(Unit : Baht)

	<u>Consolidated financial</u>	<u>Separate financial</u>
	<u>statement</u>	<u>statement</u>
	<u>Amortized cost</u>	
<u>Financial assets</u>		
Cash and cash equivalents	9,914,787.93	9,101,781.19
Trade and other receivable	195,755,544.09	194,774,229.10
Contractual assets	107,956,559.31	107,956,559.31
Other current assets	20,322,871.44	19,575,212.47
Bank deposit pledged as collateral	20,561,543.49	20,460,503.99
Retention	22,737,783.01	22,737,783.01
Other non-current assets	17,885,262.29	17,580,126.75
Total	395,134,351.56	392,186,195.82
<u>Financial liabilities</u>		
Short-term loans from financial institutions	117,321,188.91	117,321,188.91
Short-term loans from related persons and parties	2,150,000.00	-
Short-term loans from other persons and parties	88,230,110.70	86,180,110.70
Trade and other payable	226,915,481.14	219,343,772.10
Contractual liabilities	7,748,788.97	7,748,788.97
Unbilled work costs	7,877,416.24	7,877,416.24
Other current liabilities	3,188,669.01	1,072,494.69
Lease liabilities	11,999,583.79	4,300,129.96
Non-current liabilities	54,000.00	3,000.00
Total	465,485,238.76	443,846,901.57

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### Impairment of financial assets

#### Trade receivable

The Group applies simplified approach to measuring expected credit losses along the lifetime for all of trade receivable. To measure the expected credit losses, trade receivables have been grouped based on the common credit risk and the days past due. The expected loss rates are based on the payment profiles, credit loss profiles and future factor which impact to the expected credit losses. By applying the approach, the impairment losses for trade receivable are as follow :-

	(Unit : Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statement</u>	<u>financial statement</u>
Allowance for expected credit loss as at December 31, 2019	(26,557,664.92)	(21,557,664.92)
The impact from adjustment beginning balance to unappropriated deficit	(949,082.02)	(949,082.02)
Allowance for expected credit loss as at January 1, 2020	<u>(27,506,746.94)</u>	<u>(22,506,746.94)</u>

### 6.2 Addition disclosed from first time adoption of the TFRSs related to lease

On adoption of TFRS 16, the Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17 Leases. The right of use assets was measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 was 1.50%-15.00%

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Operating lease commitments as at December 31, 2019	7,192,524.00	308,000.00
<u>Add</u> Purchase or extension options reasonably certain to be exercised	7,586,693.00	5,500,000.00
Total	14,779,217.00	5,808,000.00
<u>Less</u> Deferred interest expenses	(3,830,721.36)	(2,558,958.19)
Additional lease liabilities from TFRS 16 adoption	10,948,495.64	3,249,041.81
Lease liabilities as at December 31, 2019	1,051,088.15	1,051,088.15
Lease liabilities as at January 1, 2020	11,999,583.79	4,300,129.96
Consist of: -		
Current lease liabilities	2,398,781.37	432,534.10
Non-current lease liabilities	9,600,802.42	3,867,595.86
Total	11,999,583.79	4,300,129.96

The right-of-use assets as at January 1, 2020 related to the follows types of assets: -

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Land	15,838,924.41	3,249,041.81
Vehicles	2,391,647.58	1,582,727.02
Total right-of-use assets	18,230,571.99	4,831,768.83

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 7. Inter-transaction with related companies

The Company has business transactions with related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow:-

#### 7.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivable</u>				
CIG Development Co., Ltd.	-	-	474,277.50	-
Fakwantip Co., Ltd.	4,679,650.00	-	636,650.00	-
Total	4,679,650.00	-	1,110,927.50	-
<u>Other receivable</u>				
Siam Railway Development Co., Ltd	-	-	80,000.00	-
Fakwantip Co., Ltd.	75,000.00	-	75,000.00	-
Joint venture S.S. Engineering Group	1,757,787.19	-	-	-
Total	1,832,787.19	-	155,000.00	-
<u>Accrued income</u>				
CIG Development Co., Ltd.	-	-	-	1,000.00
Siam Railway Development Co., Ltd	-	-	1,000.00	1,000.00
Total	-	-	1,000.00	2,000.00
<u>Accrued interest receivable</u>				
C.I.G. (Thailand) Co., Ltd.	-	-	759,123.31	759,123.31
CIG Development Co., Ltd.	-	-	7,918,662.54	7,918,662.54
Ilustro Co., Ltd.	-	-	30,286.89	-
Fakwantip Co., Ltd.	2,881,330.72	2,847,232.36	2,847,232.36	2,847,232.36
Total	2,881,330.72	2,847,232.36	11,555,305.10	11,525,018.21
<u>Less</u> Allowance for expected credit loss	(2,847,232.36)	(2,847,232.36)	(11,525,018.21)	(11,525,018.21)
Accrued interest receivable-net	34,098.36	-	30,286.89	-

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

For the year ended December 31 2020, there is no movement of the Allowance for expected credit loss for trade and other receivable to related parties. And for the year ended December 31, 2019, movements of Allowance for expected credit loss for trade and other receivable to related parties are as follow:-.

(Unit : Baht)

<u>Consolidated financial statements</u>				
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Allowance for expected credit loss- Accrued interest receivable</u>				
Fakwantip Co., Ltd.	-	2,847,232.36	-	2,847,232.36

(Unit : Baht)

<u>Separate financial statements</u>				
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Allowance for expected credit loss- Accrued interest receivable</u>				
C.I.G. (Thailand) Co., Ltd.	-	759,123.31	-	759,123.31
CIG Development Co., Ltd.	-	7,918,662.54	-	7,918,662.54
Fakwantip Co., Ltd.	-	2,847,232.36	-	2,847,232.36
Total	-	11,525,018.21	-	11,525,018.21

(Unit : Baht)

<u>Consolidated financial statements</u>				
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2020</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2020</u>
<u>Short-term loan</u>				
Fakwantip Co., Ltd.	19,000,000.00	1,600,000.00	-	20,600,000.00
Less Allowance for expected credit loss	(19,000,000.00)	-	-	(19,000,000.00)
Net	-	1,600,000.00	-	1,600,000.00



# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

				(Unit : Baht)
				<u>Separate financial statements</u>
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2020</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2020</u>
<u>Short-term loan</u>				
C.I.G. (Thailand) Co., Ltd.	32,000,000.00	5,800,000.00	-	37,800,000.00
CIG Development Co., Ltd.	38,037,142.94	2,615,289.93	-	40,652,432.87
Ilustro Co., Ltd.	-	1,000,000.00	-	1,000,000.00
Fakwantip Co., Ltd	19,000,000.00	3,602,500.00	(3,602,500.00)	19,000,000.00
Total	89,037,142.94	13,017,789.93	(3,602,500.00)	98,452,432.87
<u>Less</u> Allowance for expected credit loss	(89,037,142.94)	(8,415,289.93)	-	(97,452,432.87)
Net	-	4,602,500.00	(3,602,500.00)	1,000,000.00
<u>Long-term loans</u>				
CIG Development Co., Ltd.	182,500,000.00	-	-	182,500,000.00
<u>Less</u> Allowance for expected credit loss	(182,500,000.00)	-	-	(182,500,000.00)
Net	-	-	-	-

				(Unit : Baht)
				<u>Consolidated financial statements</u>
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loan</u>				
Fakwantip Co., Ltd.	14,000,000.00	5,000,000.00	-	19,000,000.00
<u>Less</u> Allowance for expected credit loss	-	(19,000,000.00)	-	(19,000,000.00)
Net	14,000,000.00	(14,000,000.00)	-	-

				(Unit : Baht)
				<u>Separate financial statements</u>
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loan</u>				
C.I.G. (Thailand) Co., Ltd.	21,000,000.00	11,000,000.00	-	32,000,000.00
CIG Development Co., Ltd.	22,261,500.00	38,775,642.94	(23,000,000.00)	38,037,142.94
Siam Railway Development Co., Ltd.	38,000,000.00	500,000.00	(38,500,000.00)	-
Fakwantip Co., Ltd	14,000,000.00	5,000,000.00	-	19,000,000.00
Total	95,261,500.00	55,275,642.94	(61,500,000.00)	89,037,142.94
<u>Less</u> Allowance for expected credit loss	-	(89,037,142.94)	-	(89,037,142.94)
Net	95,261,500.00	(33,761,500.00)	(61,500,000.00)	-

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Long-term loans</u>				
CIG Development Co., Ltd.	182,500,000.00	-	-	182,500,000.00
<u>Less</u> Allowance for expected credit loss	(80,440,777.09)	(102,059,222.91)	-	(182,500,000.00)
Net	102,059,222.91	(102,059,222.91)	-	-

As at December 31, 2020 and 2019, the short-term loans to related parties which have an allowance for expected credit loss is in promissory notes form, 1-12 months and at call and interest is carried by the rate of 1.50-15.00% per annum for the both years. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 record the allowance for expected credit loss accounts for the whole amount onward due to there is uncertainty to collectable. However, the subsidiary company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is paid.

On July 15, 2016, the subsidiary has signed new loan agreements amount of Baht 184.00 million because it was unable to made repayment under the original loan agreement with amount of Baht 183.06 million, consisting of a principal amount of Baht 175.90 million, accrued interest receivable amount of Baht 7.16 million as part of the principal (calculated until June 30, 2016) and an additional loan of Baht 0.94 million for working capital. The repayments under the terms of the contract by period of three months from August 31, 2016 to June 30, 2031, bearing interest rate at 1.50% per annum.

As at December 31, 2020 and 2019, the subsidiary was unable to made repayment above conditions. The management considerations allowance for expected credit loss-loan amount of Baht 182.50 million for the both years. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 onward due to there is uncertainty to collectable. However, the subsidiary company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is paid.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Consolidated financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2020</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2020</u>
<u>Short-term loans from related persons</u>				
Related person	2,150,000.00	17,450,000.00	(3,720,000.00)	15,880,000.00

(Unit : Baht)

	<u>Consolidated financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loans from related persons</u>				
Related person	-	4,675,350.00	(2,525,350.00)	2,150,000.00

As at December 31, 2020 and 2019, the short-term loans from related person for the whole amount, maturity within 1-3 month interest rate of 15.00% per annum.

(Unit : Baht)

	<u>Separate financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2020</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2020</u>
<u>Short-term loans</u>				
Siam Railway Development Co., Ltd.	-	7,320,000.00	(6,500,000.00)	820,000.00

As at December 31, 2020 and 2019 the short-term loans from related parties for the whole amount, maturity within 12 month interest rate of 1.50% per annum.

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31</u>		<u>As at December</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade payables</u>				
CIG Development Co., Ltd.	-	-	1,712,000.00	-
<u>Accrued expenses</u>				
Related person	3,105,814.18	2,857,118.45	3,095,034.18	-

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31</u>		<u>As at December</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Accrued interest expenses</u>				
Siam Railway Development Co., Ltd.	-	-	71,543.44	-
Related person	110,975.76	-	-	-
Total	110,975.76	-	71,543.44	-
<u>Advances received</u>				
C.I.G. (Thailand) Co., Ltd.	-	-	496,261.68	-
<u>Non-current liabilities</u>				
CIG Development Co., Ltd.	-	-	3,000.00	3,000.00
Joint venture S.S. Engineering Group	500,000.00	-	-	-
Total	500,000.00	-	3,000.00	3,000.00

## 7.2 Inter-revenues and expenses

(Unit : Baht)

		<u>Consolidated financial</u>		<u>Separate financial</u>	
		<u>statements</u>		<u>statements</u>	
		<u>For the year ended December 31,</u>			
<u>Pricing policy</u>		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Inter-transaction with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Revenue from sales	Agreed upon agreements	-	-	443,250.00	-
Rental income	Contract price	-	-	24,000.00	24,000.00
Other income	Agreed upon agreements	-	-	118,378.32	-
Interest income	The rate to the promissory note	-	-	30,286.89	2,014,460.05
Purchase of goods	Agreed upon agreements	-	-	287,408.00	-
Consultation fee	Contract price	-	-	9,600,000.00	-
Interest expenses	The rate to the promissory note	-	-	71,543.44	-
Allowance for expected credit loss		-	-	8,415,289.93	172,096,365.85

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

		<u>Consolidated financial</u>		<u>Separate financial</u>	
		<u>statements</u>		<u>statements</u>	
		<u>For the year ended December 31,</u>			
<u>Pricing policy</u>		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Inter-transaction with related parties</b>					
Interest income	The rate to the promissory note	56,305.55	-	22,207.19	569,178.07
Sales equipment	Agreed upon agreements	4,638,000.00	-	595,000.00	-
Other income	Agreed upon agreements	200,000.00	-	200,000.00	-
Purchase of goods	Agreed upon agreements	4,043,000.00	-	-	-
Interest expenses	The rate to the promissory note	565,823.01	-	80,000.00	156,246.58
Allowance for expected credit loss		-	21,847,232.36	-	21,847,232.36
Other expenses	Contract price	-	1,800,000.00	-	

### 7.3 Directors and management's benefits

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term benefits	31,005,436.00	26,940,000.00	31,005,436.00	25,140,000.00
Post-employment benefits	405,122.85	5,748,352.66	405,122.85	5,748,352.66
Total	31,410,558.85	32,688,352.66	31,410,558.85	30,888,352.66

Director and Management benefit expenses represent the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.



# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 7.4 Relationship among the companies

Consisted of :-

<u>Company's Name</u>	<u>Relationship</u>
C.I.G. (Thailand) Co., Ltd.	Subsidiary company by shareholding and common management
CIG Development Co., Ltd.	Subsidiary company by shareholding and common management
Siam Railway Development Co., Ltd.	Subsidiary company by shareholding and common management
Ilustro Co., Ltd.	Subsidiary company by shareholding and common management
CIG Blusolutions Co., Ltd.	Subsidiary company by shareholding and common management
Fakwantip Co., Ltd.	Associate company of the subsidiary
Golden Ax Thai Waterworks Co., Ltd.	Associate company
Joint venture S.S. Engineering Group	Joint venture of the subsidiary
Related person	Chief Executive Officer Director
	Director of the subsidiary company
	Shareholder of the Company

### 8. Financial assets and liabilities

As at December 31, 2020, the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as follows: (The disclosure for balances as at January 1, 2020 has been disclosed in Note 6.1)

(Unit : Baht)

	<u>Consolidated financial</u>	<u>Separate financial</u>
	<u>statement</u>	<u>statement</u>
	<u>Amortized cost</u>	
<u>Financial assets</u>		
Cash and cash equivalents	30,840,267.80	24,034,765.98
Trade and other receivable	175,877,641.08	165,623,241.88
Contractual assets	28,433,936.55	16,544,449.13
Short-term loan to related parties	1,600,000.00	1,000,000.00
Other current assets	10,986,708.04	7,834,123.23
Other non-current financial assets	10,102,194.43	10,000,104.65
Retention	27,913,109.54	27,913,109.54
Non-current assets	22,395,901.99	17,367,055.20
Total	308,149,759.42	270,316,849.61

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Consolidated financial</u>	<u>Separate financial</u>
	<u>statement</u>	<u>statement</u>
	<u>Amortized cost</u>	
<u>Financial liabilities</u>		
Short-term loans from financial institutions	111,507,433.68	111,507,433.68
Short-term loans from related persons and parties	15,880,000.00	820,000.00
Short-term loans from other persons and parties	79,458,081.65	65,058,081.65
Trade and other payable	204,597,886.47	187,223,295.10
Contractual liabilities	8,970,305.53	8,970,305.53
Unbilled work costs	5,149,600.91	2,539,960.83
Current liabilities	5,041,829.55	1,467,555.81
Lease liabilities	12,714,499.38	3,868,490.78
Other non-current liabilities	554,000.00	3,000.00
Total	443,873,637.17	381,458,123.38

### 9. Cash and cash equivalent items

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	608,274.32	368,390.03	542,796.11	277,084.03
Savings deposits	6,399,249.53	7,016,138.71	2,753,374.16	6,345,137.97
Current deposits	3,141,806.39	98,259.55	47,658.15	47,559.55
Fixed deposits	241,798.84	140,349.43	241,798.84	140,349.43
FCD deposits	18,669,335.79	1,949,265.19	18,669,335.79	1,949,265.19
Cheque on hand	1,779,802.93	342,385.02	1,779,802.93	342,385.02
Total	30,840,267.80	9,914,787.93	24,034,765.98	9,101,781.19

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 10. Trade and other receivable

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade receivable-related parties	4,679,650.00	-	1,110,927.50	-
Trade receivable-other parties	161,018,305.38	187,617,094.55	153,016,513.56	182,160,114.13
Notes receivable	2,317,880.67	23,437,702.43	2,317,880.67	23,437,702.43
Total trade and notes receivable	168,015,836.05	211,054,796.98	156,445,321.73	205,597,816.56
<u>Less</u> Allowance for expected credit loss	(22,897,589.62)	(26,557,664.92)	(18,128,183.34)	(21,557,664.92)
Total trade and notes receivable-net	145,118,246.43	184,497,132.06	138,317,138.39	184,040,151.64
Other receivable-related parties	1,832,787.19	-	155,000.00	-
Other receivable-other parties	526,651.11	569,427.18	245,614.11	289,427.18
Accrued income-related parties	-	-	1,000.00	2,000.00
Accrued income-other parties	810.02	1,052.20	-	-
Accrued interest receivable-related parties	2,881,330.72	2,847,232.81	11,555,305.54	11,525,018.21
Accrued interest receivable-other parties	1,377,913.38	882,222.75	1,352,138.14	882,223.75
Advance payment	999,089.59	547,532.26	126,169.14	280,267.26
Retention	9,103,561.55	-	9,086,061.55	-
Prepaid expenses	4,655,775.02	3,310,761.91	3,787,350.97	3,070,244.54
Deposits to supplier	8,166,035.55	2,169,517.12	8,166,035.55	2,169,517.12
Other	4,368,406.70	5,006,980.18	4,356,446.70	4,989,479.63
Total other receivable	33,912,360.83	15,334,726.41	38,831,121.70	23,208,177.69
<u>m</u> Allowance for expected credit loss	(3,152,966.18)	(3,127,232.36)	(11,525,018.21)	(11,525,018.21)
Total other receivable-net	30,759,394.65	12,207,494.05	27,306,103.49	11,683,159.48
Total trade and other receivable	175,877,641.08	196,704,626.11	165,623,241.88	195,723,311.12

As at December 31, 2020 and 2019, The trade account receivables, value amount of Baht 34.69 million and amount of Baht 57.85 million respectively, were transfer the right of collection to a company in the note to financial statements No.26. The Company still be responsible on this trade account receivable, if the liquidation is default.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Trade and notes receivables were classified by aging as follows :-

### 10.1 Trade receivables-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade receivables				
Within credit term	4,043,000.00	-	-	-
Overdue				
- Not over 3 months	636,650.00	-	636,650.00	-
- Over 3 months but not over 6 months	-	-	-	-
- Over 6 months but not over 12 months	-	-	474,277.50	-
Total	4,679,650.00	-	1,110,927.50	-

The normal credit term granted to customers of the Group is 30-120 days.

### 10.2 Trade receivables-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Notes receivables	2,317,880.67	23,437,702.43	2,317,880.67	23,437,702.43
Trade receivables				
Within credit term	95,933,595.22	96,617,309.95	93,768,378.09	96,541,643.77
Overdue				
- Not over 3 months	25,615,484.17	62,288,418.77	25,223,409.48	61,907,104.53
- Over 3 months but not over 6 months	22,530,534.86	2,136,388.27	22,504,854.86	2,136,388.27
- Over 6 months but not over 12 months	593,120.57	70,427.93	174,300.57	70,427.93
- Over 12 months	16,345,570.56	26,504,549.63	11,345,570.56	21,504,549.63
Total	163,336,186.05	211,054,796.98	155,334,394.23	205,597,816.56
<u>Less Allowance for expected credit loss</u>	<u>(22,897,589.62)</u>	<u>(26,557,664.92)</u>	<u>(18,128,183.34)</u>	<u>(21,557,664.92)</u>
Net	140,438,596.43	184,497,132.06	137,206,210.89	184,040,151.64

The normal credit term granted to customers of the Group is 15-120 days.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The movement of allowance for expected credit loss-trade accounts and other receivable for the year ended December 31, 2020 and 2019 as follow:-

			(Unit : Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Beginning balance	(29,684,897.28)	(25,115,858.19)	(33,082,683.13)	(20,115,858.19)
The impact of first-time adoption of TFRS 9 (Note 6)	(949,082.02)	-	(949,082.02)	-
Increase during the year	(9,200,752.73)	(6,200,719.66)	(9,405,612.63)	(14,598,505.51)
Collect during the year	1,596,364.20	1,631,680.57	1,596,364.20	1,631,680.57
Written off bad debts during the year	12,187,812.03	-	12,187,812.03	-
Ending balance	<u>(26,050,555.80)</u>	<u>(29,684,897.28)</u>	<u>(29,653,201.55)</u>	<u>(33,082,683.13)</u>

Management of the Group believes that the allowance for expected credit loss accounts recorded as sufficient in the circumstances present.

## 11. Contractual assets/Contractual liabilities

Consisted of: -

			(Unit : Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Contractual assets				
Value of work according the contract	412,694,195.98	645,062,458.62	240,607,365.35	645,062,458.62
Recognized of revenues on percentage of completion basis	267,280,932.09	602,659,363.08	235,516,331.38	602,659,363.08
<u>Less</u> Value of total billed	<u>(238,846,995.54)</u>	<u>(492,943,023.48)</u>	<u>(218,971,882.24)</u>	<u>(492,943,023.48)</u>
Contractual assets	28,433,936.55	109,716,339.60	16,544,449.13	109,716,339.60
<u>Less</u> Allowance for expected credit loss	<u>-</u>	<u>(1,759,780.29)</u>	<u>-</u>	<u>(1,759,780.29)</u>
Contractual assets-net	<u>28,433,936.55</u>	<u>107,956,559.31</u>	<u>16,544,449.13</u>	<u>107,956,559.31</u>
Contractual liabilities				
Value of work according the contract	554,838,183.80	21,054,342.60	554,838,183.80	21,054,342.60
Value of total billed	495,303,268.66	19,284,498.40	495,303,268.66	19,284,498.40
<u>Less</u> Recognized of revenues on percentage of completion basis	<u>(486,332,963.13)</u>	<u>(11,535,709.43)</u>	<u>(486,332,963.13)</u>	<u>(11,535,709.43)</u>
Contractual liabilities	<u>8,970,305.53</u>	<u>7,748,788.97</u>	<u>8,970,305.53</u>	<u>7,748,788.97</u>



## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The company has information about construction contracts which are in the process as follows: -

(Unit : Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accumulated construction costs and realized gains				
(Less loss recognized) until present	753,613,895.22	614,195,072.51	721,849,294.51	614,195,072.51
<u>Less</u> Value of total billed	(734,150,264.20)	(512,227,521.88)	(714,275,150.90)	(512,227,521.88)
Total	19,463,631.02	101,967,550.63	7,574,143.60	101,967,550.63
<u>Less</u> Allowance for expected credit loss	-	(1,759,780.29)	-	(1,759,780.29)
Net	19,463,631.02	100,207,770.34	7,574,143.60	100,207,770.34
Amount recognized as assets/liabilities in the statement of financial position				
- Contractual assets	28,433,936.55	107,956,559.31	16,544,449.13	107,956,559.31
- Contractual liabilities	(8,970,305.53)	(7,748,788.97)	(8,970,305.53)	(7,748,788.97)
Net	19,463,631.02	100,207,770.34	7,574,143.60	100,207,770.34

The movement of allowance for expected credit loss for contractual assets for the years ended December 31, 2020 and 2019 are as follows :-

(Unit : Baht)		
	<u>Consolidated/Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	(1,759,780.29)	-
Increase during the year	-	(1,759,780.29)
Collect during the year	1,500,000.00	-
Written off bad debts during the year	259,780.29	-
Ending balance	-	(1,759,780.29)

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 12. Default payment of loan to other person

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Principal	26,882,892.00	26,882,892.00
Accrued interest income	12,027,397.26	12,027,397.26
<u>Less</u> Allowance for expected credit loss	(38,910,289.26)	(38,910,289.26)
Total	-	-

The movement of allowance for expected credit loss for default payment of loan to other person for the year ended December 31, 2020 and 2019 were as follows :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	(38,910,289.26)	-
Increase during the year	-	(38,910,289.26)
Ending balance	(38,910,289.26)	(38,910,289.26)

The Company has loan to other person amounting to Baht 92.03 million (principal amounting to Baht 80.00 million and accrued interest receivable amounting to Baht 12.03 million) which the borrower has mortgaged land and construction in Phuket province as collateral. The appraised value of the collateral is Baht 110.00 million (as appraisal report dated March 25, 2010). In addition, the borrower has handed over 450,000 common shares of a company that operates a hotel business in Phuket province as additional collateral. Due to the borrower default payment, the Company filed lawsuits against the borrower in court. The court has the verdict that orders the borrower to repay the debt to the Company. In case of fail, the collateral should be forced sale, if the forced sale amount is inadequate; the debtor's personal assets shall be forced sale after on. Since March 2010, the Company has filed to execute the enforcement of the assets confiscation. On November 14, 2013, the Company entered into the bidding of land and construction, and the officer had approved the Company to be bidder at the price amount of Baht 60.00 million. In August 2014, the Company registered the receipt of the land and construction and recorded in the "Investments Property" account. For the balance of the loan amount of Baht 38.91 million, the Company has been following up the confiscation of other personal assets of the debtor which are condominium units and many pieces of land.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The handed-over common shares of a company as collateral have been kept under the custody of the Company's lawyer for confiscation after other personal assets, condominium units and many pieces of land, of the debtor have been confiscated.

