



ONE REPORT

2023 • 2566

C.I. GROUP PUBLIC COMPANY LIMITED





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Message from Chairman



Over the past three years, the company has faced challenges from changing economic dimensions both inside and outside the country which is the result of conflict between superpowers, social dimensions affected by force majeure of the epidemic of emerging diseases and threats from epidemics and the environmental dimension, especially risks related to significant climate change, causing the inflation rate to rise. Moreover, with the shipping situation in the Red Sea and the South China Sea region affecting energy prices, transportation costs and overall exports have decreased. The rate of economic expansion has slowed down as well as rapid changes in technological innovations and the modern digital society.

But in the midst of a crisis, this brings about challenges in adapting to change (Resilience) and developing the potential of the group of companies, including giving importance to measures to prevent and deal with emergency situations (Emerging Risk) with risks that may arise both in the immediate term and in the future short and long term. To maintain continuity in all business activities the company has seen a business opportunity from the new way of life that has arisen especially from the perspective of the growth of technology that plays an important role in the way of life and applied to increase business efficiency. These changes bring about a change in business practices and development of management efficiency in the company's core businesses with a commitment to focus on conducting business with social responsibility, build good relationships, build confidence among stakeholders both at home and abroad, create value in a balanced way both the economic dimension, the social dimension, and the environmental dimension. We believe that if all of us cooperate and walk together, there will be no problem that we cannot overcome.

On behalf of the Board of Directors, we would like to thank all stakeholders, including shareholders, customers, business partners, and all employees for their efforts to overcome obstacles in 2023. All executives and employees are ready to dedicate and perform their duties to the best of their abilities to lead the Company towards sustainable future growth goals.

Pol.Gen.

A handwritten signature in black ink, reading "Prung Boonpadung". The signature is written in a cursive, flowing style.

(Prung Boonpadung)

Chairman of the Board of Directors

Board of Directors



Pol.Gen. Prung Boonpadung

Chairman of the Board of Directors /
Independent Director



Mr. Aree Poonsanoh

Vice Chairman of the Board of Directors /
Chairman of the Executive Committee



Mr. Taweesak Wangkorkiat

Director



Mr. Theera Poomsanoh

Director



Mr. Cherdpong Siriwit

Independent Director



Mr. Banjoed Jareyanukija

Director



Mr. Pat Lapanan

Director



Mr. Phongcharn Samphaongern

Independent Director



Mr. Thammarong Supphakitcharak

Independent Director

The Board of Executive Committee



Mr. Aree Poonsanoh

Chairman of the Executive Committee



Mr. Taweesak Wangkorkiat

Vice Chairman of the Executive Committee



Mr. Theera Poomsanoh

Member of the Executive Committee



Mrs. Chankapaw Dissakul

Executive Committee

The Audit Committee



Mr. Cherdpong Siriwit

Chairman of the Audit Committee



Mr. Phongcharn Samphaongern

Member of Audit Committee



Mr. Thammarong Supphakitcharak

Member of Audit Committee



Part
1

**Business Operation
and Operating Results**

Organizational structure and operation of the group of companies

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

As of now, the company has registered capital of 1,561.278 Million Baht and is one of the largest producer and distributor of coils in Thailand. In addition to product sales, the company continues to create value and become part of success for customers.

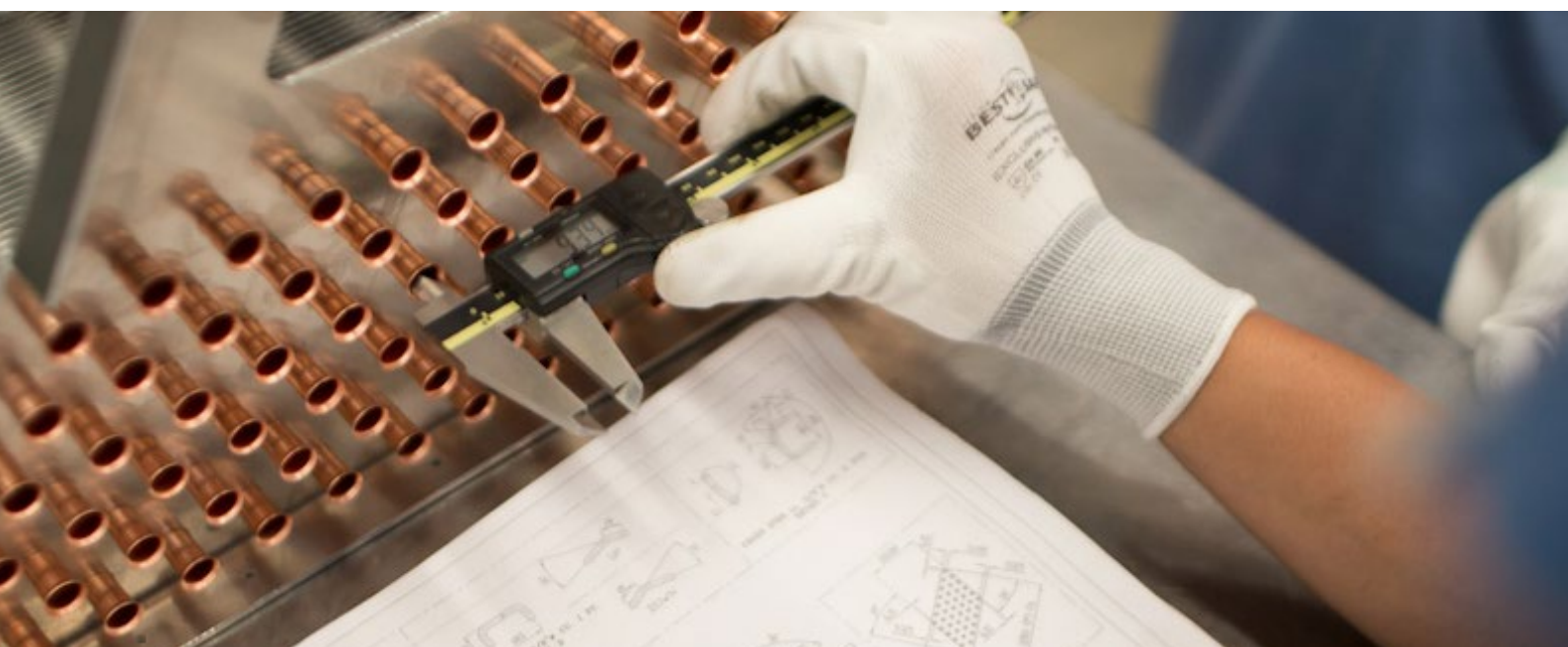
The company's first factory/office is located in Pathumthani. Later, the company expanded its production base to Sriracha, Chonburi with an area of 6 sq.ra. and to Muang, Samutprakarn with an area of 1 sq.ra. The company's headquarters is located at 1/1 Moo 7, Bangkoowad, A.Muang Pathumthani, Pathumthani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

The Company has expanded its investments to subsidiaries/associated companies to conduct construction business, HVAC research business, commissioning and installation of high voltage equipment and distributing tap water business as well.

Policy and business overview

From the diverse needs of customers which differ by industry, resulting in complexity in terms of form, quality, standard and quantity of use. Such management is not just about managing the product to meet the needs, but there are also services that customers want. And thus causing the branching of products to achieve maximum efficiency and cost-effectiveness for customers. In addition, the Company is committed to conducting business with honesty, transparency and in accordance with the principles of good corporate governance, anti-corruption both inside and outside the organization to operate more efficiently. This also allows the Company to grow sustainably.

The Company's customer groups consist of manufacturers of air conditioners and refrigeration equipment, and customers who are in the market for replacement products such as air conditioning repair centers, refrigeration repair center, etc. In addition, the Company also has an engineering department to help advise customers on product design and select the right products that are suitable for customers' needs.

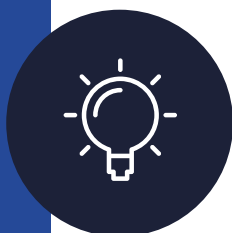


Overview of the vision



Vision :

Advancing Sustainability



Mission :

Creating a lower-carbon future through eco-conscious M&E, HVAC/R and building material systems engineered for energy efficiency and sustainability



Values :

- Companion – We are committed to be a thoughtful partner who engages with our clients and partners.
- Intellection – We focus on innovation, creativity and best-in-class solutions.
- Going Green – We are dedicated to preserving the environment and building a sustainable future.



DNA :

- Dream big - We dare to dream broadly about the future and continuously look for new opportunities.
- Drive Solutions - We are committed to turning vision into action and delivering value-creating solutions.
- Deliver Together - We work as a team, collectively applying all efforts to deliver the best possible outcomes

Overview of the vision



Corporate Philosophy :

Organization of Happiness and Professionalism:

We want to create an organization and develop people to be a model of professional collaboration, create a happy society both in terms of quality of life, safety and environment that support each other despite our different roles, duties and responsibilities, on the basis of creating mutual benefits of the organization, employees, shareholders and communities.

