

AUDITOR'S REPORT

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2020

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Notes | 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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2020

(Unit : Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | Notes | 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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2020

Consolidated financial statements

(Unit : Baht)

| | 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 | | | |
| | | | | | | | | | |
| 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 |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2020

Separate financial statements

(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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOW

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOW

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOW

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.

C.I.GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

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.

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 :-

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.

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.

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</u> | |
|------------------------------------|-------------------------------------|--|--|-------------|
| | | | <u>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%.

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.

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 effecting 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.

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.

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.

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.

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 |
|------------------------------------|----------|

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.

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 |

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.

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.

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.

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.

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.

- 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.

- 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.

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.

- 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.

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 |

(Unit : Baht)

Consolidated financial statements

| | <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 | <u>5,495,088.15</u> | <u>-</u> | <u>6,504,495.64</u> | <u>11,999,583.79</u> |
| Shareholders' equity | | | | |
| Unappropriated deficit | (532,526,655.16) | (759,265.62) | - | (533,285,920.78) |
| Total shareholders' equity | <u>(532,526,655.16)</u> | <u>(759,265.62)</u> | <u>-</u> | <u>(533,285,920.78)</u> |
| Total liabilities and shareholder's equity | <u>(527,031,567.01)</u> | <u>(759,265.62)</u> | <u>6,504,495.64</u> | <u>(521,286,336.99)</u> |

(Unit : Baht)

Separate financial statements

| | <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 | <u>569,797,730.66</u> | <u>(759,265.62)</u> | <u>3,249,041.81</u> | <u>572,287,506.85</u> |

(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>financial statements</u> | <u>Separate</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) |

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 |

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%

| | (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 |

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 | - |

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 |

(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) | - |

(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.

(Unit : Baht)

Consolidated financial statements

| | <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 | 2,150,00.00 | 17,450,000.00 | (3,720,000.00) | 15,880,000.00 |

(Unit : Baht)

Consolidated financial statements

| | <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)

Separate financial statements

| | <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)

Consolidated financial statementsSeparate financial statements

| | <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 | - |

(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> |
| Inter-transaction with subsidiaries | | | | | |
| (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 |

(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> |
| Inter-transaction with related parties | | | | | |
| 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.

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 |

(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 |

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.

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</u> Allowance for expected credit loss | (22,897,589.62) | (26,557,664.92) | (18,128,183.34) | (21,557,664.92) |
| 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.

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 | (26,050,555.80) | (29,684,897.28) | (29,653,201.55) | (33,082,683.13) |

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 | (238,846,995.54) | (492,943,023.48) | (218,971,882.24) | (492,943,023.48) |
| 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 | - | (1,759,780.29) | - | (1,759,780.29) |
| Contractual assets-net | 28,433,936.55 | 107,956,559.31 | 16,544,449.13 | 107,956,559.31 |
| 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 | (486,332,963.13) | (11,535,709.43) | (486,332,963.13) | (11,535,709.43) |
| Contractual liabilities | 8,970,305.53 | 7,748,788.97 | 8,970,305.53 | 7,748,788.97 |

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) |

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.

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 80.00 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 | - | - | - | - |

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.

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 :-

| | (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> |
| 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 :-

| | (Unit : Baht) | | | |
|--|--|-----------------|--------------------------------------|-----------------|
| | <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) |

(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.

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 :-

| <u>Name of company</u> | (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>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 orginally 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 orginally 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.

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.

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</u> | | <u>Separate financial</u> | | | |
| | <u>statements</u> | | <u>statements</u> | | | |
| | <u>Percentage of</u> | | <u>Equity method</u> | | <u>Cost method</u> | |
| <u>Name of companies</u> | <u>Shareholding(%)</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 | - |

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 | - |

(Unit : Thousand Baht)

| | <u>Fakwantip Co., Ltd.</u> | <u>Golden Ax Thai Waterworks Co., Ltd.</u> | |
|---|--|--|---|
| | <u>For the year ended December 31,</u> | <u>For the period from</u> | |
| | <u>2020</u> | <u>2019</u> | <u>November 12 to December 31, 2020</u> |
| 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)

| | <u>As at December 31,</u> | |
|---|---------------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Net assets of the associate | (14,393) | 37,500 |
| <u>Less</u> Increase ordinary 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.

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 1st on September 20, 2018 amount of Baht 60.00 million.

Periods 2nd on November 20, 2018 amount of Baht 60.00 million.

Periods 3rd 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.

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.

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 : Thousand 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 | - |

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 |

(Unit : Baht)

| | Separate financial statement | | | |
|---|------------------------------|-----------------------------|--------------------------------|-----------------|
| | 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 | - | - | - | - |
| 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.

[illegible]

(Unit : Baht)

| Separate financial statement | | | | | | | |
|---|---------------------------------|---|-----------------------------|--------------------------------------|-----------------|-----------------------------|------------------|
| | Land and land improvement | Building and building 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.

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> |

(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>financial statements</u> | <u>Separate</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>financial statement</u> | | <u>Separate financial</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</u> future finance cost for lease liabilities | (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 |

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.

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 |

(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 |

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 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 | 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 |

(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 |

(Unit : Baht)

| | Separate financial statements | | | 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).

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 |

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 |

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 |

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.

| | (Unit : Baht) | | | |
|--|--|----------------|--------------------------------------|----------------|
| | <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) |

29. Share capital

The movement of share capital for the years ended December 31, 2020 and 2019 is as follows:-

| | Consolidated/Separate financial statements | | | | |
|---|--|-------------------|-----------------|-------------------|-----------------|
| | Par Value (Baht) | 2020 | | 2019 | |
| | | Number of share | Amount | Number of share | Amount |
| | | (Thousand Shares) | (Thousand Baht) | (Thousand Shares) | (Thousand Baht) |
| Registered share capital | | | | | |
| 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 |
| Issued and paid-up share capital | | | | | |
| 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 |

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

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 |

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) |

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.

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.

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 | | | | (%) |
| Financial assets | | | | | | | |
| 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 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 20,000,000.00 | - | - | 74,515,942.42 | 16,991,491.26 | 111,507,433.68 | 1.75-5.87 |
| 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 | |

(Unit : Baht)

Consolidated 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 | | | | (%) |
| Financial assets | | | | | | | |
| 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 | Non | Total | Interest |
|-------------------------------------|---------------------|---------------|-----------|------------------|------------------|----------------|------------|
| | Within | Interest rate | More than | interest bearing | interest bearing | | rate |
| | 1 year | 2 to 5 years | 5 years | | | | (%) |
| Financial assets | | | | | | | |
| 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 | |

(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 | | | | (%) |
| Financial assets | | | | | | | |
| 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 | |
| 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 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:-

Consolidated/Separate financial statements

| <u>Currency (Unit : Thousand)</u> | <u>As at December 31, 2020</u> | | <u>As at December 31, 2019</u> | |
|-----------------------------------|--------------------------------|------------------|--------------------------------|------------------|
| | <u>Asset</u> | <u>Liability</u> | <u>Asset</u> | <u>Liability</u> |
| 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.

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.

- 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.

(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.