In May 2016, the Central Bankruptcy Court has ordered receivership the debtor and on July 15, 2016, the Company has filed the requisition for repayment from the debtor's assets amount Baht 87.34 million.

On February 20, 2017, the officer has announced the auction of the debtor' land and some of land have been sold by the auction on April 20, 2017.

On August 1, 2017, the official receiver has called the first creditors' meeting, but the debtor did not apply for reimbursement to the official receiver in any way. The official receiver reported to court and asked the court to order the debtor to be bankrupted on September 5, 2017.

However, the Company has ceased to record the interest received from the loan of Baht 8 0.00 million as from January 1, 2010, and will recognize the amount exceeding the accrued interest receivable as income in the period that the Company receives the payment.

#### 13. Short-term loans to other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Beginning balance	36,061,470.43	6,200,000.00	4,000,000.00	-
Addition	400,000.00	51,519,691.79	-	4,000,000.00
Compound interest	-	1,440,408.78	-	98,630.14
Repayment	(400,000.00)	(23,098,630.14)	-	(98,630.14)
Ending balance	36,061,470.43	36,061,470.43	4,000,000.00	4,000,000.00
<u>Less</u> Allowance for expected credit loss	(36,061,470.43)	(36,061,470.43)	(4,000,000.00)	(4,000,000.00)
Net	-	-	-	-

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The movement of allowance for expected credit loss short term loans to other party for the years ended December 31, 2020 and 2019 were as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Beginning balance	(36,061,470.43)	-	(4,000,000.00)	-
Increase during the year	-	(36,160,100.57)	-	(4,098,630.14)
Repayment	-	98,630.14	-	98,630.14
Ending balance	(36,061,470.43)	(36,061,470.43)	(4,000,000.00)	(4,000,000.00)

As at December 31, 2020 and 2019 the consolidated financial statements short-term loans to other parties amount of Baht 21.52 million for the both years. (The separate financial statements as at December 31, 2020 amount of Baht 4.00 million) is loans under agreement with due to repayment 3 months. When due the counterparty can't repayment. The Company has extended the term as follows :-

<u>Credit facility</u>	<u>Loan date</u>	<u>Approve extension of loan</u>	<u>Extend the loan date</u>	<u>Due</u>
(Unit: Million Baht)				
4.00	Jan 2, 2019	The Board of management Directors' No. 22/2020	Dec 30, 2020	Jun 30, 2021
3.11	Dec 13, 2018	The Board of Directors' meeting of the subsidiary No. 8/2020	Sep 10, 2020	Mar 15, 2021
1.00	Jun 21, 2019	The Board of Directors' meeting of the subsidiary No. 8/2020	Sep 10, 2020	Mar 15, 2021
1.08	Jul 22, 2019	The Board of Directors' meeting of the subsidiary No. 8/2020	Sep 10, 2020	Mar 15, 2021
1.33	Jul 22, 2019	The Board of Directors' meeting of the subsidiary No. 8/2020	Sep 10, 2020	Mar 15, 2021
11.00	Jul 12, 2019	The Board of Directors' meeting of the subsidiary No. 11/2020	Oct 30, 2020	May 18, 2021
21.52				

The borrower has pledged post dated cheques amount of Baht 11.05 million as collaterals. With the directors of that company to sign guarantees, interest rates of 15.00% per annum for the both years. But because the receivables are overdue more than 6 months. Therefore, there is uncertainty in receiving payment and the Company has considered to set up a full allowance for doubtful accounts. Therefore, the Company ceased recognizing interest income from April 1, 2019 onwards due to uncertainty in collection. However, that company still has an obligation to pay interest as specified in the loan agreement and the company will When will the income be recognized Interest.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

As at December 31, 2020 and 2019, the consolidated financial statements Short-term loans to other parties amount of Baht 14.54 million, is loan under agreement with due to repayment which due within 3 months is carried by interest rates of 15.00% per annum. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 onwards due to there is uncertainty to collectable.

#### 14. Inventories

Consisted of :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Raw materials	79,339,888.61	87,559,165.46	79,297,399.05	87,428,830.66
Goods in process	6,152,384.84	7,954,135.60	6,152,384.84	7,954,135.60
Finished goods	18,301,109.74	15,397,514.40	18,301,109.74	15,397,514.40
Goods in transit	551,346.65	4,406,074.75	551,346.65	4,406,074.75
Supplies	4,662,849.99	4,525,668.73	4,600,800.53	4,442,511.72
Raw materials for transfer	1,745,287.69	14,741,639.24	1,745,287.69	14,741,639.24
Total	110,752,867.52	134,584,198.18	110,648,328.50	134,370,706.37
<u>Less</u> Allowance for decline in value of inventories	(19,010,001.46)	(10,418,308.58)	(19,010,001.46)	(10,418,308.58)
Net	91,742,866.06	124,165,889.60	91,638,327.04	123,952,397.79

Movements of allowance for decline in value of inventories for the years ended December 31, 2020 and 2019 as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Allowance for declining in value of inventories				
beginning balance	(10,418,308.58)	(16,126,506.60)	(10,418,308.58)	(16,126,506.60)
(Increasing)Reversal during the year	(8,591,692.88)	5,708,198.02	(8,591,692.88)	5,708,198.02
Allowance for declining in value of inventories ending balance	(19,010,001.46)	(10,418,308.58)	(19,010,001.46)	(10,418,308.58)



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account				
- Cost of sales and services	897,568,080.40	1,417,697,739.56	841,135,674.72	1,389,943,068.34
- Loss from decline in value of inventories				
(Reversal)	8,591,692.88	(5,708,198.02)	8,591,692.88	(5,708,198.02)
Net	906,159,773.28	1,411,989,541.54	849,727,367.60	1,384,234,870.32

## 15. Other current financial assets

Consisted of :-

(Unit: Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31, 2020</u>	
Marketable trading securities		
Aggregate cost	1,960,000.00	1,960,000.00
<u>Less</u> Provision for investments adjustment	(1,300,000.00)	(1,300,000.00)
<u>Less</u> Allowance for investments impairment	(660,000.00)	(660,000.00)
Net	-	-

As at December 31, 2020, one security of investments in marketable trading securities (listed company) which has cost amount of Baht 1.96 million and has provision for diminution in investments amount of Baht 1.30 million and has net value amount of Baht 0.66 million (closing price as at August 15, 2016). As at December 31, 2020, there was no bid price to measure its fair value due to that listed company has not submitted the financial statements on time. Therefore it has been suspended trading by The Stock Exchange of Thailand and it may be delisted according to The Stock Exchange of Thailand's Regulations. However, the Company set up the allowance for investments impairment in the whole amount. As at December 31, 2019, originally presented as temporary investment has been and to be classified to other current financial assets.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 16. Other non-current financial assets

As at December 31, 2020, the Company has pledged its deposit at bank as collateral for the repayment of loans and collateral for the issuance of bank guarantee of the Company in the note to financial statement No. 3 7.1. As at December 31, 2019, originally presented as bank deposit pledged as collateral and to be classified to other non-current financial assets as mention in the note to financial statement No.6

### 17. Investments in subsidiaries

As at December 31, 2020 and 2019, the Company had investments in subsidiaries were as follows :-

Name of company	(Unit : Baht)							
					<u>Separate financial statements</u>			
	<u>Paid-up</u>		<u>% Share-</u>		<u>Cost method</u>		<u>Dividend</u>	
	<u>share capital</u>		<u>holding</u>		<u>As at December 31,</u>		<u>For the year ended</u>	
	(Unit : Thousand Baht)				<u>2020</u>	<u>2019</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
- C.I.G. (Thailand) Co., Ltd.	58,500	54,000	99.98	99.98	58,485,000.00	58,485,000.00	-	-
- CIG Development Co., Ltd.	100,000	100,000	99.97	99.97	146,547,841.00	146,547,841.00	-	-
- Siam Railway Development Co., Ltd.	50,000	41,980	99.99	99.99	49,999,700.00	41,979,700.00	-	-
- Ilustro Co., Ltd.	1,000	-	97.00	-	970,000.00	-	-	-
- CIG Blusolutions Co., Ltd.	250	-	99.97	-	249,925.00	-	-	-
Total					256,252,466.00	247,012,541.00	-	-
<u>Less</u> Allowance for impairment loss					(236,862,650.02)	(218,117,714.37)		
Net					19,389,815.98	28,894,826.63		

### C.I.G. (Thailand) Co., Ltd.

On July 1, 2019, the Board of Directors' meeting No. 7/2019 has decided to call for additional capital increase of 15.00 Baht per share from originally 40.00 Baht per share; which sums up to 55.00 Baht per share for 100,000 shares. The total amount of Baht 1.50 million which was paid up by shareholders in July 24, 2019. The Company with the Ministry of Commerce on August 8, 2019.

On July 22, 2019, the Board of Directors' meeting No. 9/2019 has decided to call for additional capital increase of 15.00 Baht per share from originally 55.00 Baht per share; which sums up to 70.00 Baht per share for 100,000 shares. The total amount of Baht 1.50 million which was paid up by shareholders in August 2, 2019. The Company with the Ministry of Commerce on August 8, 2019.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

On August 22, 2019, the Board of Directors' meeting No. 10/2019 has decided to call for additional capital increase of 20.00 Baht per share from originally 70.00 Baht per share; which sums up to 90.00 Baht per share for 100,000 shares. The total amount of Baht 2.00 million which was paid up by shareholders amount of Baht 1.50 million. The Company with the Ministry of Commerce on October 11, 2019, and December 2, 2019.

### Siam Railway Development Co., Ltd.

During the year 2019, the Company has decided to call remaining 490,000 shares amount of Baht 16.37 per share, totaling amount of Baht 8.02 million. Total paid-up in capital of amount of Baht 50 million, as well as change memorandum for consistency with registered capital. However, the Company registered the increase in share capital with the Ministry of Commerce on January 21, 2020.

On March 29, 2019, the minutes of the extraordinary general meeting of shareholders No.1/2019 has resolution to increase of registered capital from amount of Baht 1.00 million to amount of Baht 50.00 million. The Company called for the paid-up whole amount and received which shares at amount of Baht 83.63 per share Baht in amount of Baht 40.98 million total paid-up capital of amount of Baht 41.98 million. The Company registered the increase in share capital with the Ministry of Commerce on April 11, 2019.

### Ilustro Co., Ltd.

The Company establishment's meeting No. 1/2020 held on January 9, 2020 has decided to call for additional capital increase of 10,000.00 Baht per share for 100 share. The total amount of Baht 1.00 million which was paid up by shareholders in January 21, 2020. The Company was registered with the Ministry of Commerce on January 21, 2020.

On October 17, 2020, the minutes of the extraordinary general meeting of shareholders No.1/2020 has resolution to increase of registered capital from amount of Baht 1.00 million to amount of Baht 5.00 million shares amount 500 share, ordinary share of Baht per share 10,000.00 as well as change memorandum for consistency with registered capital. However, the Company registered the increase in share capital with the Ministry of Commerce on October 28, 2020. On October 29, 2020, the Board of management Directors' No. 5/2020 has decided to call for the paid-up whole amount of Baht 10,000.00 per share for 400 share. The total amount of Baht 4.00 million but not yet received payment.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### CIG Blusolutions Co., Ltd.

The Company establishment's meeting No. 1/2020 held on August 14, 2020 has decided to call for additional capital increase of 25.00 Baht per share for 10,000 share. The total amount of Baht 0.25 million which was paid up by shareholders. The Company was registered with the Ministry of Commerce on August 14, 2020.