Objectives :

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

Important changes and events

Significant changes and developments related to business operations and management during the past period of the Company are as follows:

| Year | Events |
|------|---|
| 2005 | <ul style="list-style-type: none"> Issued 41 million shares for sale to the public and 4 million shares to directors and employees. Listed on MAI of Stock Exchange of Thailand on 27 January 2005. Received Excellent Industrial Award of 2005 in SME Management category from the Prime Minister held by Department of Industrial Promotion, Industrial Ministry Increased registered capital from 165 million Baht to 247.50 million Baht by issuing Warrants to shareholders up to 82,500,000 unit with conversion ratio of 2 shares per warrant (round down) |
| 2007 | <ul style="list-style-type: none"> Increased registered capital from 247.50 million Baht to 350 million Baht by offering 85.50 million shares at 1 Baht/share to the public and prepared for first warrant exercise of 17.00 million shares. Started operation at the second factory in Pin Thong Industrial Park, Chonburi |
| 2008 | <ul style="list-style-type: none"> The company invested 144.95 million Baht for 999,680 shares in De Lamai company limited which operated a hotel business in Koh Samui, Suratthani |
| 2009 | <ul style="list-style-type: none"> Changed par value of shares from 1 Baht to 0.50 Baht and changed number of registered shares from 350,000,000 shares to 700,000,000 shares. This resulted in outstanding shares from 251,592,417 shares to 503,184,834 shares. ISO 9001 : 2008 certified |
| 2010 | <ul style="list-style-type: none"> Received approval from extraordinary shareholders meeting to issue 25,100,000 units of free ESOP-1 to directors and employees Received approval from extraordinary shareholders meeting to issue 219,611,940 free second warrant (CIG-W2) units to existing shareholders with the ratio of 1 share to 0.43637118 unit of CIG-W2 |
| 2011 | <ul style="list-style-type: none"> Received approval from extraordinary shareholders meeting to issue 3,048,173,915 free third warrant (CIG-W3) units to existing shareholders with the ratio of 1 share to 5 units of CIG-W3 |
| 2012 | <ul style="list-style-type: none"> Bank of Ayudhya sold off De Lamai's loan account to Bangkok Asset Management (BAM) |
| 2013 | <ul style="list-style-type: none"> Received approval from ordinary shareholder's meeting to issue 601,836,915 free third warrant (CIG-W4) units to existing shareholders with the ratio of 1 share to 2 units of CIG-W4 |
| 2014 | <ul style="list-style-type: none"> A subsidiary, CIG (Thailand) Co.,Ltd. invested in Fakwantip Co.,Ltd. The civil case with a debtor namely Mrs. Suthasinee Setapan or Mutamara has been closed after the Civil Court dismissed the objector, the defendant of the case. The asset went into an auction according to Civil Court's order. The company entered and won the auction to buy the collateral asset at 60 million Baht and the company has received title deed transfer. |
| 2015 | <ul style="list-style-type: none"> Get approval from ordinary shareholder's meeting to issue 216,185,556 free fifth warrant (CIG-W5) units to existing shareholders with the ratio of 4 share to 1 unit of CIG-W5 Rebranding to make it easier to remember and signs of change to be more international. |

| Year | Events |
|------|---|
| 2016 | <ul style="list-style-type: none"> Get approval from ordinary shareholder's meeting to issue 216,192,158 free the sixth warrant (CIG-W6) units to existing shareholders with the ratio of 4 share to 1 units of CIG-W6 |
| 2017 | <ul style="list-style-type: none"> Get approval from ordinary shareholder's meeting to issue 216,195,708 free the seventh warrant (CIG-W7) units to existing shareholders with the ratio of 5 share to 1 units of CIG-W7 16th, January: Set up a new company, Siam Railway Development Co., Ltd., in railway repairing service center business. |
| 2018 | <ul style="list-style-type: none"> 12th, February: De Lamai Co., Ltd. has changed the registered name to CIG Development Co., Ltd. 31st, July : Fahkwanthip Co., Ltd. (the affiliates of sub-company, CIG (Thailand) Co., Ltd.) was approved from Central Bankruptcy Court to be out of the Debt Restructuring and Debt Rehabilitation Plan. And the extraordinary of shareholders' meeting of Fahkwanthip Co., Ltd approved to increase registered capital from THB101,100,000 to THB251,100,000 on 10th September 2018 which CIG (Thailand) Co., Ltd holds Million 74.50 Baht or 29.67 percent. |
| 2020 | <ul style="list-style-type: none"> Get approval from ordinary shareholder's meeting to issue 432,392,860 free the seventh warrant (CIG-W8) units to existing shareholders with the ratio of 2 share to 1 units of CIG-W8 21st, January : Set up a new company, Illustro Co., Ltd. To provide research on air-conditioning control and handling systems; internet of thing parts (IOT) and other application systems. To provide testing and installment service of high voltage equipment and new innovation. 14th, August : Set up a new company, CIG Blusolutions Co., Ltd. To provide research, development, production, assembly and distribution of air condition, parts of air conditioners and refrigeration including freezer, cold room and alike. 12th, November : Set up a new company, Golden Ax Thai Waterwoks Co., Ltd. To produce and distribute tap water. |
| 2021 | <ul style="list-style-type: none"> 6th, July : Established a joint venture company, Wellwise Care Company Limited, to engage in the production of medical rubber gloves. 23rd, August : Established a joint venture company, CIRP Company Limited to operate renewable energy business. 30th, September : Established a subsidiary, CIG Waterworks Company Limited, to support the water concession business for the production and distribution of potable water. 30th, September : Establishment of a subsidiary, CIG Operation Company Limited, to support the business of managing the production of potable water. |
| 2022 | <ul style="list-style-type: none"> 18th, August: Extraordinary General Meeting of Shareholders No.1/2022 to approve the Company to transfer business partially to a subsidiary (CIG Blusolutions Co.,Ltd.) which is the production and distribution business, air conditioners refrigeration and components of air conditioning and refrigeration all related assets used in the business operation including personnel related to all such business through partial business transfer. 14th, September: Establishment of a subsidiary, CIG Utilities and Infrastructure Co.,Ltd., to invest in projects and/or business related to utilites and infrastructure by investing in ordinary shares of Impact Green Utilities Holding Co.,Ltd. (IGU) from Mr.Surachet Chaipatmanon and/or related business by Mr. Surachet Chaipatmanon is the contolling person or the Ultimate Shareholder |

| Year | Events |
|------|--|
| 2022 | <ul style="list-style-type: none"> • 16th, September: Extraordinary General Meeting of Shareholders No.2/2022 to approve. :- Issuance and offering of newly issued ordinary shares to existing ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in the amount of not more than 1,729,577,364 shares at a par value of 0.50 baht per share, at the ratio of 1 existing ordinary share to 2 newly issued ordinary shares. :- Issuance and offering of convertible debentures to existing ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in the amount of not more than 864,788 shares, offering price of 1,000 baht per 1 unit of convertible debentures at the conversion ratio of 1 unit of convertible debentures Can be converted into 1,000 ordinary shares, exercise price of 1.00 baht per share. • 1st, December: Cancellation of the Company's investment in a subsidiary. Due to the results of the operation did not meet the goals and to reduce management expenses causing CI Power Co., Ltd. (formerly: CIRP Co., Ltd.) and Wellwise Care Co., Ltd. to cease working. |
| 2023 | <ul style="list-style-type: none"> • 10th, March: Extraordinary General Meeting of Shareholders No.1/2023 approve • changing in Terms and Conditions of Convertible Debentures No. 1/2023 of C.I. Group Public Company Limited, issued and offered to existing shareholders in proportion to their respective shareholdings (according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2022 held on September 16th, 2022) • 24th, April : Annual General Meeting 2022 to approve :- Issuance and offering of CIG-W9 of the Company in the amount 289,030,750 units, to the existing shareholders according to their shareholding proportions at the allocation ratio of 6 existing ordinary shares to 1 unit of the warrants (if there is a fraction, it will be discarded). :- Issuance and offering of CIG-W10 of the Company in the amount 144,515,375 units, to the existing shareholders who subscribe for and receive allocations of newly-issue ordinary shares according to their shareholding proportions at the allocation ratio of 6 existing ordinary shares to 1 unit of the warrants (if there is a fraction, it will be discarded). :- Issuance and offering of newly issued ordinary shares to existing ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in the amount 867,092,251 shares at a par value of 0.50 baht per share, at the ratio of 2 existing ordinary share to 1 newly issued ordinary shares, the offering price of 0.50 baht per share • 8th, May : Cancellation of the Company's investment in a subsidiary, due to the results of the operation did not meet the goals and to reduce management expenses causing CIG (Thailand) Co.,Ltd. (including Fah Kwanthip Co., Ltd., which is an associated company), Siam Railway Development Co.,Ltd. and CIG Operation Co.,Ltd., to cease working. is a subsidiary of the Company • 20th, June : The Board of Directors resolved to approve CIG Utility and Infrastructure Co., Ltd. (a subsidiary) to purchase and receive the transfer of the platform from Good Venture Co., Ltd. namely"VE. Logistics Platform" total value 450,000,000 baht • 9th, October : Extraordinary General Meeting of Shareholders No.2/2023 to approve :- The cancellation of the issuance and offering of convertible Debenture to the existing shareholders in proportion to their shareholding, according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022, held on September 16th, 2022, and cancellation of the allocation of the issued ordinary shares to accommodate the issuance and offer of the convertible debenture to the existing shareholders in proportion to their shareholding according to the resolution of the 2023 Annual General Meeting of Shareholders held on April 24th, 2023, as the convertible debentures have not yet been issued and offered for sale and expire on September 16th, 2023. :- Issuance and offering of newly issued convertible debentures to specific investors, namely Sycamore Capital SPC, acting for and on behalf of and for the account of Sycamore Equity Fund SP (subscriber) by determining the total offered value of, not exceeding, 400,000,000 baht. |

Use of the proceeds from fundraising

In 2022, the Company issued and offered new ordinary shares to existing ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in the amount of not more than 1,729,577,364 shares at a par value of 0.50 baht per share, in the ratio of 1 existing ordinary share to 2 newly issued ordinary shares which is still in the process of exercising the right to subscribe from December 25th, 2022 to March 1st, 2023.

In 2023, the Company issued and offered new ordinary shares to existing ordinary shareholders of the Company in proportion to their shareholding (Right Offering) in the amount of not more than 867,092,251 shares at a par value of 0.50 baht per share, in the ratio of 2 existing ordinary share to 1 newly issued ordinary shares which is still in the process of exercising the right to subscribe from May 24th, 2023 to June 28th, 2023.

The details are as follow.

| Exercising Period | Schedule for Subscription | Number of Exercised Share (Share) | Offering Price per Share (THB) | Amount Received (THB) |
|--|---|-----------------------------------|--------------------------------|-----------------------|
| The offering of newly issued ordinary shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) | December 26 th , 2022 – March 1 st , 2023 | 869,395,821 | 0.50 | 434,697,910.50 |
| The offering of newly issued ordinary shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) | May 24 th , 2023 – June 28 th , 2023 | 480,832,350 | 0.50 | 240,416,175.00 |
| Total | | 1,350,228,171 | 0.50 | 675,114,085.50 |

Details of utilisation of the increased fund from the above capital are as follow.

| Detail | Amount (THB) |
|--|-----------------------|
| Loans to CIG Utilities and Infrastructure Co., Ltd. (Subsidiary) for investment as per purposes of the capital increase, namely: | |
| 1. Invest in the Impact Green Utilities Holding Co., Ltd. (IGU) | 225,000,000.00 |
| 2. Invest in acquisition of assets in relation to the entire business transfer from Good Ventures Co., Ltd. | 239,818,500.00 |
| Due diligence expenses and study the feasibility of investing in targeted businesses and companies according to the objectives of the capital increased. | 200,000,000.00 |
| Working Capital | 10,295,585.50 |
| Total | 675,114,085.50 |

In 2023, the Company issued and offered newly issued convertible debentures to specific investors, namely Sycamore Capital SPC, acting for and on behalf of and for the account of Sycamore Equity Fund SP (subscriber) by determining the total offered value of, not exceeding, 400,000,000 baht, between November 10th, 2023 – December 27th, 2023, the company issued and offered convertible debentures. The details are as follows:

| Date | Amount (THB) | Certificate No. |
|------------------|----------------------|-----------------------|
| 10 November 2023 | 30,000,000.00 | 2023110001-2023110030 |
| 28 November 2023 | 5,000,000.00 | 2023110031-2023110035 |
| 27 December 2023 | 20,000,000.00 | 2024010036-2024010055 |
| Total | 55,000,000.00 | |

Details of utilisation of the increased fund from the above capital are as follow.

| Detail | Amount (THB) |
|-----------------|----------------------|
| Working Capital | 55,000,000.00 |
| Total | 55,000,000.00 |

The commitments that the Company has made in the registration statement for the offering of securities

Newly issued ordinary shares to existing shareholders in proportion to their shareholding (Right Offering) and convertible debentures to existing shareholders of the Company in proportion to their shareholding.

The Company complies with the notification of the Capital Market Supervisory Board regarding the request for permission and approval for offering warrants and reserved shares in all respects. However, the conditions for exercising the rights to purchase the Company's ordinary shares are disclosed in Clause 1.5 regarding the issuance of securities (Clause 1.5.1 newly issued ordinary shares to existing shareholders of the Company in proportion to their shareholding (Right Offering), Clause 1.5.2 convertible debentures to existing shareholders. of the company according to the shareholding proportion, Clause 1.5.3 Issuance and Offering of the Newly Issued Ordinary Shares to the Existing Shareholders of the Company in Proportion to their Respective Shareholdings (Right Offering), Clause 1.5.4 The Warrants to Purchase Ordinary Shares of the Company No.9 (CIG-W9), Clause 1.5.5 The Warrants to Purchase Ordinary Shares of the Company No.10 (CIG-W10) and Clause 1.5.6 The Issuance and Offering of Newly Issued Convertible Debentures to Specific Investors

Location of the head office

| | |
|----------------------------|--|
| Company Name | C.I.Group Public company Limited |
| Initial | CIG |
| Business Type | Produce parts, coils, for all heat exchanger products such as air-condition, refrigeration, heat pump, air handling unit and etc, for both export and local market |
| Registration Number | 0107547000133 |
| Registered Capital | 1,561,278,440.50 Bahts (As of December 31, 2023) Paid up capital 1,373,381,442.50 Bahts Par value 0.50 Baht per share |
| Head Office | 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290-9 Fax : 0-2976-5023 |
| Branch Office | 789/75 Moo 1 Pinthong Industrial Estate Nong-Kham, Sriracha, Chonburi โทรศัพท์ : 0-3829-6920-4 โทรสาร : 0-3829-6919 Tel : 0-3829-6920-4 Fax : 0-3829-6919 |
| Branch Office | 526/1-3 Moo 3 Soi. Than Phu Ying, Thepharak Rd., Thepharak, Muang Samutprakan 10270 Tel : 0-2758-3034-6 Fax : 0-2758-3085 |
| Home Page | http://www.cigpcl.com |

Types of Business

Company operates 5 types of businesses, namely HVAC parts manufacturing business (main business) operated by parent company, C.I. Group Public Company Limited, hotel and construction business operated by CIG Development Company Limited (formerly De Lamai Company Limited), HVAC research business, commission/installation of high voltage equipment Operated by Ilustro Co., Ltd. and research / development / manufacture / assembly and distribution of air conditioners and refrigeration operated by CIG Blusolutions Company Limited and investment in other business by CIG Utilities and infrastructure Co., Ltd., which is a subsidiary. All of these businesses generate income for the company as follows

Revenue Structure

Company's and its subsidiaries' revenue structure from 2021 – 2023

| Business Units | % shares held by parent company | 2023 | | 2022 | | 2021 | |
|---|---------------------------------|-----------------------|---------------|-----------------------|--------------|-----------------------|---------------|
| | | Amount (million baht) | % | Amount (million baht) | % | Amount (million baht) | % |
| Revenue from Sales & Service | | | | | | | |
| • Manufacturing (CIG) | 100 | 463,889.59 | 74.39 | 769,325.13 | 74.46 | 1,067,227.83 | 94.98 |
| • Hotel (CIG Dev.) | 99.97 | 3,634.80 | 0.58 | 8,071.81 | 0.63 | 17,176.42 | 1.53 |
| • Trading (CIG (Thailand)) | 99.98 | 831.78 | 0.13 | 1,568.83 | 0.12 | 8,189.09 | 0.73 |
| • Siam Railway (SRD) | 99.99 | - | - | - | - | 1,763.49 | 0.16 |
| • ILS | 97 | 5,155.66 | 0.83 | 5,677.77 | 0.45 | 15,764.98 | 1.40 |
| • CIB | 74.97 | 128,624.84 | 20.63 | 242,165.27 | 19.05 | - | - |
| • CIGW | 70 | 960.00 | 0.15 | - | - | - | - |
| • CIGU | 99.99 | - | - | - | - | - | - |
| • CIRP | 50 | - | - | 366.01 | 0.04 | - | - |
| • WWC | 50 | - | - | - | - | - | - |
| Other Revenue | | | | | | | |
| • Manufacturing (CIG) | 100 | 11,259.76 | 1.85 | 6,453.64 | 0.51 | 8,709.59 | 0.78 |
| • Hotel (CIG Dev.) | 99.97 | 5,968.58 | 0.96 | 301.91 | 0.02 | 120.55 | 0.01 |
| • Trading (CIG (Thailand)) | 99.98 | - | - | 51.61 | 0.00 | 96.05 | 0.01 |
| • Siam Railway (SRD) | 99.99 | 1,125.59 | 0.18 | 5,443.08 | 0.43 | 4,560.25 | 0.41 |
| • ILS | 97 | 9.64 | 0.00 | 214.75 | 0.02 | 33.61 | 0.00 |
| • CIB | 74.97 | 1,872.38 | 0.30 | 257.15 | 0.02 | 0.23 | 0.00 |
| • CIGW | 70 | 12.42 | 0.00 | 12.01 | 0.00 | - | - |
| • CIGU | 99.99 | 15.46 | 0.00 | - | - | - | - |
| • CIRP | 50 | - | - | 36.34 | 0.00 | - | - |
| • WWC | 50 | - | - | 87.18 | 0.01 | - | - |
| Total | | 623,630.49 | 100.00 | 1,033,144.72 | 100.0 | 1,123,642.09 | 100.00 |

| | | |
|------------|----------------|--|
| หมายเหตุ : | CIG | = C.I.Group Public Company Limited |
| | CIG Dev. | = CIG Development Company Limited |
| | CIG (THAILAND) | = CIG (Thailand) Company Limited |
| | SRD | = Siam Railway Development Company Limited |
| | ILS | = Ilustro Company Limited |
| | CIB | = CIG Blusolutions Company Limited |
| | CIGW | = CIG Waterworks Company Limited |
| | CIGU | = CIG Utilities and Infrastructure Company Limited |
| | CIRP | = CI Power Company Limited (formerly: CIRP Co.,Ltd.) (Ceased to be a subsidiary on December 1 st , 2022.) |
| | WWC | = Wellwise Care Company Limited (Ceased to be a subsidiary on December 1 st , 2022.) |

Product information

Product Characteristics

1. Coil

The parent company is mainly engaged in the production of Evaporator Coil, Condenser Coil and Chilled Water Coil, which are the main parts in air conditioners, chiller and other types of heat transfer/cooling equipment. The evaporator coils and the condenser coils perform different functions. Evaporator which has refrigerant circulating inside absorbs heat from the wind that passes through the coil, causing the passing wind to be a cool breeze. While the condenser is responsible for cooling the refrigerant that circulates from the evaporator with the air passing through the condenser.