The movement of allowance for impairment loss for the years ended December 31, 2020 and 2019 are as follows :-

	(Unit : Baht)	
	<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	(218,117,714.37)	(170,976,182.00)
Increase during the year	(18,744,935.65)	(47,141,532.37)
Ending balance	<u>(236,862,650.02)</u>	<u>(218,117,714.37)</u>

## 18. Investments in associate and joint venture

### 18.1 Investment in associate

As at December 31, 2020 and 2019, the Group's investments in associates were as follows :-

	(Unit : Thuosand Baht)					
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>			
	<u>Percentage of Shareholding(%)</u>		<u>Equity method</u>		<u>Cost method</u>	
<u>Name of companies</u>	<u>As at December 31,</u>	<u>As at December 31,</u>	<u>As at December 31,</u>	<u>As at December 31,</u>	<u>As at December 31,</u>	<u>As at December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fakwantip Co., Ltd.	40.20	29.67	-	15,925	-	-
Golden Ax Thai Waterworks Co., Ltd.	49.00	-	107	-	122	-
Total			107	15,925	122	-
<u>Less</u> Allowance for impairment			-	(15,925)	-	-
Net			107	-	122	-

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The movement of allowance for impairment loss for the years ended December 31, 2020 and 2019 were as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	(15,925)	-
Increase during the year	15,925	(15,925)
Ending balance	-	(15,925)

## Financial information of associate company

The financial information as presented in the financial statements of associate were as follows:-

	(Unit : Thousand Baht)			
	<u>Fakwantip Co., Ltd.</u>		<u>Golden Ax Thai Waterworks Co., Ltd.</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	6,245	19,717	240	-
Non-current assets	420,159	424,969	-	-
Total assets	426,404	444,686	240	-
Current liabilities	(429,888)	(391,126)	(20)	-
Non-current liabilities	(14,410)	(16,061)	-	-
Total liabilities	(444,298)	(407,187)	(20)	-
Net assets	(17,894)	37,499	220	-



# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Thousand Baht)

	Fakwantip Co., Ltd.		Golden Ax Thai Waterworks Co., Ltd.
	For the year ended December 31,		For the period from
	2020	2019	November 12 to December 31, 2020
Revenue	106,315	130,265	-
Loss for the year	(51,916)	(91,528)	(30)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(51,916)	(91,528)	(30)
Dividend received from associate for the year	-	-	-

Reconciliation of financial based on the above information and the carrying amount of the equity of Fakwantip Co., Ltd. with recognize them gradually in the consolidated financial statements is as follow :-

(Unit : Thousand Baht)

	As at December 31,	
	2020	2019
Net assets of the associate	(14,393)	37,500
<u>Less</u> Increaseordinary shares-C.I.G (Thailand) Co., Ltd.	-	(17,802)
Advance payment for shares-other person	(26,025)	(26,025)
Net	(40,418)	(6,327)
Shareholding of the company (%)	40.20	29.67
	(16,248)	(1,877)
Increase ordinary shares	-	17,802
Book value of the Company in associate	(16,248)	15,925
Share of loss exceed equity in associate	16,248	-
Book value of the Investments in associate	-	15,925

According the resolution of the Extraordinary General Meeting of Shareholders No. 1/2 0 20 held on March 19, 2020, the director approved to decrease of the registered capital which approved in the Extraordinary General Meeting of Shareholders No. 2/2 0 18 held on September 10, 2018, by canceling the ordinary share has not been paid totaling amount of Baht 132,198,000.00, totaling amount of existing registered and paid-up capital of Baht 118,902,000.00 which percentage of Shareholding change from 29.67% to 40.20% and approved to change amount of share and par value of associate from 118,902,000 shares with a par value at 1.00 Baht per share to 23,780,400 shares with a par value at 5.00 Baht per share, totaling amount registered and paid-up 118,902,000.00 Baht and change the amendment of the Company memorandum of Associate. The associate registered with the Ministry of Commerce on April 28, 2020.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

According the resolution of the Extraordinary General Meeting of Fakwantip Co.,Ltd. No.1/2020 held on March 19, 2020, has resolution to increase the registered capital 181,098,000.00 Baht by increase the ordinary shares 36,219,600 shares with par value at 5.00 Baht per share, totaling registered capital of Company to 60,000,000 shares with par value at 5.00 Baht. Amount of registered capital of Company to 300,000,000.00 Baht. Presently, the Company has not called to paid-up of shares capital.

On February 14, 2018, the rehabilitation plan manager of Fakwantip Co., Ltd. has submitted a request to the Central Bankruptcy Court to consider and order the cancellation of the rehabilitation plan of Fakwantip Co., Ltd., which on July 31, 2018, the Court had command out of rehabilitation plan of Fakwantip Co., Ltd.

According the resolution of the Extraordinary General Meeting of Shareholders No. 2/2018, The Fakwantip Co.,Ltd. (the associated) held on September 10, 2018, the directors approved the increase registered capital and the amendment of the Company Memorandum of Association by issue new ordinary shares 150,000,000 shares, par value at Baht 1.00, total amount of Baht 150.00 million that categorized as follows:-

Periods 1<sup>st</sup> on September 20, 2018 amount of Baht 60.00 million.

Periods 2<sup>nd</sup> on November 20, 2018 amount of Baht 60.00 million.

Periods 3<sup>rd</sup> on December 20, 2018 amount of Baht 30.00 million.

Later on September 24, 2018, Fakwantip Co.,Ltd has resolved to appoint C.I.G. (Thailand) Co., Ltd.'s authorized directors to managing director and is a part of the board of director of Fakwantip Co.,Ltd. As well as change with the Department of Business Development. C.I.G. (Thailand) Co., Ltd. has significant influence to Fakwantip Co.,Ltd. Resulting in indirect influence to Fakwantip Co.,Ltd. and chang status from other company to associate company since the third quarter 2018.

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

During the year 2018, Fakwantip Co.,Ltd received proceeds from the increasing share capital amount of 43.83 million shares is Baht 1.00 per which is total outstanding of Baht 43.83 million, The Company registered capital of the principal with the Ministry of Commerce. As a result, authorized share capital increasing of Baht 17.80 million and the remaining amount is recognized as advance payment for shares amount of Baht 26.03 million.

Investment in Fakwantip Co.,Ltd. formerly, general investment. Later, Fakwantip Co., Ltd. out of rehabilitation plan on July 31, 2018 causing such investment change to investment in associate. The Company perform beginning equity method from originally record cost method. As at June 30, 2020 the associate assessed the fair value of property and building is progress held on July 8, 2019. The details are as follows: -

	(Unit : Thousand Baht)				
	<u>Cost method</u>		<u>Profit</u>	<u>Percentage of</u>	<u>Recognize in</u>
	<u>As at December 31, 2020</u>	<u>Fair value</u>	<u>(loss)</u>	<u>shareholding(%)</u>	<u>retained earnings</u>
Land	9,516	14,560	5,044	29.67	1,497
Land and building	61,237	36,621	(24,616)	29.67	(7,304)
Total	70,753	51,181	(19,572)		(5,807)
Machinery during installation	351,177	in the process of evaluating fair value			
Totaling	421,930				

Currently, the fair value of property and building in progress is in accordance to the valuation report amount of Baht 51.18 million with a higher cost than the fair value amount of Baht 19.57 million. The Company recognized such Gain and loss amount of Baht 5.81 million. The fair value of property and building in progress is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach for the land valuation and Cost Approach for land and buildings valuation. The fair value of investment property is hierarchical level 3 and the Company is finding independent appraiser for assess fair value is machinery during installation.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 18.2 Investments in joint venture

As at December 31, 2020 and 2019, the Group's percentage of Shareholding in joint venture were as follows :-

(Unit : Thuosand Baht)				
<u>Consolidated financial statements</u>				
<u>Name of companies</u>	<u>Percentage of Shareholding(%)</u>		<u>Equity method</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Joint venture S.S. Engineering Group	95.00	-	-	-
<u>Less</u> Allowance for impairment			-	-
Net			-	-

## Financial information of joint venture

The financial information as presented in the financial statements of joint venture S.S. Engineering Group were as follows:-

(Unit : Thousand Baht)		
<u>As at December 31,</u>		
	<u>2020</u>	<u>2019</u>
Current assets	2,364	-
Non-current assets	2,043	-
Total assets	4,407	-
Current liabilities	(5,425)	-
Non-current liabilities	-	-
Total liabilities	(5,425)	-
Net assets	(1,018)	-

(Unit : Thousand Baht)	
<u>For the period from</u>	
<u>September 30 to December 31, 2020</u>	
Revenue	608
Loss for the year	(1,018)
Other comprehensive income for the year	-
Total comprehensive income for the year	(1,018)
Dividend received from joint venture for the year	-

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

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On July 20, 2020, a Subsidiary commits to Joint-venture agreement with a company for construction works in the construction of the Inter - City Motorway Division Bang Yai – Kanchanaburi [M12], with agreement to allocate responsibility in construction work. The Subsidiary who operate in construction, responsible in construction cost, pledge and other expense occur, which agreement to sharing benefits on construction project that manage by Joint-venture.

#### 19. Investment property

(Unit : Baht)

	Consolidated financial statements			
	Land and Land improvement	Building and improvement	Building under construction	Total
Cost :-				
As at January 1, 2019	56,491,562.07	42,557,425.08	52,123,420.19	151,172,407.34
Purchase	-	-	1,431,778.98	1,431,778.98
Sale	(36,173,773.65)	(53,555,199.17)	-	(89,728,972.82)
Transfer in / Transfer out	-	53,555,199.17	(53,555,199.17)	-
As at December 31, 2019	20,317,788.42	42,557,425.08	-	62,875,213.50
Purchase	2,217,440.76	-	-	2,217,440.76
As at December 31, 2020	22,535,229.18	42,557,425.08	-	65,092,654.26
Accumulated depreciation :-				
As at January 1, 2019	-	(4,229,009.31)	-	(4,229,009.31)
Depreciation for the year	-	(5,012,938.96)	-	(5,012,938.96)
Sale	-	894,297.21	-	894,297.21
As at December 31, 2019	-	(8,347,651.06)	-	(8,347,651.06)
Depreciation for the year	-	(4,118,641.92)	-	(4,118,641.92)
As at December 31, 2020	-	(12,466,292.98)	-	(12,466,292.98)
Net book value :-				
As at December 31, 2019	20,317,788.42	34,209,774.02	-	54,527,562.44
As at December 31, 2020	22,535,229.18	30,091,132.10	-	52,626,361.28
Depreciation in the statements of income for the year				
Ended December 31, 2019				5,012,938.96
Ended December 31, 2020				4,118,641.92



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Separate financial statement			Total
	Land and Land improvement	Building and improvement	Building under construction	
Cost :-				
As at January 1, 2019	56,491,562.07	42,557,425.08	52,123,420.19	151,172,407.34
Purchase	-	-	1,431,778.98	1,431,778.98
Sale	(36,173,773.65)	(53,555,199.17)	-	(89,728,972.82)
Transfer in / Transfer out	-	53,555,199.17	(53,555,199.17)	-
As at December 31, 2019	20,317,788.42	42,557,425.08	-	62,875,213.50
Purchase	-	-	-	-
As at December 31, 2020	20,317,788.42	42,557,425.08	-	62,875,213.50
Accumulated depreciation :-				
As at January 1, 2019	-	(4,229,009.31)	-	(4,229,009.31)
Depreciation for the year	-	(5,012,938.96)	-	(5,012,938.96)
Sale	-	894,297.21	-	894,297.21
As at December 31, 2019	-	(8,347,651.06)	-	(8,347,651.06)
Depreciation for the year	-	(4,118,641.92)	-	(4,118,641.92)
As at December 31, 2020	-	(12,466,292.98)	-	(12,466,292.98)
Net book value :-				
As at December 31, 2019	20,317,788.42	34,209,774.02	-	54,527,562.44
As at December 31, 2020	20,317,788.42	30,091,132.10	-	50,408,920.52
Depreciation in the statements of income for the year				
Ended December 31, 2019				5,012,938.96
Ended December 31, 2020				4,118,641.92

As at December 31, 2020 and 2019, the fair value of investment property is in accordance to the valuation report amount of Baht 75.69 million a for the both years. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 20. Property, plant and equipment

(Unit : Baht)