The chilled water coil has the same behavior as the evaporator coil but utilizes chilled water as a medium instead of refrigerant. Normally, if it is a split type air conditioner, the evaporator part, which is a component in the Fan Coil Unit, will be installed inside the room or building. While the condenser coil, which is a component in the condensing unit, is installed outside the room or building.

The main components used in the production of evaporator coils, condenser coils and chilled water coils are as follows:

1. Copper tube : It is used as a refrigerant passage for the evaporator and condenser coil, or chilled water for chilled water coil. The copper pipes used to manufacture coils of each size are different in diameter. Currently, the copper pipes used in the production of the company's coils are available in diameters of 5, 7 mm, 5/16 in., 3/8 in., 1/2 in., 5/8 in. and 1/4 in.
2. Aluminum: It is used to produce fins, which is used as a medium for dissipating cooling or heat. Aluminum foils are processed with fin press machines to make holes and form shapes according to various designs such as Super Slit Fin, Corrugated Fin, Wave Slit, Sine Wave and Louvered Fin. The characteristics of each type of fin depends on specification of each customer and will affect the properties of cooling or heat transfer.
3. Galvanized steel sheet : It is a component that will be cut into pieces for use as a structural frames, and close the head and the end of the coil.

The product characteristics of the parent company can be classified according to their size and usage as follows:

Evaporator Coils

1-5 Tons



Used as part of small air-conditioners such as split type, window type, wall type and package type air-conditioners.

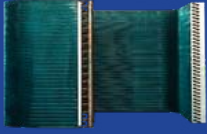
5-100 Tons



Used as part of large air-conditioning system, air handling units and cold rooms.

Condenser Coils

1-5 Tons



Used as part of small air-conditioners such as split type, window type, wall type and package type air-conditioners.

5-100 Tons



Used as part of large air-conditioning system, air handling units and cold rooms.

Chilled water coils

1-100 Tons



Used as part of large air-conditioning system that uses chilled water as heat transfer medium. Mostly used in large office buildings, malls and cold rooms.

Accessories



Parts of coils that are used as passage for refrigerants. This includes return bends or u-bends with diameter ranging from 5/16 in. To 7mm. And also heading piping and other accessories such as Butterflies, Cross-Over, Three Ways Cross-Over, Strainers and Distributors.

2. Air conditioning and refrigeration

Condensing Unit, Air Cooled Condenser, Unit Cooler (Air Handling Unit) The company has extended from coil production to air conditioner and refrigeration production. Using expertise in designing and manufacturing coils to be able to work at full efficiency as an advantage in product development and creating market acceptance for this group of products, including Condensing Unit, Air Cooled Condenser, Unit Cooler and Air Handling Unit

Condensing Unit



MAIN COMPONENT :

Compressor condensing coil, motor and fan and other performance tuning controls

FUNCTION :

Used for cold storage systems, freezer rooms serves to create pressure in the system and cooling the liquid sent from the Unit Cooler to the outside of the building.

Air Cooled Condenser



MAIN COMPONENT :

Condensing coil, motor and fan

FUNCTION :

Used for cold storage, freezer and large air conditioning systems. Acts like a Condensing Unit (customers have to assemble with compressor and other equipment by themselves)

Unit Cooler



MAIN COMPONENT :

Evaporator Coil, motor and fan

FUNCTION :

Used for cold storage systems, freezer rooms. Use to create and distribute cool air by absorbing heat from the room through the solution. Forward to drain at the Condensing Unit.

Air Handling Unit



MAIN COMPONENT :

Evaporator coil, motor, fan, air filter and other performance tuning controllers

FUNCTION :

Used for large air conditioning systems. It acts to create and distribute cool air by absorbing heat from the room through the solution. Forward to drain at the Condensing Unit.

3. Design services, installation of air conditioning systems and pre-insulated walls

The company offers air conditioning system design services. Polyurethane and polyisocyanurate insulation walls and roofs by collaborating with manufacturers of ready-made insulation panels both from within and outside the country. To provide one-stop service for customers who need fast construction of energy saving and good air quality building



Marketing and Competition

1. Characteristics of Customers and Potential Customers

The Company's customers can be classified as follows:

Domestic Customers

Manufacturers of Air Conditioners Group

Because the coils produced by the company are mostly used as components of air conditioners. Therefore, the Company's main customers are manufacturers of various brands of air conditioners, especially those manufacturers whose main policy is to purchase parts from outsources to be assembled into their own products. Most of the Company's major customers are manufacturers of well-known brands of air conditioners both in Thailand and abroad, such as Trane, Carrier and etc. Quality and speed of delivery are important factors in the purchasing decision of this group of customers. Since, the company has been recognized for quality from various certification institutions, including the ability to produce and deliver to customers quickly and on time, causing this group of customers to continuously order products from the company and has been a customer of the company for more than 10 years. In addition, the tendency of this group of customers to turn to produce their own parts is quite low. This is because the foreign parent company's policy of these customers has a policy that focuses on purchasing air conditioner components from outsources as they can better control the production cost and Proportion of sales to the top 5 major customers in 2021-2023

| | 2021 | 2022 | 2023 |
|---|-------|-------|-------|
| Proportion of sales to the top 5 major customers* (percent) | 72.93 | 71.91 | 94.46 |

* including customers who are distributors in foreign countries

Most of these major clients are those who have long-standing relationships with the company and even being co-developing products with them. Together with, the high quality of products that have been certified by various institutions, ability to respond to the needs of customers quick and effective, The company confidants that can maintain its current customer base as well as continuously expanding new customer.

the quality.

Refrigeration Manufacturers Group

The refrigeration market is growing steadily. Thailand has a large number of refrigeration, such as refrigerators, coolers, cold water dispensers, ice machines and etc., manufactures which the company could increase the market share of customers in this group continually.

Replacement Group

This group of customers is a group of companies provide maintenance services for air conditioners, chiller and automobile air conditioning.

Project Group

This group of customers are business owners, project owner, building manager including contractors and designers.

2. Export Market Customers

In 2020, the company has expanded its market share of major customers resulting in sales growth in the year 2020 onwards. In order to reduce the risk of relying on major customers and to raise sales, the Company has opened more opportunity by penetrating into overseas market which are Europe, Australia and Southeast Asian countries, who are manufacturer of refrigeration and air conditioning.

Price Policy

The Company has a policy to determine product prices from cost and add with an appropriate gross margin (Cost plus margin), which mainly takes into account the purchase volume and industry competition. Due to the price of our main raw materials which are copper and aluminum is constantly moving based upon the world market, London Metal Exchange (LME), prices, the company therefore hedges against changes in copper and aluminum prices for the main customers, which require a pre-set selling price at the contract date, to decrease risk. The contract is stipulated that if the raw material price has risen beyond the agreed price level states, the company will negotiate and agree on a new selling price with such the customers in order to comply with the higher raw material costs, which will take approximately 1-2 months to process.

Distribution and Distribution Channels

The Company has distribution channels for its products through marketing team and distributors. The details are as follows.

1. Direct sales to customers. This type of customer includes both

domestic and international air conditioner manufacturers, air conditioning, refrigeration and car repair service centers, etc. The company has a marketing team that is responsible for contacting and serving customers both domestically and internationally. Each marketing officer has a group of customers that he or she is responsible for in order to build a good relationship with customers, coordinate and provide services in order to meet customers requirements effectively and an international marketing team to contact customers directly and to coordinate in attending various exhibitions related to air conditioners abroad to increase the export sales.

2. Distribution through dealers. The Company has contracts to appoint distributors in foreign countries as another distribution channel as well as saving costs in management. The dealer will be in direct contact with the customer. At present, the company has distributors to distribute the company's products in the United States, Canada, Australia. and New Zealand.

Portion of Sales of each Distribution Channel

| CUSTOMER TYPE | 2021 | | 2022 | | 2023 | |
|-----------------------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
| | million baht | % | million baht | % | million baht | % |
| <u>Domestic</u> | | | | | | |
| • Direct sales | 544.39 | 51.01 | 499.20 | 49.86 | 555.85 | 99.99 |
| • Dealers | - | - | - | - | - | - |
| total domestic sales | 544.39 | 51.01 | 499.20 | 49.86 | 555.85 | 99.99 |
| <u>Export</u> | | | | | | |
| • Direct sales | 522.83 | 48.99 | 502.09 | 50.14 | 0.31 | 0.01 |
| • Dealers | - | - | - | - | - | - |
| total export sales | 522.83 | 48.99 | 502.09 | 50.14 | 0.39 | 0.01 |
| total sales | 1,067.22 | 100.00 | 1,001.29 | 100.00 | 556.16 | 100.00 |

Seasonal Effects on Business Operations

Though the air conditioning products are directly affected by season, but since the company is a manufacturer and distributor of evaporators, condenser and chilled water coils to air conditioner manufacturers, these manufacturers have to plan the production process continuously throughout the year. The company therefore continues to receive orders from air conditioner manufacturers throughout the year. However, the company is still affected by the season, but not much. This is reflected from the Company's capacity utilization which is not high, approximately 20.15% of the Company's maximum production capacity.

Competitive Strategy

1) Develop differentiate and value added products.

The company recognizes the importance of developing innovations and products to add value. Therefore, D-COAT, D-COAT UV and Heresite coil coatings were developed to increase coil efficiency and lifespan for products be used in special environments such as near garbage dumps, by the sea, on ships, in freight forwarding businesses and in heavy industry

2) Find business partners

The company has cooperated with business partners both domestically and internationally. To enhance strengths and create competitive advantages as well as increasing the opportunity to enter new markets related to the existing customer base and expertise of the Company. The Company has collaborated with Kingspan Insulated Panels Pty Ltd as the sole Key Partner in Thailand to market, distribute and install pre-insulated wall and roof panels type: Polyisocyanurate (PIR), has superior thermal and coldleakage protection properties than other types of insulation along with the non-flammable and non-flammable properties. The insulation is FM and LPCB certified, reduce construction time by more than 40% and also save cost in operation both energy and maintenance. The Kingspan's products can be used for both indoor and outdoor construction and also receive a LEED Score that plays an important role in green building construction.

3) Proactive Marketing

The company has been aggressively marketing to increase business opportunities by improving the website, increasing communication channels via social media, public relations various products of the company, promote corporate image and has plans to join in the lighting of products both domestically and internationally. In addition, provide sales skills training to salespeople and teaching skills to supervisors and has established a customer database and marketing information for use in analyzing and bringing the information to manage sales and marketing plan.

4) Product quality

The company has a policy to focus on improving the quality of products to meet international standards. From the selection of raw materials used in production, which the quality of raw materials will be checked regularly, as well as inspecting and controlling product quality at every stage of production from the beginning of production to the final stage prior to deliver to customers to ensure that the products produced by the company meet the quality standards and meet the needs of customers. This can be seen from the company's ISO 9001: 2015 quality system certification, as well as being AHRI and UL certified. The UL certification has given the company an advantage in exporting products to foreign countries especially in the United States. This is because the products that can be sold to these countries must be certified according to standards that are accepted in that country. In addition, the company has an advantage in selling products to domestic air conditioner manufacturers who

must use parts certified to such standards for assemble air conditioners and export to those countries as well.

5) Ability to produce products according to customers' requirements

The company has continually improved the production process to increase effectiveness and productivity by developing skills and expertise of the staffs as well as install new machines to increase variety of coil production as each machine has a limited capacity which can only produce certain types of parts which will enable the company to meet customers needs more as well. The company also has an Engineering Department to provide advice and advice on product design. The customer will inform the purpose of use of the desired coil. The Company will use that information to calculate the coil size and header size to suit the needs of each customer. This service will provide more convenience to customers.

6) Emphasis on providing satisfactory service to customers.

The company maintains a good relationship with customers by contacting customers regularly to listen to problems and provide advice and inquire customers' needs such as giving advice to customers who have problems in using the company's products in the production process, gathering customers requirement regarding new products to design products to meet their needs to highest satisfaction. Moreover, having regularly assess customer satisfaction with the service, product quality, delivery, product price, and promptly solving problems for the company to take the information into consideration in order to improve. This is the company's advantage over products from foreign competitors, both from China and Malaysia, that the after-sales service has not been able to satisfy the customers much.

7) Speed and On time Delivery

The company attaches importance to on-time delivery of goods to support customers production lines continuously and in time. As a result, the Company has quite high advantages over competitors in the industry.

8) Transparency, Society and Environmental Awareness

The company is committed to conducting business with integrity and transparency by adhering to the principles of good corporate governance to show that commitment the company therefore attend and be certified by Thai Private Sector Collective Action Against Corruption (CAC) as well as participating in various social activities, especially the communities around the factory and produce environmental friendly products and the production process.

The Industrial Situation and Competitive Summary of Thai industrial in 2023 and Trend in 2024

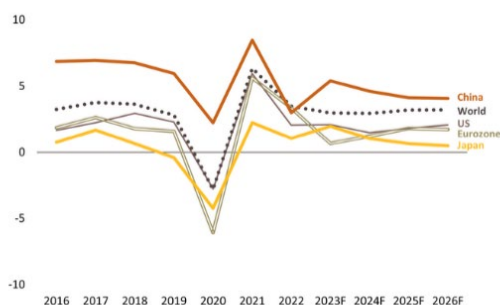
The Thailand Industry Outlook over the next 3 years (2024-2026) covers a range of factors impacting the industries. Those factors include opportunities and challenges that represent the attractiveness of each industry depending on the macroeconomic environment and sector-specific factors.

The macroeconomic environment

The global economy, 2024-2026: Growth will remain low as the post-COVID reopening boost dissipated and trends towards the fragmentation of globalization gather pace.

- **Over the next 3 years, the global economy is forecast to see sub-par growth**, averaging just 3.1%, and although this will be fractionally up on 2023's expected 3.0%, it will be below the 3.7% averaged over the decade prior to the COVID-19 pandemic. Growth will be undercut by the fading of the impetus provided by the ending of pandemic restrictions and the reopening of countries worldwide, while many additional factors will also drag on the global economy, including the slowdown in China, the risk of a recession in the EU, the impact of El Niño phenomenon in the Pacific, unrests in different parts of the world and its knock-on effects on global trade and energy prices, and the decoupling between the US and China, which is disrupting supply chains and has the potential to significantly impact world trade and investment, thus accelerating the fragmentation of globalization. In addition, the still-tight monetary policy and the high level of interest rates over 2023 and 2024 will add to the costs of financing public and private sector debts. Overall, the world remains at risk of extended sluggishness, though this will help to dampen inflationary pressures over the latter half of 2024, thus opening the way for the advanced economies to cut rates and head off an extended slump.

Figure 1: GDP Growth (%)

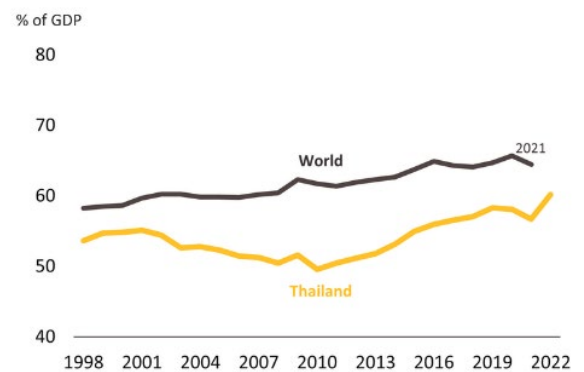


Source: IMF World Economic Outlook (October 2023), except China's growth projected in November 2023

Structural changes in the world economy will disrupt the business environment

- **The global economy is transitioning to a much greater focus on services, and so the service sector has a growing role to play in generating income and employment, improving the efficiency of manufacturing industries, raising competitiveness, and driving overall growth in the economy.** Moreover, service industries such as transport, finance, and telecommunications now occupy key intermediate roles in manufacturing supply chains. As elsewhere, the contribution of the service sector to the Thai economy has strengthened with time, and as of 2022, services accounted for 60.2% of GDP (Figure 2). At present, only 53% of all jobs are in the service sector, figures that are far off the average for advanced economies such as the US and the UK, where services account for around 75% of GDP and over 70% of employment. In addition, the Thai service sector is still reliant on traditional services, in particular tourism and unskilled work in areas such as wholesale and retail, and hotels and restaurants. By contrast, in advanced economies, modern services such as IT, intellectual property, and finance predominate. As these involve greater use of advanced technology and entail much more highly skilled work, they are able to add much more value to the service sector and to the economy overall.

Figure 2: Share of Service Sector in GDP



Source: World Bank, Office of the National Economic and Social Development Council (NESDC)

Following the end of the COVID-19 pandemic, services have played an important role in powering economic growth in Thailand. The rebound in the tourism industry and in related parts of the economy has been especially important. Nevertheless, this excessive reliance on traditional services carries with it an elevated level of risk since this exposes the economy to negative impacts

arising from domestic and international events such as political upheavals, troubles in the global economy, outbreaks of disease, and natural disasters. It is thus **important that Thailand shifts to a greater emphasis on modern services** and increases the extent to which information and communication technologies are used to drive the creation of added value, especially in: (i) traditional services where Thailand enjoys a competitive advantage (e.g., high-value medical and health tourism), since these are areas that draw on goods and services from other parts of the economy as inputs; and (ii) manufacturing industry, from upstream areas (e.g., research and development, design, and sourcing inputs) through to downstream processes (e.g., transport and distribution, brand building, and after-sales services). This would then put the Thai economy on a much more sustainable long-term footing and help build resilience in the face of both internal and external shocks.