	Consolidated financial statements							
	Land and land improvement	Building structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Structure system	Vehicles	Construction in progress	Total
Cost :-								
As at January 1, 2019	126,445,941.00	526,310,589.98	684,290,222.00	26,719,805.44	1,093,989.34	30,481,282.72	3,858,670.00	1,399,200,500.48
Purchase	-	782,115.00	15,551,410.00	1,267,894.46	349,760.76	1,121,402.00	2,183,456.00	21,256,038.22
Transfer in	-	205,276.00	4,266,197.00	653,148.97	37,461.68	-	621,643.00	5,783,726.65
Transfer out	-	(34,230.36)	-	(538,145.89)	-	-	(4,552,604.00)	(5,124,980.25)
Disposal/write off	-	-	(3,234,676.00)	(3,409,364.42)	(12,000.00)	-	-	(6,656,040.42)
As at December 31, 2019	126,445,941.00	527,263,750.62	700,873,153.00	24,693,338.56	1,469,211.78	31,602,684.72	2,111,165.00	1,414,459,244.68
The impact of first-time adoption								
of TFRS 16 (Note 6)	-	-	-	-	-	(2,331,682.46)	-	(2,331,682.46)
Purchase	-	70,000.00	2,172,397.04	1,648,855.07	34,004.49	-	5,036,071.87	8,961,328.47
Transfer in	-	-	2,302,721.51	168,555.09	-	1,210,280.38	235,492.15	3,917,049.13
Transfer out	-	-	-	-	-	-	(2,435,677.70)	(2,435,677.70)
Disposal/write off	-	-	(350,571.44)	(1,359,259.25)	(31,313.08)	-	-	(1,741,143.77)
As at December 31, 2020	126,445,941.00	527,333,750.62	704,997,700.11	25,151,489.47	1,471,903.19	30,481,282.64	4,947,051.32	1,420,829,118.35
Accumulated depreciation :-								
As at January 1, 2019	(24,762.96)	(273,018,818.94)	(552,807,613.00)	(20,972,535.83)	(1,022,231.49)	(26,414,865.72)	-	(874,260,827.94)
Depreciation for the year	(8,254.32)	(17,486,604.60)	(27,982,553.44)	(1,439,864.25)	(73,513.60)	(2,300,533.48)	-	(49,291,323.69)
Disposal/write off	-	-	2,554,943.00	3,393,884.65	5,947.05	-	-	5,954,774.70
As at December 31, 2019	(33,017.28)	(290,505,423.54)	(578,235,223.44)	(19,018,515.43)	(1,089,798.04)	(28,715,399.20)	-	(917,597,376.93)
The impact of first-time adoption								
of TFRS 16 (Note 6)	-	-	-	-	-	748,955.44	-	748,955.44
Depreciation for the year	(8,254.32)	(16,452,704.80)	(23,413,287.13)	(1,516,201.74)	(94,723.71)	(333,847.95)	-	(41,819,019.65)
Transfer in	-	-	-	-	-	(549,049.20)	-	(549,049.20)
Disposal/write off	-	-	280,132.67	1,277,917.83	31,311.08	-	-	1,589,361.58
As at December 31, 2020	(41,271.60)	(306,958,128.34)	(601,368,377.90)	(19,256,799.34)	(1,153,210.67)	(28,849,340.91)	-	(957,627,128.76)
Allowance for impairment :-								
As at December 31, 2019	-	(97,069,230.00)	(290,241.00)	-	-	-	-	(97,359,471.00)
As at December 31, 2020	-	(97,069,230.00)	(290,241.00)	-	-	-	-	(97,359,471.00)
Net book value :-								
As at December 31, 2019	126,412,923.72	139,689,097.08	122,347,688.56	5,674,823.13	379,413.74	2,887,285.52	2,111,165.00	399,502,396.75
As at December 31, 2020	126,404,669.40	123,306,392.28	103,339,081.21	5,894,690.13	318,692.52	1,631,941.73	4,947,051.32	365,842,518.59

Depreciation in the statements of income for the year

Ended December 31, 2019	49,291,323.69
Ended December 31, 2020	41,819,019.65

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Separate financial statement						
	Land and land improvement	Building and buiding improvement	Machine and equipment	Furniture and office-equipment	Vehicles	Construction in progress	Total
Cost :-							
As at January 1, 2019	94,683,985.10	165,550,974.25	684,290,221.73	20,876,039.84	28,395,507.84	3,858,669.56	997,655,398.32
Purchase	-	-	12,851,410.06	948,805.21	1,121,402.08	2,107,691.22	17,029,308.57
Transfer in	-	205,276.83	4,266,197.09	76,440.33	-	697,405.63	5,245,319.88
Transfer out	-	-	-	-	-	(4,552,603.68)	(4,552,603.68)
Disposal/write off	-	-	(3,234,675.85)	(3,253,534.34)	-	-	(6,488,210.19)
As at December 31, 2019	94,683,985.10	165,756,251.08	698,173,153.03	18,647,751.04	29,516,909.92	2,111,162.73	1,008,889,212.90
The impact of first-time adoption of TFRS 16 (Note 6)	-	-	-	-	(2,331,682.46)	-	(2,331,682.46)
Purchase	-	70,000.00	2,172,397.04	1,359,727.48	-	4,310,917.94	7,913,042.46
Transfer in	-	-	2,302,721.51	168,555.09	1,210,280.38	235,492.93	3,917,049.91
Transfer out	-	-	-	-	-	(2,435,677.70)	(2,435,677.70)
Disposal/write off	-	-	(350,571.44)	(1,215,590.86)	-	-	(1,566,162.30)
As at December 31, 2020	94,683,985.10	165,826,251.08	702,297,700.14	18,960,442.75	28,395,507.84	4,221,895.90	1,014,385,782.81
Accumulated depreciation :-							
As at January 1, 2019	-	(123,127,180.03)	(550,569,659.96)	(18,007,103.91)	(24,329,091.78)	-	(716,033,035.68)
Depreciation for the year	-	(6,851,174.89)	(27,797,622.53)	(1,204,561.16)	(2,300,531.56)	-	(38,153,890.14)
Disposal/write off	-	-	2,554,943.50	3,242,204.90	-	-	5,797,148.40
As at December 31, 2019	-	(129,978,354.92)	(575,812,338.99)	(15,969,460.17)	(26,629,623.34)	-	(748,389,777.42)
The impact of first-time adoption of TFRS 16 (Note 6)	-	-	-	-	748,955.44	-	748,955.44
Depreciation for the year	-	(5,807,424.25)	(22,873,287.33)	(1,256,779.95)	(333,848.73)	-	(30,271,340.26)
Transfer in	-	-	-	-	(549,049.20)	-	(549,049.20)
Disposal/write off	-	-	280,132.67	1,147,666.32	-	-	1,427,798.99
As at December 31, 2020	-	(135,785,779.17)	(598,405,493.65)	(16,078,573.80)	(26,763,565.83)	-	(777,033,412.45)
Allowance for impairment :-							
As at December 31, 2019	-	-	(290,241.00)	-	-	-	(290,241.00)
As at December 31, 2020	-	-	(290,241.00)	-	-	-	(290,241.00)
Net book value :-							
As at December 31, 2019	94,683,985.10	35,777,896.16	122,070,573.04	2,678,290.87	2,887,286.58	2,111,162.73	260,209,194.48
As at December 31, 2020	94,683,985.10	30,040,471.91	103,601,965.49	2,881,868.95	1,631,942.01	4,221,895.90	237,062,129.36

Depreciation in the statements of income for the year

Ended December 31, 2019	38,153,890.14
Ended December 31, 2020	30,271,340.26

As at December 31, 2020 and 2019, the Group Company had property, plant and machinery in the cost price was amount of Baht 522.94 million and amount of Baht 637.57 million respectively and the book value amount of Baht 169.94 million and amount of Baht 171.09 million respectively and to be acquired in the future pledged for collateral against credit line to commercial banks, financial institutions and other parties in the note to financial statements No.25 and 37.1.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

As at December 31, 2020, a subsidiary company used partially land in the book value amount of Baht 29.78 million to mortgage with third parties, as collateral as mention in the note to financial statement No.26.

As at December 31, 2020 and 2019, the Group had the assets which had not the depreciation but they still used. The cost price was Baht 565.26 million, the book value was Baht 1.30 million, and the cost price was Baht 536.04 million, the book value was Baht 4,631.00 respectively.

As at December 31, 2020 and 2019, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 553.22 million, the book value was Baht 1.30 million, and the cost price was Baht 524.66 million, the book value was Baht 3,572.00 respectively.

Lease financial assets as at December 31, 2019, the Group and the Company are lessee which included in the above list mainly consists of vehicle totalling amount of Baht 1.58 million, with the following details :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>
The cost of assets under financial lease agreement	2,331,682.46
<u>Less</u> accumulated depreciation	(748,955.44)
Net-book value	<u>1,582,727.02</u>

Since January 1, 2020 lease assets has separately shown the list in statement of financial position be right-of-use as shown in notes to financial statement No. 21. The change is result of first time adoption of new accounting standards. As explained in notes to financial statement No. 6.

### 21. Right-of-use assets and lease liabilities

Movement for the year ended December 31, 2020, was as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		
	Land	Vehicles	Total
<u>Right-of-use asset</u>			
Beginning book value	-	-	-
The impact of first-time adoption of TFRS 16 (Note 6.2)	15,838,924.41	2,391,647.58	18,230,571.99
Increase during the year	568,329.22	2,250,150.00	2,818,479.22
Transfer out to during the year	-	(661,231.18)	(661,231.18)
Depreciation for the year	(1,971,869.80)	(600,283.44)	(2,572,153.24)
Ending book value	<u>14,435,383.83</u>	<u>3,380,282.96</u>	<u>17,815,666.79</u>

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Separate financial statements		
	Land	Vehicles	Total
<u>Right-of-use asset</u>			
Beginning book value	-	-	-
The impact of first-time adoption of TFRS 16 (Note 6.2)	3,249,041.81	1,582,727.02	4,831,768.83
Transfer out during the year	-	(661,231.18)	(661,231.18)
Depreciation for the year	(295,367.44)	(235,635.59)	(531,003.03)
Ending book value	2,953,674.37	685,860.25	3,639,534.62

The statement of income for the year ended December 31, 2020, the transactions relating to leases were as follows: -

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Depreciation of right-of-use assets	2,572,153.24	531,003.03
Finance cost relating to leases	610,486.37	378,744.82
Cash outflow for leases	2,714,050.00	810,384.00

Lease liabilities as at December 31, 2020 and 2019, were as follows: -

(Unit : Baht)

	<u>Consolidated</u>		<u>Separate financial</u>	
	<u>financial statement</u>		<u>statement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Lease liabilities</u>				
Within 1 year	4,644,841.00	282,384.00	789,276.00	282,384.00
Over 1 year but not over 5 years	9,723,982.00	849,147.00	3,227,871.00	849,147.00
Over 5 years	2,112,000.00	-	2,112,000.00	-
Total	16,480,823.00	1,131,531.00	6,129,147.00	1,131,531.00
<u>Less future finance cost for lease liabilities</u>	(3,766,323.62)	(80,442.85)	(2,260,656.22)	(80,442.85)
Present value finance lease liabilities	12,714,499.38	1,051,088.15	3,868,490.78	1,051,088.15

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Present value of lease liabilities as at December 31, 2020 and 2019, were as follows: -

(Unit : Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Due within 1 year	3,510,784.01	250,315.26	405,719.36	250,315.26
Over 1 year but not over 5 years	7,531,966.24	800,772.89	1,791,022.28	800,772.89
Over 5 years	1,671,749.13	-	1,671,749.14	-
Total	12,714,499.38	1,051,088.15	3,868,490.78	1,051,088.15

#### 22. Deferred leasehold land

Consisted of :-

(Unit: Baht)

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Leasehold land-cost	-	23,322,507.00
<u>Less</u> Accumulated amortization	-	(13,211,257.67)
Net	-	10,111,249.33

22.1 As at December 31, 2019, leasehold recorded in the subsidiary amounting Baht 22.00 million is leases of land title deeds No. 7919 and 7920 Maret District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 26 years (June 2005 to June 2031).

22.2 As at December 31, 2017, the subsidiary canceled leasehold recorded in the subsidiary amounting Baht 10.27 million and amortized allowance for impairment loss amounting Baht 5.56 million, leases of land title deeds No. 24160 with the building of the Room Hotel, Bophut District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 20 years (January 2010 to December 2029). On December 22, 2017, the subsidiary has signed contract to sell the leasehold and assets. The buyer will start operating from January 1, 2018, totaling Baht 1,000,000 payment on the contract date of Baht 200,000 The remaining amount is paid monthly at Baht 100,000 per month for 8 months on the fifth day of the month. The first installment is start in February 5, 2018, onwards. The subsidiary received the payment of leasehold and assets the first installment in March 2018.



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

Since January 1, 2020 lease assets has separately shown the list in statement of financial position be right-of-use as shown in notes to financial statement No. 21. The change is result of first time adoption of new accounting standards. As explained in notes to financial statement No. 6.