Unfortunately, increasing the share of GDP coming from the service sector may be a long and drawn-out process. (i) The Thai workforce lacks the relevant skills in technology, which then drags on innovation, and there is endemic weakness in the supporting business ecosystem, particularly in research and development and in the commercial infrastructure (i.e., regulations, technology, finance, incentives, and data insights). **(ii) Compared to advanced economies, the Thai regulatory environment places considerable hurdles in the way of foreign investment in the service sector**, and so of the 51 countries surveyed in the 2022 OECD Services Trade Restrictiveness Index, Thailand ranked 50th. The barriers facing investors in the Thai service sector are therefore more formidable than for almost all of Thailand’s competitors, with the result that inflows of investment and technology are limited and the potential positive impacts of this on service sector innovation are being squandered. In light of this, it is imperative **that the public and private sectors together address these challenges and to shift the country to a service-based economy. While failure in this endeavor will merely repeat past errors, success will help to ensure that the country is securely on the path to long-term sustainable growth.**

- Modern technology has assumed a place of primary importance in the modern world, and industries now deploy smart innovations to compete intensely against one another, to build long-term sustainable value-added, and to address our environmental problems. Over the next three years, technologies and innovations that are likely to be particularly important will include the following.
 - **Artificial intelligence (AI) and Generative AI (GenAI):** In

the past year, no technology has shaken the world quite like AI, especially generative AI. GenAI is a type of AI that can generate novel output not present in its training data, and this ability to ‘think’ creatively marks a significant break with earlier assumptions that creativity was a uniquely human trait. Moreover, GenAI can produce output in a range of forms, and in addition to responding in the text to text-based queries and inputs, they can produce images, audio, and video; they can design; they can produce computer code; and they can generate synthetic data. GenAI is applicable in many industries as well as expediting the work process.

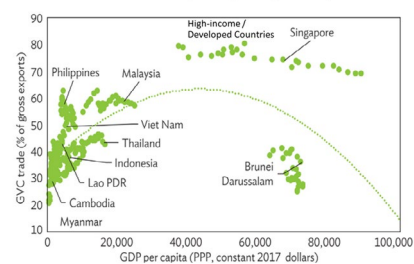
- **The Internet of Things (IoT):** High-tech manufacturing plants are using networks of sensors to collate information and manage production processes, and this will become more common in areas such as auto assembly and the manufacture of auto parts and electronics. The IoT is also finding a role in service sector businesses, where coupled with AI, it can improve the speed and accuracy with which services are delivered, for example, in hospitals and airports.
- **Robotics:** The use of robots in place of human labor in both the manufacturing and service sectors is spreading worldwide, partly as a result of the aging of society and worsening labor shortages. This is especially so in areas where work is repetitive and clearly structured, such as when providing customer services in airports and retail centers, where work is dangerous, for example moving goods in logistics centers, and where industrial processes can easily be automated. As of 2022, there were around 3,300 robotics units in use in Thai industries, putting Thailand in 14th place in the world rankings and 2nd in Southeast Asia after only Singapore (source: International Federation of Robotics).
- **Blockchain:** As platforms become available that make the delivery of new services possible, blockchains are finding novel use-cases in parts of the economy from finance and banking through to entertainment and online gaming. The total global value of blockchain solutions is therefore expected to increase 22.3% to USD 23.3bn in 2023 (source: efinancethai.com).
- **3D printing:** This is increasingly being used in high-volume product design to meet diversified consumer demand. In particular, 3D printing can be used in areas where fast and precise production is required with low unit costs, for example in the production of electronics, medical devices, and construction equipment.

- o **Drones:** Development will focus on autonomous drones powered by emissions-free fuels. At present, the use of drones for the commercial delivery of goods is becoming more common in Japan, China and Europe.
- o **Synthetic biology:** Gene editing technologies are playing an ever-more important role in the future food industry, for example, to culture meat products from animal stem cells and to produce meat-like products from vegetable inputs. This will help to meet growing demand from health-conscious consumers, especially from elderly buyers who need to cut their intake of animal products.
- o **Carbon capture and storage:** CCS is one of the most important green technologies used by companies to meet their environmental, social, and governance (ESG) goals, and because of this, CCS technologies will help to usher in a new era of low-carbon industry. In particular, CCS is being used in heavy industry (e.g., by corporations in the petroleum, plastics, and cement industries), where the ability to capture carbon from waste gases before this is released to the atmosphere and then to store this safely underground is helping to cut emissions. Indeed, the stored gases can also be put to additional use, for example by being injected into oil wells to improve extraction rates. In Thailand, PTTEP has been researching CCS applications in the petroleum industry since 2021, and it is hoped that commercial use will begin in natural gas extraction by 2026.

- **Decoupling between the major economies on the intensifying tech war will result in shortening global value chains.** The intense competition between the major economic powers, most obviously China and the US, for technological hegemony will continue to persist, and yet there are no signs of any let up in tensions. Indeed, as high-tech products such as smart electronics and EVs take on an ever more central role in adding value to global manufacturing, the importance of upstream advanced semiconductor production capacity is rising correspondingly. Governments have reacted to these intensifying pressures by attempting to build domestic capabilities while blocking competitors' access to core technological inputs, and this is then accelerating the economic divergence between the major powers. As a result, global manufacturing supply chains are tending to shorten, and increasingly these extend only to allies or across the home region. This stands in contrast to earlier trends in global sourcing patterns and the construction of global value chains (GVCs), which provide only limited benefits to

the major economies. According to the 2023 report by the Asian Development Bank (ADB), participating in GVCs has a weaker impact on per capita GDP in high-income economies than in developing or recently industrialized countries (Figure 3). As a result of these trends, global trade is tending to become more concentrated in blocs allied with the major economic powers, such as the US with Europe, and China and Japan with the ASEAN region, while the value of trade between these advanced economies is stagnating or shrinking (Figure 4). **The shortening GVCs may happen in three ways: (i) Re-shoring**, or moving production facilities back to the home country (i.e., made-at-home production); **(ii) Near-shoring**, or building intra-regional supply chains; and **(iii) Friend-shoring**, or creating supply chains based on political or economic alliances. Shortening of supply chains under each of these three scenarios is forecast to result in decreases in global value chain participation of respectively -4.5%, -7.3% and -9.0% by 2035 against a baseline case involving no decoupling (Figure 5).

Figure 3 : Global Value Chain Participation has a Nonlinear Relationship with per Capita GDP, 1990–2015



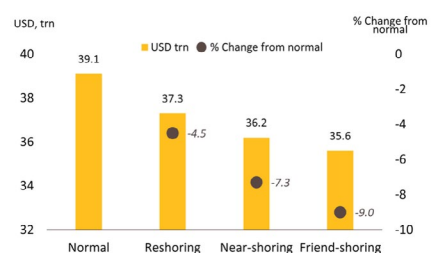
Source: Asian Development Bank (ADB), 2023

Figure 4: Changes of Trade Flow Impacted by Geopolitical Tension, 2031



Source: Boston Consulting Group (BCG), 2023

Figure 5: Global Value Chain Participation Forecast by Type of Geopolitical Intervention, 2035



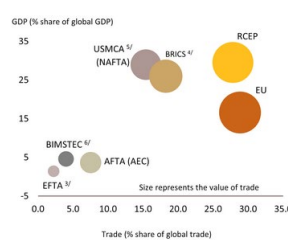
Source: ADB, 2023

- joining trade blocs and signing both bilateral and multilateral free trade agreements (FTAs) has helped to boost the competitiveness of Thai goods on world markets** (Figure 6), and to date, Thailand has agreed 14 FTAs with 18 countries^{1/}, the most recent of which was the Regional Comprehensive Economic Partnership (RCEP)^{2/}. In 2022, trade with these countries accounted for 60.9% of all Thailand's exports, although over the first 9 months of 2023, sluggishness in the world economy meant that exports under FTA rights contracted -3.3% relative to a year earlier. 82.9% of the total export value of items under FTA made use of the privileges arising from these, though as yet, the value of goods potentially under RCEP rights that benefit from the agreement is still relatively low (Figure 7). This is partly because at present, RECP import duties are still higher than under other FTAs, and so exporters tend to use the latter for selling into markets in RCEP member states, rather than the RCEP agreement itself. Nevertheless, duties covered by the RCEP agreement will steadily fall, and so in the coming period, use of these tax and import benefits will increase.

Thailand is currently negotiating FTAs with three trade partners, the UAE (negotiations should be completed in 2023), Sri Lanka, and the European Free Trade Association^{3/} (negotiations are expected to be finalized for these in 2024). Combined trade with these markets had a combined value of more than THB 540bn as of 2022, and agreeing FTAs with these would then bring the total share of Thai exports covered by FTAs to 66.7% (source: Department of Trade Negotiations). This would however remain far off the government's target of reaching 80% coverage by 2027.

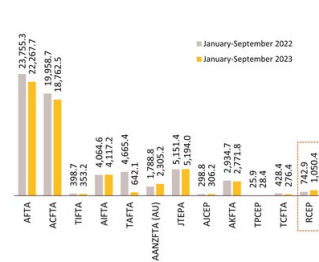
Thailand would also like to begin trade negotiations with a number of other partners, including the EU, Turkey, Pakistan, and the BRICS group^{4/} (Thailand has applied to join the latter), which combined account for 26% of world trade and more than 40% of the global population. Signing agreements with these would provide a significant boost to Thai international trade, increase Thai competitiveness, and buffer Thailand's political and economic bargaining power. However, at the same time, this may also add to overheads for parts of the economy where companies need to raise their operating efficiencies, and some businesses may lose market share to more competitive players in other member countries

Figure 6 : The RCEP, the world's largest FTA, covering about 30% of both global GDP and global trade in 2022



Source: UNCTAD Stat, Krungpuri Research

Figure 7: Export Value Under FTA of Thailand (USD, m)



Source: Department of Foreign Trade (DFT)

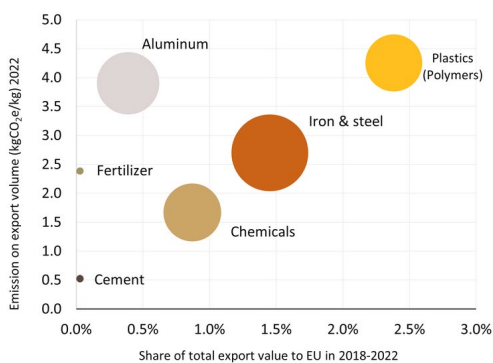
- Driving ESG through international measures to combat environmental threats is becoming more stringent** as the world begins its transition to a low-carbon economy. While these moves will help Thai companies more rapidly shift their activities to a sustainable footing, they also pose what are potentially considerable challenges regarding adapting to a changing regulatory environment and then meeting the additional costs inherent in this. Most recent among these changes has been the implementation by the European Union of its Carbon Border Adjustment Mechanism (CBAM), which will collect additional carbon fees on imports to the bloc, and the EU Deforestation Regulation (EUDR), which requires importers of products to the EU to demonstrate that these are deforestation-free. These measures will thus have unavoidable consequences for the Thai agricultural and industrial sectors.

For businesses, the **EU's CBAM** is the more significant of these since it came into force on October 1, 2023, and so henceforth, EU importers of products in the six categories of cement, electricity, fertilizer, iron and steel, aluminum, and hydrogen now need to report the carbon emissions associated with these when bringing goods into the EU. From 2026, enforcement will move from reporting to the collection of fees, and so importers will then need to pay a levy (in the form of a CBAM certificate) to compensate for their carbon emissions.

The CBAM thus constitutes a route through which indirect pressure is being brought to bear on Thai exporters. (i) Costs will rise due to the costs involved in measuring, reporting, and verifying emissions, as well as for paying carbon taxes and developing alternative low-carbon manufacturing processes. This will particularly affect the aluminum and the iron and steel industries since these are carbon-intensive products and a relatively high proportion of exports are to the EU (respectively 0.4% and 1.5% of all exports to the EU). The EU also plans to expand the reach of the CBAM to cover other industrial products, including plastics and chemicals;

(ii) Prices for Thai exports to the EU will tend to rise, and this will likely erode demand; and (iii) Thai exporters may lose market share to goods that can no longer be sold into the EU. In addition, other major trade partners, including the US, are also in the process of developing their own CBAMs.

Figure 8: Exports and Greenhouse Gas Emissions of CBAM Goods



Note: Bubble size represents exports to the EU as a percentage of exports to the World
Source: International Trade Centre, MOC, TGO, Krungsri Research

Going forward, we are likely to see the steady rollout of new measures that aim to lower greenhouse gas emissions, such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which will come into force in 2027. Thai businesses will therefore need to stay alert to the significance of these changes, and as growth in ‘green business’ accelerates, Thai players will need to stand ready to adjust their playbooks and to adapt to a rapidly evolving business environment.

Table 1: Timeline of green regulations

| Regulations | Affected sectors | 2023 | 2024 | 2025 | 2026 | 2027 | 2030 | 2050 (carbon neutral) | 2065 (net zero) |
|---------------|---|--|-----------------------------|--|------|------|------|-----------------------|-----------------|
| EU CBAM | cement, electricity, fertilizer, iron and steel, aluminum, and hydrogen | transition phase (measurement and reporting of emission) | | full implementation (measurement, reporting, verification, and pay of emission on exports) | | | | | |
| EUDR | rubber, soy, cattle, palm oil, wood, cocoa, coffee, and some of their derived products | transition phase | | full implementation (traceability of deforestation-free products) | | | | | |
| CCA (US CBAM) | fertilizer, hydrogen, cement, iron and steel, fossil fuels, refinery products, petrochemicals, adipic acid, glass products, paper and pulp, and ethanol | under review | | tentative entry into force (pay of emission on exports) | | | | | |
| CORSIA | air transportation | pilot phase | voluntary carbon offsetting | mandatory carbon offsetting | | | | | |

Source: European Commission, Department of Trade Negotiations (DTN), The International Civil Aviation Organization (ICAO), Krungsri Research

- **Drought will disrupt food supply chains, as El Niño conditions have officially been in effect since June 2023.** This is measured through the Oceanic Niño Index (ONI), which itself is determined by sea-surface temperatures in equatorial regions of the Pacific, with an ONI of greater than 0.5 indicating El Niño conditions and a value of less than -0.5 reflecting the emergence of a La Niña. As of September 2023, the ONI stood at 1.6 (Figure 9), which is classified as ‘strong’, though as shown by the average of dynamic models of the El Niño-Southern Oscillation (Figure 10), this will likely strengthen to ‘very strong’ by December. This latest El Niño is expected to last for 8-19 months, so it may run its course by Q1 of 2024 or may drag on until the end

of 2024, in which case Thailand would likely be in drought until mid-2025 and the onset of that year’s rainy season.

Figure 9 : Oceanic Indices

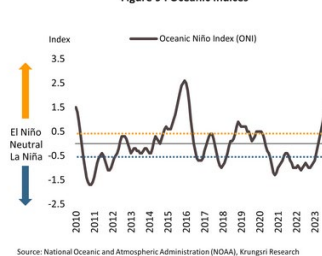
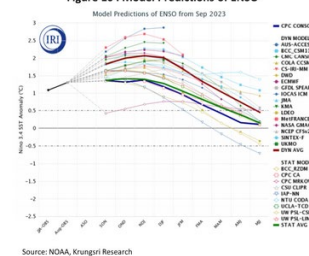


Figure 10 : Model Predictions of ENSO



Source: National Oceanic and Atmospheric Administration (NOAA), Krungsri Research

Source: NOAA, Krungsri Research

Krungsri Research sees this El Niño extending over the next 1-2 years, with impacts on the economy over 2023-2025 as described below. (i) **Impacts on agricultural outputs and food security:** drought will impact agricultural outputs and weaken food security, though because they are more sensitive to water shortages, rice, cassava, sugarcane, rubber, and oil palm will be particularly affected (Table 2). Declining outputs will trigger supply shortages in downstream industries, raising worries over a potential weakening of food security. This may lead to greater stockpiling of inputs, which would then drive-up prices for agricultural products and other consumer goods. (ii) **Impacts on manufacturing supply chain:** with agricultural output declining, supply chains will weaken and demand from the agricultural sector for upstream goods and services (e.g., fertilizer, agricultural machinery, and agricultural services) will likewise soften. At the same time, downstream industries will have to contend with restricted access to inputs, and players will need to respond to this either by lowering their capacity utilization or by sourcing alternative inputs, both of which will add to unit production costs. (iii) **Expected impacts of the drought on Thai GDP:** Krungsri Research estimates that rainfall will decline by between -10% and -15% over 2023 to 2025, and this will then cut GDP relative to the baseline case by -0.13% in 2023 and -0.3% in each of 2024 and 2025 (Table 3).

Table 2 : Expected Output Losses from the El Niño

| % Output Losses by Major Products | In 2023 | In 2024-2025 (per year) |
|-----------------------------------|--------------|-------------------------|
| Rice | (-4)-(-5)% | (-2)-(-10)% |
| Cassava | (-0.5)-(-4)% | (-5)-(-13)% |
| Sugarcane | N.A. | (-5)-(-25)% |
| Rubber | 0-(-0.5)% | 0-(-2)% |
| Oil Palm | 0-(-0.5)% | (-1)-(-6)% |

Source: NESDC's 2015 Input-Output Table, Office of Agricultural Economics (OAE), Krungsri Research

Table 3 : Projection of Economic Losses from Drought

| Scenario of Drought Risk | Base Case Rainfall Drop 10-15% | Worst Case Rainfall Drop 15-20% |
|--------------------------|--------------------------------|---------------------------------|
| Likelihood in 2024 | High | Low |
| Likelihood in 2025 | Medium | Low |
| Economic loss (BHT, m) | 50,174 | 77,837 |
| As percent of GDP | 0.29 | 0.45 |

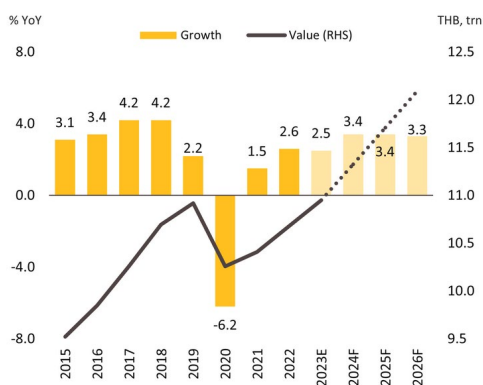
Source: Calculated by Krungsri Research

The Thai economy, 2024-2026: Average growth will be close to its long-term potential while the economy comes under pressure from internal and external headwinds.