## 23. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated financial statements			
	Computer program	Deferred expenses	Development program	Total
Cost :-				
As at January 1, 2019	28,515,597.93	451,000.00	2,050,000.00	31,016,597.93
Purchase	399,000.00	-	-	399,000.00
Transfer in/ out	2,050,000.00	-	(2,050,000.00)	-
As at December 31, 2019	30,964,597.93	451,000.00	-	31,415,597.93
Purchase	-	-	-	-
As at December 31, 2020	30,964,597.93	451,000.00	-	31,415,597.93
Accumulated amortization :-				
As at January 1, 2019	(25,278,559.87)	(451,000.00)	-	(25,729,559.87)
Amortization expenses	(2,357,398.25)	-	-	(2,357,398.25)
As at December 31, 2019	(27,635,958.12)	(451,000.00)	-	(28,086,958.12)
Amortization expenses	(1,444,640.46)	-	-	(1,444,640.46)
As at December 31, 2020	(29,080,598.58)	(451,000.00)	-	(29,531,598.58)
Book value net :-				
As at December 31, 2019	3,328,639.81	-	-	3,328,639.81
As at December 31, 2020	1,883,999.35	-	-	1,883,999.35

Amortization in the statement of income for the year

Ended December 31, 2019	2,357,398.25
Ended December 31, 2020	1,444,640.46

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Separate financial statements		
	Computer program	Development program	Total
Cost :-			
As at January 1, 2019	27,167,057.93	2,050,000.00	29,217,057.93
Purchase	399,000.00	-	399,000.00
Transfer in/out	2,050,000.00	(2,050,000.00)	-
As at December 31, 2019	29,616,057.93	-	29,616,057.93
Purchase	-	-	-
As at December 31, 2020	29,616,057.93	-	29,616,057.93
Accumulated amortization :-			
As at January 1, 2019	(24,312,272.03)	-	(24,312,272.03)
Amortization expenses	(2,266,464.05)	-	(2,266,464.05)
As at December 31, 2019	(26,578,736.08)	-	(26,578,736.08)
Amortization expenses	(1,353,706.26)	-	(1,353,706.26)
As at December 31, 2020	(27,932,442.34)	-	(27,932,442.34)
Book value net :-			
As at December 31, 2019	3,073,321.85	-	3,037,321.85
As at December 31, 2020	1,683,615.59	-	1,683,615.59
Amortization in the statement of income for the year			
Ended December 31, 2019			2,266,464.05
Ended December 31, 2020			1,353,706.26

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 24. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2020 and 2019, were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets	38,927,336.76	34,026,968.84	100,854,051.07	93,404,721.07
Deferred tax liabilities	(2,341,088.21)	-	(727,906.92)	-
Net	36,586,248.54	34,026,968.84	100,126,144.15	93,404,721.07

Movements in total deferred tax assets and liabilities for the year ended December 31, 2020, was as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>				
	As at	Adjustment from	As at	(Charged)/credited	As at
	December 31,	adoption of new	January 1,	to profit or loss	December 31,
	2019	accounting standards	2020	(Note 32.1)	2020
	(Note 6)				
Deferred tax assets					
Temporary investments	392,000.00	-	392,000.00	-	392,000.00
Trade and other receivables	5,232,935.52	189,816.40	5,422,751.92	(1,273,787.52)	4,148,964.40
Short-term loan	12,382,057.85	-	12,382,057.85	1,160,000.00	13,542,057.85
Inventories	2,083,661.72	-	2,083,661.72	1,718,338.58	3,802,000.30
Property, plant and equipment	58,048.15	-	58,048.15	-	58,048.15
Lease liabilities	-	2,506,244.54	2,506,244.54	36,655.38	2,542,899.92
Employee benefit obligations	13,878,265.60	-	13,878,265.60	563,100.53	14,441,366.13
Total	34,026,968.84	2,696,060.94	36,723,029.78	2,204,306.97	38,927,336.75
Deferred tax liabilities					
Right-of-use assets	-	(2,506,244.54)	(2,506,244.54)	165,156.33	(2,341,088.21)
Total	-	(2,506,244.54)	(2,506,244.54)	165,156.33	(2,341,088.21)
Net	34,026,968.84	189,816.40	34,216,785.24	2,369,463.30	36,586,248.54

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	Consolidated financial statements			
	As at January 1, 2019	(Charged) / credited to statements of income (Note 32.1)	(Charged)/credited to statements of comprehensive income (Note 32.2)	As at December 31, 2019
Deferred tax assets				
Temporary investments	392,000.00	-	-	392,000.00
Trade and other receivables	4,023,171.64	1,209,763.88	-	5,232,935.52
Short-term loan	-	12,382,057.85	-	12,382,057.85
Inventories	3,225,301.32	(1,141,639.60)	-	2,083,661.72
Property, plant and equipment	58,048.15	-	-	58,048.15
Employee benefit obligations	8,012,035.19	4,036,269.23	1,829,961.18	13,878,265.60
Total	15,710,556.30	16,486,451.36	1,829,961.18	34,026,968.84

(Unit : Baht)

	Separate financial statements				
	As at December 31, 2019	Adjustment from adoption of new accounting standards (Note 6)	As at January 1, 2020	(Charged)/credited to profit or loss (Note 32.1)	As at December 31, 2020
Deferred tax assets					
Temporary investments	392,000.00	-	392,000.00	-	392,000.00
Trade and other receivables	6,968,492.69	189,816.40	7,158,309.09	(1,227,668.78)	5,930,640.31
Short-term loan	26,389,486.44	-	26,389,486.44	1,683,057.98	28,072,544.42
Inventories	2,083,661.72	-	2,083,661.72	1,718,338.58	3,802,000.30
Investment in subsidiary companies	43,623,542.87	-	43,623,542.87	3,748,987.13	47,372,530.00
Property, plant and equipment	58,048.15	-	58,048.15	-	58,048.15
Lease liabilities	-	966,353.77	966,353.77	(192,655.61)	773,698.16
Employee benefit obligations	13,889,489.20	-	13,889,489.20	563,100.53	14,452,589.73
Total	93,404,721.07	1,156,170.17	94,560,891.24	6,293,159.83	100,854,051.07
Deferred tax liabilities					
Right-of-use assets	-	(966,353.77)	(966,353.77)	238,446.85	(727,906.92)
Total	-	(966,353.77)	(966,353.77)	238,446.85	(727,906.92)
Net	93,404,721.07	189,816.40	93,594,537.47	6,531,606.68	100,126,144.15

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

	<u>Separate financial statements</u>			As at December 31, 2019
	As at January 1, 2019	(Charged) / credited to statements of income (Note 32.1)	(Charged)/credited to statements of comprehensive income (Note 32.2)	
Deferred tax assets				
Temporary investments	392,000.00	-	-	392,000.00
Trade and other receivables	4,023,171.64	2,945,321.05	-	6,968,492.69
Short-term loan	-	26,389,486.44	-	26,389,486.44
Inventories	3,225,301.32	(1,141,639.60)	-	2,083,661.72
Investment in subsidiary companies	34,195,236.40	9,428,306.47	-	43,623,542.87
Property, plant and equipment	58,048.15	-	-	58,048.15
Employee benefit obligations	8,012,035.19	4,036,269.23	1,841,184.78	13,889,489.20
Total	49,905,792.70	41,657,743.59	1,841,184.78	93,404,721.07

As at December 31, 2020 and 2019, the consolidated financial statement, the Group had temporary difference mainly arising from the unutilized tax losses with consolidate financial statements Baht 267.12 million and Baht 241.39 million respectively, which have not been recognized as deferred tax assets in the statement of financial position. (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future).

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

#### 25. Short-term loans from financial institutions

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Bank overdraft	16,991,491.26	12,769,138.62
Promissory note	20,000,000.00	20,000,000.00
Discount post dated cheques-other parties	-	22,751,841.47
Trust receipt	74,515,942.42	61,800,208.82
Total	111,507,433.68	117,321,188.91

As at December 31, 2020 and 2019, the Group held bank overdrafts, trust receipt, letters of credit and promissory note facilities from several financial institutions as mentioned in the note to financial statements No. 37.1 which bearing the interest rates at MOR, MOR-1, 1.74-5.87 per annum and MOR, MOR-1, 3.38-6.25 per annum respectively.

Such credit facility line is pledged by mortgaged register of land, property and machinery as mentioned in the note to financial statements No. 20. Furthermore, the benefit from the insurance of those assets was forfeited to the lenders. Also the Company and director of the Company jointly gave guarantees and under conditions of the trust receipt agreement. The company would receive imported goods by using credit facility from financial institution, thus the company has obligation to that financial institution for the value of imported goods, both being stored or already sold.

#### 26. Short-term loans from other parties

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at 31 December</u>		<u>As at 31 December</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Factoring payables-other parties	31,223,257.81	51,611,161.83	31,223,257.81	51,611,161.83
Short-term loans-other persons	48,400,000.00	37,050,000.00	34,000,000.00	35,000,000.00
Deferred interest	(165,176.16)	(431,051.13)	(165,176.16)	(431,051.13)
Total	79,458,081.65	88,230,110.70	65,058,081.65	86,180,110.70



# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

As at December 31, 2020 and 2019, factoring payables is loan from the transfer of claims in the account trade receivable according note to financial statements No.10 to a factoring company and interest is carried by the rate at 5.75% per annum and 5.75%-6.25% per annum respectively.

As at December 31, 2020 and 2019, the consolidate financial statements, the whole amount of short-term loans from other person to short-term loan in the form loans agreements, maturity within 2 -12 months and interest rates of 12.00%-15.00% per annum.

As at December 31, 2020 and 2019, a subsidiary company have whole amount of short-term loans from other person is loan under contracts duration 3 months – 1 year with bearing interest rate 15.00% per annum for the both periods. By partially mortgage the land with third parties according note to financial statement No.20.

### 27. Trade and other payables

Consisted of :-

			(Unit : Baht)	
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables-other parties	134,001,894.61	147,340,852.27	128,086,274.06	146,938,010.90
Other payables-related parties	-	-	1,712,000.00	-
Post dated cheque-other parties	3,472,186.20	475,037.83	-	-
Accrued Interest expenses-related person and parties	110,975.76	-	71,543.44	-
Accrued Interest expenses-other parties	560,559.23	575,131.74	81,593.96	575,131.74
Accrued expenses-related person	3,105,814.18	2,857,118.45	3,095,034.18	-
Accrued expenses-other parties	24,506,368.51	13,146,881.70	19,701,131.90	11,809,890.30
Advance payment	382,000.00	-	-	-
Advance received-related parties	-	-	496,261.68	-
Advance received	3,524,813.57	6,770,467.85	988,730.57	4,770,950.96
Other payable	34,933,274.41	55,749,991.30	32,990,725.31	55,249,788.20
Total	204,597,886.47	226,915,481.14	187,223,295.10	219,343,772.10

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 28. Employee benefit obligation

Employee benefit obligations were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Beginning present value of the obligation	69,629,928.97	40,197,755.97	69,447,445.97	40,060,175.97
Current service cost	5,041,801.03	5,491,206.12	4,368,682.03	5,408,573.09
Past service cost	-	14,229,752.88	-	14,217,804.88
Interest cost	1,651,979.00	2,148,934.99	1,642,674.00	2,142,494.98
Measurements of the other long-term benefit	-	191,735.00	-	191,735.00
<u>Less</u> Benefit paid	(7,849,409.22)	(1,779,261.87)	(7,849,409.22)	(1,779,261.83)
Actuarial loss arising from defined benefit plan	-	9,149,805.88	-	9,205,923.88
Ending present value of the obligation	68,474,299.78	69,629,928.97	67,609,392.78	69,447,445.97

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2020 and 2019 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Recognized in profit or loss</u>				
Cost of sales and services	3,307,507.81	11,242,735.12	3,210,098.81	11,242,735.12
Selling expenses	766,766.04	1,731,582.70	766,766.04	1,731,582.70
Administrative expenses	2,214,383.33	3,338,958.51	1,629,368.33	3,237,937.47
Directors	405,122.85	5,748,352.66	405,122.85	5,748,352.66
Total	6,693,780.03	22,061,628.99	6,011,356.03	21,960,607.95
<u>Recognized in other comprehensive income</u>				
Actuarial loss arising from defined benefit plan				
Financial assumptions changes	-	(436,413.00)	-	(435,876.00)
Demographic assumptions changes	-	10,323,791.00	-	10,323,791.00
Experience adjustments	-	(737,572.12)	-	(681,991.12)
Total	-	9,149,805.88	-	9,205,923.88

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The principal assumptions used for the purposes of the actuarial valuation were as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	2.24%-3.36%	3.13%-3.23%	3.13%-3.23%	3.13%-3.23%
Average salary increase rate	4.29%-5.40%	4.29%-5.40%	4.29%-5.40%	4.29%-5.40%
Employee turnover rate	0-57 %	0-45 %	0-57 %	0-45 %
Retirement age	60 years old	60 years old	60 years old	60 years old

## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount increase rate (0.50% movement)	2,775,350.00	2,631,380.00	2,725,817.00	2,616,126.00
Discount decrease rate (0.50% movement)	(3,019,648.00)	(2,865,629.00)	(2,964,810.00)	(2,848,335.00)
Future salary growth increase (0.50% movement)	(3,405,125.00)	(2,988,610.00)	(3,350,333.00)	(2,971,487.00)
Future salary growth decrease (0.50% movement)	3,150,117.00	2,769,682.00	3,100,248.00	2,754,465.00
Employee turnover increase rate (0.50% movement)	3,208,160.00	2,808,476.00	3,152,278.00	2,790,919.00
Employee turnover decrease rate (0.50% movement)	(3,934,550.00)	(3,466,491.00)	(3,872,524.00)	(3,446,503.00)

(Unit : Baht)

## 29. Share capital

The movement of share capital for the years ended December 31, 2020 and 2019 is as follows:-

<u>Consolidated/Separate financial statements</u>					
		<u>2020</u>		<u>2019</u>	
Par Value		Number of share	Amount	Number of share	Amount
(Baht)		(Thousand Shares)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)
<b>Registered share capital</b>					
Ordinary shares the beginning of the year	0.50	864,786	432,393	1,297,174	648,587
<u>Less</u> Decrease ordinary shares	0.50	-	-	(432,388)	(216,194)
Ordinary shares the ending of the year	0.50	864,786	432,393	864,786	432,393
<b>Issued and paid-up share capital</b>					
Ordinary shares the beginning of the year	0.50	864,786	432,393	864,786	432,393
<u>Less</u> Decrease ordinary shares	0.50	-	-	-	-
Ordinary shares the ending of the year	0.50	864,786	432,393	864,786	432,393

## NOTE TO FINANCIAL STATEMENTS

### C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

According to minutes of Annual General of Shareholders' Meeting 2020 of C.I. GROUP PUBLIC COMPANY LIMITED held on April 20, 2020, has decided to the issuance of the warrant to purchase the ordinary share of Company (CIG-W8) without valuation, which not exceed 432,393,391 unit to offering to existing shareholders in proportion to their shareholding at an ration 1:1 and offering right on 1 unit with 1 Baht per share. Except its has control dilution totaling amount not exceed 432,393,391 share with 0.50 Baht per share which 50% of issued and paid-up share capital.

According to minutes of Annual General of Shareholders' Meeting 2019 of C.I. GROUP PUBLIC COMPANY LIMITED held on April 24, 2019, has resolution to decrease of registered capital from shares 1,297.17 million, the par value of Baht 0.50, authorized share capital amount of 648.59 million and paid-up shares capital amount of Baht 432.39 million change ordinary shares of 864.79 million shares the par value of Baht 0.50. The authorized share capital and paid-up shares capital amount of Baht 432.39 million, as well as change memorandum for consistency with registered capital. However, the Company registered the increase in share capital with the Ministry of Commerce on May 8, 2019.

#### 30. Warrants

##### **CIG-W8 Warrants**

Type of warrants	: Warrants No. 8 appropriated for the former shareholders of the Company (Warrants No. 8 or "CIG-W8")
Number of warrants	: 432,393,391 units
Term of warrants	: 8 months 12 Days from the issuance date
Exercise Price	: At Baht 1.00 per share (par value at Baht 1.00)
First exercise date	: June 1, 2020
Last exercise date	: February 12, 2021

Later after the reporting period the Company received proceeds from the increasing in share capital from the exercise of warrants CIG-W8 for 1,900 additional ordinary shares of Baht 1.00 each. The Company registered the increase in share capital from the exercise of the warrants with the Ministry of Commerce on February 19, 2021. In this regard, the unexercise CIG-W8 warrants expired amount 432,391,491 units

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Capital management

The primary objectives of the Group's capital management is to maintain their ability to continue as a going concern, to maintain an appropriate capital structure, and to maintain ratio of debt to equity to not exceeding the compliance with the loan agreements.

As at December 31, 2020 and 2019, in the consolidated financial statements, the debt to equity ratio is 1.41 : 1 and 1.07 : 1 respectively, and separate financial statements debt to equity ratio is 1.38 : 1 and 1.14 : 1 respectively.

## 31. Expenses by nature

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Changes in inventories of finished goods and work in process	1,101,844.58	(7,169,433.69)	1,101,844.58	(7,169,433.69)
Raw materials and consumables used	557,150,980.26	1,137,574,208.00	553,159,980.26	1,137,574,208.00
Management benefit expenses	31,410,558.85	32,688,352.66	31,410,558.85	30,888,352.66
Employee benefit expenses	165,752,445.28	169,135,297.22	155,329,733.47	160,884,743.34
Depreciation and amortization expenses	49,957,455.27	56,661,660.90	36,274,690.77	45,433,293.15
Loss from impairment of investment (Reversal)	(15,924,778.49)	15,924,778.49	18,744,935.65	47,141,532.37
Allowance for expected credit loss	6,104,388.53	100,029,198.34	14,724,538.36	248,733,260.35
Transportation expenses	25,122,430.21	22,202,019.00	25,122,430.21	22,202,019.00
Sale promotion expenses	11,887,945.68	14,014,735.48	11,418,317.99	13,547,585.00
Utility expenses	12,999,455.12	12,889,357.99	11,693,473.31	11,835,772.00
Finance costs	19,481,015.07	19,121,029.40	13,080,732.75	18,583,608.33
Other operating expenses	228,602,192.63	176,725,898.97	186,416,515.19	159,546,731.26
Total	1,093,642,932.99	1,749,797,102.76	1,058,477,751.39	1,889,201,671.77

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 32. Income tax revenues

#### 32.1 Income tax is recognized in profit or loss

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current tax expenses	-	-	-	-
Deferred tax expenses (Note 24)				
Movements in temporary differences	(2,369,463.30)	(16,486,451.36)	(6,531,606.68)	(41,657,743.59)
Income tax revenues	(2,369,463.30)	(16,486,451.36)	(6,531,606.68)	(41,657,743.59)

#### 32.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Income tax relevance with other comprehensive income	-	(1,829,961.18)	-	(1,841,184.78)

Reconciliation between income tax expenses and the product of accounting profit multiplied

by the applicable tax rates for the year ended December 31, 2020 and 2019 as follows:-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting loss before tax	(132,368,708.36)	(215,059,427.59)	(127,568,016.72)	(352,527,182.76)
Applicable tax rate	20 %	20 %	20 %	20 %
Accounting loss before tax multiplied by applicable tax rate	(26,473,741.67)	(43,011,885.52)	(25,513,603.34)	(70,505,436.55)
Tax effect of income and expenses that are not considered				
As income tax expense as follows:-				
Depreciation of cars worth more than Baht 1 million	-	148,867.47	-	148,867.47
Loss on devaluation of inventories	1,721,022.35	(1,139,244.45)	1,718,338.58	(1,141,639.60)
Loss from investments impairment	-	9,560,400.00	3,748,987.13	29,840,151.06
Expected credit loss	(1,227,668.78)	-	455,389.21	-
Loss from loans impairment	-	20,005,839.67	-	29,334,807.49
Employee benefit obligations	680,103.53	4,056,473.42	563,100.53	4,036,269.22
Tax losses not yet used	24,800,510.16	8,259,670.87	18,560,026.11	6,322,618.65
Other	499,774.41	2,119,878.54	467,761.78	1,964,362.26
Total	-	-	-	-
Changes in temporary differences	(2,369,463.30)	(16,486,451.36)	(6,531,606.68)	(41,657,743.59)
Income tax revenues reported in comprehensive				
income statement	(2,369,463.30)	(16,486,451.36)	(6,531,606.68)	(41,657,743.59)



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## 33. Loss per share

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the year

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Loss for the year (Unit : Baht)	(129,950,515.66)	(198,572,976.23)	(121,036,410.04)	(310,869,439.17)
The number of issued and paid-up ordinary shares (Unit : Shares)	864,786,382	864,786,382	864,786,382	864,786,382
Loss per share (Baht/share)	(0.1503)	(0.2296)	(0.1400)	(0.3595)

For the diluted profit (loss) per share is calculated by dividing the net profit (loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid-up is adjusted to assume conversion of all dilutive potential ordinary shares, which is calculated by the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of warrant would be considered to have been received from the issue of shares at fair value. The company has not show diluted profit (loss) per share for the year ended December 31, 2020, because the average fair price of the ordinary share is lower than the exercise price of the warrant.

## 34. Segment information

The Group are engaged in the business of manufacturing and distributing of air-conditioning and refrigeration units and parts, including maintenance , inspection services and construction services and hotel business profit (loss) on each type of business arises from total sales less cost of sales and selling and administrative expenses of each business.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

The information on business sector operation of the Group were as follows :-

(Unit : Thousand Baht)

Consolidated financial statements										
For the year ended December 31										
	Air-conditioning		Construction		Hotel		Other		Total	
	products and parts		services		services					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Local revenues from sales and services	408,729	519,658	132,362	572,163	5,808	6,865	1,669	-	548,568	1,098,686
Export revenues from sales and services	419,650	367,948	-	-	-	-	-	-	419,650	367,948
Total	828,379	887,606	132,362	572,163	5,808	6,865	1,669	-	968,218	1,466,634
Cost of sales and services	(690,828)	(731,908)	(191,732)	(656,393)	(20,042)	(23,689)	(3,558)	-	(908,160)	(1,411,990)
Gross profit (loss) by segment	137,551	155,698	(59,370)	(84,230)	(14,234)	(16,824)	(1,889)	-	60,058	54,644
Non-allocation expenses									(168,022)	(319,127)
Loss from operations									(105,944)	(264,483)
Other incomes									8,996	89,649
Finance costs									(19,481)	(19,121)
Share of loss on investment in associate									(15,940)	(21,104)
Income tax revenue									2,369	16,486
Loss for the year									(130,000)	(198,573)
Fixed assets of business sector									365,843	399,502
Other assets									508,912	622,244
Total assets									874,755	1,021,746

For the year ended December 31, 2020 and 2019, the Group's major customers are worth higher than 10 % of the revenues from sale of three individual amount of total sales of Baht 553.55 million and three individual amount of total sales of Baht 705.03 million respectively.

### 35. Financial instruments

#### Policy on financial risk management

The Group possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, the Group has no policy to hold or issue any financial instruments for speculation or for trading.

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

## Risk on credit loss

The Group's obtain credit risk from given credit term to customers on a case by case basis. The uncollectible debt from trade receivables, the Group reviewed and adequately recorded the allowance for expected credit loss.

## Risk on interest rate

The Group's risk on interest rates is derived from the fluctuation of the market interest rates in the future, which will affect upon the Company's operating result and cash flow. The Group obtain risk on interest rate due to bank deposit, short-term loans from related person and loans from financial institution and related party, However, interest rate from financial assets and liabilities are approximate to market rate. The Company believe that risk on interest rate is not materiality.

As at December 31, 2020 and 2019, significant financial assets and liabilities can be classified by type of interest rate as follows:-

(Unit : Baht)

Consolidated financial statements							
As at December 31, 2020							
	Fixed interest rate			Floating	Non	Total	Interest
	Within	Interest rate	More than	interest bearing	interest bearing		rate
	1 year	2 to 5 years	5 years				(%)
<b>Financial assets</b>							
Cash and cash equivalent items	-	-	-	25,310,384.16	5,529,883.64	30,840,267.80	0.125-0.85
Trade and other receivable	-	-	-	-	175,877,641.08	175,877,641.08	-
Short-term loans to related parties	1,600,000.00	-	-	-	-	1,600,000.00	1.50-15.00
Other current financial assets	-	-	-	10,102,194.43	-	10,102,194.43	-
Total	1,600,000.00	-	-	35,412,578.59	181,407,524.72	218,420,103.31	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	20,000,000.00	-	-	74,515,942.42	16,991,491.26	111,507,433.68	1.75-5.87
Short-term loans from related person and parties	15,880,000.00	-	-	-	-	15,880,000.00	1.50
Short-term loans from other person and parties	79,458,081.65	-	-	-	-	79,458,081.65	5.75-15.00
Trade and other payable	-	-	-	-	204,597,886.47	204,597,886.47	-
Lease liabilities	3,510,784.01	7,531,966.24	1,671,749.13	-	-	12,714,499.38	0.33-12.00
Total	118,848,865.66	7,531,966.24	1,671,749.13	74,515,942.42	221,589,377.73	424,157,901.18	

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

### Consolidated financial statements

As at December 31, 2019

	Fixed interest rate			Floating interest bearing	Non interest bearing	Total	Interest rate (%)
	Within	Interest rate	More than				
	1 year	2 to 5 years	5 years				
<b>Financial assets</b>							
Cash and cash equivalent items	-	-	-	9,105,753.33	809,034.60	9,914,787.93	0.04-1.10
Trade and other receivable	-	-	-	-	196,704,626.11	196,704,626.11	-
Bank deposit pledged as collateral	-	-	-	20,561,543.49	-	20,561,543.49	1.50-15.00
Total	-	-	-	29,667,296.82	197,513,660.71	227,180,957.53	

### Financial liabilities

Short-term loans from financial institutions	20,000,000.00	-	-	88,345,738.63	8,975,450.28	117,321,188.91	0.25-6.25
Short-term loans from related persons	2,150,000.00	-	-	-	-	2,150,000.00	15.00
Short-term loans from other persons and parties	88,230,110.70	-	-	-	-	88,230,110.70	5.75-12.00
Trade and other payable	-	-	-	-	226,915,481.14	226,915,481.14	-
Lease liabilities	250,315.26	800,772.89	-	-	-	1,051,088.15	0.33-0.36
Total	110,630,425.96	800,772.89	-	88,345,738.63	235,890,931.42	435,667,868.90	

(Unit : Baht)

### Separate financial statements

As at December 31, 2020

	Fixed interest rate			Floating interest bearing	Non interest bearing	Total	Interest rate (%)
	Within	Interest rate	More than				
	1 year	2 to 5 years	5 years				
<b>Financial assets</b>							
Cash and cash equivalent items	-	-	-	21,664,508.79	2,370,257.19	24,034,765.98	0.125-0.85
Trade and other receivable	-	-	-	-	165,623,241.88	165,623,241.88	-
Short-term loans to related parties	1,000,000.00	-	-	-	-	1,000,000.00	1.50-15.00
Other non-current financial assets	-	-	-	10,000,104.65	-	10,000,104.65	-
Total	1,000,000.00	-	-	31,664,613.44	167,993,499.07	200,658,112.51	

### Financial liabilities

Short-term loans from financial institutions	20,000,000.00	-	-	74,515,942.42	16,991,491.26	111,507,433.68	1.77-5.87
Short-term loans from related persons	820,000.00	-	-	-	-	820,000.00	1.50
Short-term loans from other persons and parties	65,058,081.65	-	-	-	-	65,058,081.65	5.75
Trade and other payable	-	-	-	-	187,223,295.10	187,223,295.10	-
Lease liabilities	405,719.36	1,791,022.28	1,671,749.14	-	-	3,868,490.78	0.33-12.00
Total	86,283,801.01	1,791,022.28	1,671,749.14	74,515,942.42	204,214,786.36	368,477,301.21	

# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(Unit : Baht)

Separate financial statements							
As at December 31, 2019							
	Fixed interest rate			Floating	Non	Total	Interest
	Within	Interest rate	More than	interest bearing	interest bearing		rate
	1 year	2 to 5 years	5 years				(%)
<b>Financial assets</b>							
Cash and cash equivalent items	-	-	-	8,434,752.59	667,028.60	9,101,781.19	0.04-1.10
Trade and other receivable	-	-	-	-	195,723,311.12	195,723,311.12	-
Bank deposit pledged as collateral	-	-	-	20,460,503.99	-	20,460,503.99	-
Total	-	-	-	28,895,256.58	196,390,339.72	225,285,596.30	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	20,000,000.00	-	-	88,345,738.63	8,975,450.28	117,321,188.91	0.25-6.25
Short-term loans from other parties	86,180,111.70	-	-	-	-	86,180,111.70	5.75-12.00
Trade and other payable	-	-	-	-	219,343,772.10	219,343,772.10	-
Lease liabilities	250,315.26	800,772.89	-	-	-	1,051,088.15	0.33-0.36
Total	106,430,426.96	800,772.89	-	88,345,738.63	228,319,222.38	423,896,160.86	

## Risk on exchange rate

Regarding risk on exchange rates of the Group, mainly involves with sell goods and purchase of raw materials under the foreign currencies as at December 31, 2020 and 2019, the Group obtained assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows:-

Currency (Unit : Thousand)	Consolidated/Separate financial statements			
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
	Asset	Liability	Asset	Liability
VND	10,532	-	10,532	-
USD	2,066	2,477	1,668	2,268
AUD	39	-	18	-
PKR	20	-	20	-

## Fair value hierarchy

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Group's management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

### 36. Fair value measurement

As of December 31, 2020 and 2019, the Group had the assets which measured and disclosed fair value using different levels of inputs as follows:

(Unit : Million Baht)

	<u>Consolidated/Separate financial statements</u>							
	<u>As at December 31, 2020</u>				<u>As at December 31, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment properties (Note 19)	-	-	75.69	75.69	-	-	75.69	75.69

### 37. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2020 and 2019, the Group held other obligations as follows:-

37.1 Obligation of credit lines for loans from financial institutions were as follow :-

<u>Consolidated / Separate financial statements</u>							
	<u>Currencies</u>	<u>As at December 31, 2020</u>			<u>As at December 31, 2019</u>		
	<u>(Unit : Million)</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	Baht	137.30	107.91	29.39	197.76	158.34	39.42
Letters of credit and trust receipt, And forward foreign exchange contract	Baht	166.00	121.35	44.65	170.00	98.59	71.41
Bank overdrafts	Baht	30.00	16.99	13.01	30.00	12.77	17.23
Short-term loans	Baht	20.00	20.00	-	20.00	20.00	-
Letters of factoring	Baht	60.00	31.22	28.78	80.00	51.61	28.32
Fleet cards	Baht	0.80	0.12	0.68	0.80	0.39	0.41

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 16 and 20.



# NOTE TO FINANCIAL STATEMENTS

C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

37.2 As at December 31, 2020 and 2019, the Company has capital expenditure commitment for the purchase of machinery and equipment contract as follows :-

(Unit : Million Baht)

	<u>As at December 31, 2020</u>		<u>As at December 31, 2019</u>	
	<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>
	<u>amount</u>	<u>Contractual obligation</u>	<u>amount</u>	<u>Contractual obligation</u>
Baht	2.14	1.33	-	-

37.3 As at December 31, 2020 and 2019, the Group has obligations as a operating lease, the term of agreements generally are 3 to 26 years. Future minimum lease payments required under these lease contracts were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Within 1 year	-	2,664,324.00	-	308,000.00
Over 1 and up to 5 years	-	4,528,200.00	-	-
Total	-	7,192,524.00	-	308,000.00

37.4 Litigation.

(A) As at December 31, 2020 and 2019, a lawsuit had been filed against the Company claiming in the amount of Baht 0.15 million. This comprised debt amount of Baht 0.12 million arising from the purchase of goods and interest charges amount of Baht 0.03 million and interest rate at 7.50% per annum until the payment is settled. The Civil Court and the Court of Appeal ordered the Company to pay the creditor and the company has already paid the payment on June 26, 2020. The case is ended.

(B) As at December 31, 2020, a lawsuit had been filed against the Company claiming in the amount of Baht 1.65 million arising from the employee recruitment and equipment rental with interest rate at 7.50% per annum until the payment is settled. The case is being considered by the court. The Company has recognize the liability in the Financial statement of whole amount.

# NOTE TO FINANCIAL STATEMENTS

## C.I.Group Public Company Limited and Subsidiaries

For the year ended December 31, 2020

(C) As at December 31, 2020 and 2019, the Subsidiary company is the plaintiff a lawsuit with regards to breach of contract and default of payment against a company and a hotel executive. The Plaintiff entered into a hotel sale and purchase agreement with the Defendants. The Defendants issue a cheque for a payment as per sale and purchase agreement, which the bank denied the payment, so the Company file a lawsuit two defendants that is Criminal Case No. 90/2561.

On October 17, 2019, the judgement of the Court ordered the first and the second defendants to be jointly liable in paying the Plaintiff for the amount of Baht 5.00 million with interest at the rate of 7.50% per annum calculating from April 3, 2017 to the date that payment in made in full. By calculating interest until the lawsuit date (March 27, 2018) and paid of not more than the amount of Baht 0.37 million and two defendants will paid fees instead plaintiff that is Decided Case No. 287/2561.

Later on December 2, 2019, the two defendants has appeal against the judgement to the Court of Appeal the judgement. the Court has ordered the two defendants to payment of Baht 4.94 million and interest rate 7.50% per annum. From the April 3, 2017 until the payment is complete to the plaintiff.

(D) The Subsidiary a lawsuit had been filed against by unemployee which breach of the labor agreement which is wage salary that the Subsidiary accrued with interest rate at 15% per annum since the date had been filed until the payment is settle totaling amount of Baht 0.42 million and if the Subsidiary is not payment , the unemployee will be charge with interest rate at 15% per 7 days of debt in totaling amount of Baht 1.22 million. Also the Subsidiary will pay the advance from share subscription the deduced with interest since the date had been filed until the date of litigation amount of Baht 2.35 million, total amount of litigation in Baht 3.99 million. The Subsidiary has recognize the liability in the Financial statement of whole amount.

### 38. Approval of financial statements

These financial statements have been approved for issuance by C.I.GROUP PUBLIC COMPANY LIMITED authorized directors on February 28, 2021.

# COMPANY PROFILE

## C.I.Group Public Company Limited

1/1 Moo 7, Bangkoowad Rd., Bangkoowad, A, Muang, Pathumthani 12000 Thailand  
Tel. +66 (02) 976 5290 Fax +66 (02) 976 5023  
www.coilinter.com

<b>Company Name</b>	<ul style="list-style-type: none"> <li>C.I.Group Public company Limited</li> </ul>
<b>Initial</b>	<ul style="list-style-type: none"> <li>CIG</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>Produce parts, coils, for all heat exchanger products such as air-condition, refrigeration, heat pump, air handling unit and etc, for both export and local market</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>0107547000133</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>648,590,086.50 Bahts (As of December 31, 2020) Paid up capital 432,393,391.00 Bahts Par value 0.50 Baht per share</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290-9 Fax : 0-2976-5023</li> </ul>
<b>Branch Office</b>	<ul style="list-style-type: none"> <li>789/75 Moo 1 Pinthong Industrial Estate Nong-Kham, Sriracha, Chonburi Tel : 0-3829-6920-4 Fax : 0-3829-6919</li> </ul>
<b>Branch Office</b>	<ul style="list-style-type: none"> <li>526/1-3 Moo 3 Soi. Than Phu Ying, Thepharak Rd., Thepharak, Muang Samutprakan 10270 Tel : 0-2758-3034-6 Fax : 0-2758-3085</li> </ul>
<b>Home Page</b>	<ul style="list-style-type: none"> <li><a href="http://www.cigpcl.com">http://www.cigpcl.com</a></li> </ul>

## REFERRED PERSONS

<b>Share Registrar</b>	<ul style="list-style-type: none"> <li>Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991</li> </ul>
<b>Auditor</b>	<ul style="list-style-type: none"> <li>consider Mr. Ampol Chamnongwat, Miss Praphasri Leelasupha, Mr. Naris Saowalagsukul, CPA Registration No.4663, 4664 and 5369 respectively or other CPAs, who are in list of approved auditors by the office of SEC. of Sam Nak-Ngan A.M.C. Co.,Ltd. Sam Nak-Ngan A.M.C. Co.,Ltd. 191 Silom Complex Bldg., 19th FL, 4th Unit, Silom Rd., Silom, Bangrak Bangkok 10500 Tel. : 0-2231-3980-7</li> </ul>

## SUBSIDIARY COMPANIES

<b>Company Name</b>	<ul style="list-style-type: none"> <li>CIG Development Co., Ltd. (changed from De Lamai Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>Services business: hotel and auctions on construction contractor</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>0845547005846</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>100,000,000.00 Bahts (as of December 31, 2020)</li> <li>Paid up capital 100,000,000.00 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>1/1 Moo.7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000</li> <li>Tel: 0-2976-5290-9 Fax: -0-2976-5023</li> </ul>
<b>Branch Office</b>	<ul style="list-style-type: none"> <li>71/4-9 Moo 4 Maret Koh Samui, Suratthani</li> <li>Tel : 0-7791-3250 Fax : 0-7791-3255</li> </ul>
<b>Website</b>	<ul style="list-style-type: none"> <li><a href="http://www.samayabura.com">http://www.samayabura.com</a></li> </ul>
<b>Company Name</b>	<ul style="list-style-type: none"> <li>CIG (Thailand) Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>Produce and sell air-condition and all other refrigeration parts</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>0135554002471</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>60,000,000.00 Bahts (as of December 31, 2020)</li> <li>Paid up capital 58,500,000.00 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000</li> <li>Tel : 0-2976-5290 (Auto 10 lines)</li> <li>Fax :0-2976-5023, 0-2598-2332</li> </ul>
<b>Company Name</b>	<ul style="list-style-type: none"> <li>Siam Railway Development Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>Railway repairing center</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>0135560001243</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>50,000,000.00 Bahts (as of December 31, 2020)</li> <li>Paid up capital 50,000,000.00 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000</li> <li>Tel : 0-2976-5290 (Auto 10 lines)</li> <li>Fax :0-2976-5023, 0-2598-2332</li> </ul>

## SUBSIDIARY COMPANIES

<b>Company Name</b>	<ul style="list-style-type: none"> <li>• Illustro Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>• Testing service and install high voltage equipment</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>• 0135563001775</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>• 5,000,000 Bahts (as of December 31, 2020) Paid up capital 1,000,000 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>• 5/10 Moo 4 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023</li> </ul>
<b>Company Name</b>	<ul style="list-style-type: none"> <li>• CIG Blusolutions Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>• Research, development, produce and sell air-condition and all other refrigeration parts</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>• 0135563017671</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>• 1,000,000 Bahts (as of December 31, 2020) Paid up capital 250,000 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>• 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023</li> </ul>

## ASSOCIATED COMPANIES

<b>Company Name</b>	<ul style="list-style-type: none"> <li>• Golden Ax Thai Waterworks Co., Ltd.</li> </ul>
<b>Business Type</b>	<ul style="list-style-type: none"> <li>• Produce and sell tap water</li> </ul>
<b>Registration Number</b>	<ul style="list-style-type: none"> <li>• 0135563024155</li> </ul>
<b>Registered Capital</b>	<ul style="list-style-type: none"> <li>• 1,000,000 บาท Bahts (as of December 31, 2020) Paid up capital 250,000 Bahts</li> </ul>
<b>Head Office</b>	<ul style="list-style-type: none"> <li>• 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023</li> </ul>



**C.I.Group Public Company Limited**

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