The Thai economy is expected to expand by an average of 3.4% annually over 2024-2026, up from 2023’s 2.5% (Figure 11) and

close to the country's long-term potential, but below the 3.7% seen over the decade prior to the outbreak of COVID-19 (2010-2019). Growth will be supported by a number of factors. (i) Further recovery in the tourism sector should bring this back to its pre-pandemic state. Foreign arrivals are thus forecast to rise from 27.7 million in 2023 to 35.6 million in 2024 and 40 million in 2025, matching its pre-covid level in 2019. (ii) Private consumption will be lifted by the rebound in the tourism sector, strengthening labor markets, and government policy that aims to stimulate spending, especially in 2024. (iii) Investment will grow in domestic economic activities, new infrastructure, the development of the Eastern Economic Corridor (EEC), and expansion in 'green businesses' and the bio-circular-green (BCG) economy. However, Thai exports would still be pressured by continuing below-trend growth in overseas markets, while the outlook for some export sectors should be supported by specific factors, including possible upcycle of global Electronic and Electrical products, trends towards food security and regionalization. Meanwhile, the Bank of Thailand is expected to keep the policy rate at a 10-year high of 2.5% to help contain an uptrend of inflation to remain within the target range, support sustained economic recovery, and preserve policy space to cushion against possible risks in the future.

Figure 11: Thailand's Real GDP



Source: NESDC, Forecast by Krungsri Research

Although the outlook is for generally improving conditions over the next 3 years, a combination of internal and external headwinds will mean that Thailand will likely see slower growth than its regional peers. (i) Household debt has risen to worryingly high levels, and with interest rates also now elevated, spending and investment by low-income consumers and SMEs are under pressure. (ii) The impacts of the drought will likely worsen through 2024. (iii) Public debt will need to rise to pay for stimulus measures, and this may then have negative consequences for fiscal stability and the long-

term sustainability of public-sector spending. (iv) The economy will continue to be affected by structural problems, including demographic changes (the birth rate is declining, Thailand is now an aged society, and labor shortages are a drag on industry) and the lack of competitiveness in some sectors. (v) External factors impacting Thailand will include the effects on external demand of high interest rates in major economies, China's real estate crisis and the impacts of this on the economy overall, decoupling between the US and China, and continuing geopolitical tensions, all of which will likely weaken demand in export markets and undercut investment in related industries.

Infrastructure project acceleration will drive investment of related industries

Over 2024-2026, the government will expedite work on infrastructure megaprojects, including both new projects and ongoing work inherited from the previous government. In particular, the implementation of the Action Plan for Thailand's Logistics Development (2023-2027) will ensure that work on communication and logistics networks receives particular attention. To this end, the Ministry of Transport and Communications has earmarked THB 980 billion for work on 112 projects, 42 of which (38% of the total) involve improvements or changes to transportation modalities and the promotion of multimodal onward connections at a cost of THB 610 billion (62% of total expenditure). (i) Work on phases 1 and 2 of the double-track railway and the development of new sections of this network will be accelerated with the goal of transforming this into a primary transport modality linking industrial estates with border areas. Efforts will concentrate in particular on phase 2 of the project (from Khon Kaen to Nong Khai), which will connect to the Boten-Vientiane in Lao PDR (Vientiane high-speed China-Lao rail link runs from Kunming in China). Completion of these regional transport linkages will then provide a strong boost to exports and tourist exchanges between Thailand and neighboring countries. (ii) Ports and port hinterlands will be developed and utilized (e.g., phase 2 of the single rail transfer operator (SRTO) at Laem Chabang Port). This will then help to promote greater use of coastal and maritime transport services. However, as a result of problems with compulsory land purchases and unresolved labor shortages dating back to the pandemic, work is running behind schedule on some of the megaprojects connected to the development of the Eastern Economic Corridor (EEC). Work on the high-speed rail link joining the area's 3 airports is now expected to begin only in 2024, while as of April 2023, phase 3 of

the development of Laem Chabang Port was 40% behind schedule. More positively, phase 3 of the development of the Map Ta Phut Port is 60% complete (as of August 2023), and this is expected to be completed on schedule by 2027.

Acceleration of infrastructure development will support new investment opportunities, particularly in the targeted S-curve industries within the EEC. This will elevate Thailand's supply chain in technology-driven industries and encourage investment in related businesses, resulting from crowding-in effects, such as construction contractors, real estate, transportation, and logistics.

Table 4: Major infrastructure Projects between 2023 to 2027*

| โครงการ | ระยะเวลา ดำเนินการ | วงเงินการลงทุน (ล้านบาท) | | | | รวม | ความคืบหน้า |
|---|-----------------------|--------------------------|---------|---------|---------|---------|----------------------|
| | | ปี 2566 | ปี 2567 | ปี 2568 | ปี 2569 | | |
| 1) รถไฟฟ้าสายตะวันออก | | | | | | | |
| - ช่วงสถานี - ปากน้ำโพ | 2561-2567 | 8,025 | 286 | | | 8,311 | อยู่ระหว่างดำเนินการ |
| - ช่วงสนามบิน - ท่าอากาศยานดอนเมือง | 2561-2569 | 2,830 | 225 | | | 3,055 | อยู่ระหว่างดำเนินการ |
| - ช่วงนครปฐม - หัวหิน | 2561-2567 | 1,785 | | | | 1,785 | อยู่ระหว่างดำเนินการ |
| - ช่วงสีหนุ - ปะนาอัมคีร์ | 2561-2567 | | 560 | | | 560 | อยู่ระหว่างดำเนินการ |
| - ช่วงประจวบคีรีขันธ์ - ภูเก็ต | 2561-2567 | 1,715 | | | | 1,715 | อยู่ระหว่างดำเนินการ |
| 2) รถไฟฟ้าสายตะวันออก 2 | | | | | | | |
| - ช่วงสนามบิน - นครราชสีมา | 2566-2570 | 3 | 5,012 | 11,195 | 1,790 | 29,748 | ยังไม่ดำเนินการ |
| - ช่วงปากน้ำโพ - นครราชสีมา | 2566-2570 | 6,064 | 5,879 | 14,181 | 21,756 | 47,880 | ยังไม่ดำเนินการ |
| - ช่วงนครราชสีมา - สีคิ้ว | 2566-2570 | 6 | 7,180 | 8,265 | 17,208 | 31,659 | ยังไม่ดำเนินการ |
| - ช่วงสุพรรณบุรี - นครราชสีมา | 2566-2570 | 3,749 | 4,745 | 14,093 | 12,039 | 24,586 | ยังไม่ดำเนินการ |
| - ช่วงสุพรรณ - ราชบุรี | 2566-2570 | 6 | 3,466 | 6,371 | 9,917 | 19,760 | ยังไม่ดำเนินการ |
| - ช่วงสุพรรณบุรี - นครราชสีมา - นครราชสีมา | 2566-2570 | 6 | 6,920 | 9,875 | 18,952 | 35,753 | ยังไม่ดำเนินการ |
| - ช่วงนครราชสีมา - ปะนาอัมคีร์ | 2566-2571 | 5 | 896 | 2,165 | 2,308 | 5,364 | ยังไม่ดำเนินการ |
| 3) โครงการรถไฟความเร็วสูง | | | | | | | |
| - รถไฟฟ้าความเร็วสูงสาย 3 ตอนแรก ระยะที่ 1 (นครราชสีมา - สุพรรณบุรี - ภูเก็ต) | 2566-2571 | 424 | 413 | | | 837 | อยู่ระหว่างดำเนินการ |
| - รถไฟฟ้าความเร็วสูงสาย 3 ตอนแรก ระยะที่ 2 (นครราชสีมา - นครราชสีมา) | 2561-2569 | 21,955 | 23,820 | 75,170 | 37,795 | 138,740 | อยู่ระหว่างดำเนินการ |
| 4) โครงการท่าเรือและท่าอากาศยาน | | | | | | | |
| - (ในส่วนของท่าเรือและท่าอากาศยาน) | 2566-2570 | 10,174 | 6,678 | 4,199 | 4,325 | 25,376 | อยู่ระหว่างดำเนินการ |
| 5) โครงการท่าเรือและท่าอากาศยาน | | | | | | | |
| - (ในส่วนของท่าเรือและท่าอากาศยาน) | 2566-2570 | 7,586 | 23,609 | 43,746 | 47,441 | 122,382 | อยู่ระหว่างดำเนินการ |
| 6) โครงการพัฒนาท่าอากาศยาน | | | | | | | |
| - (ในส่วนของท่าอากาศยาน) | 2566-2572 | 3,563 | 5,622 | 2,846 | 2,491 | 14,522 | อยู่ระหว่างดำเนินการ |

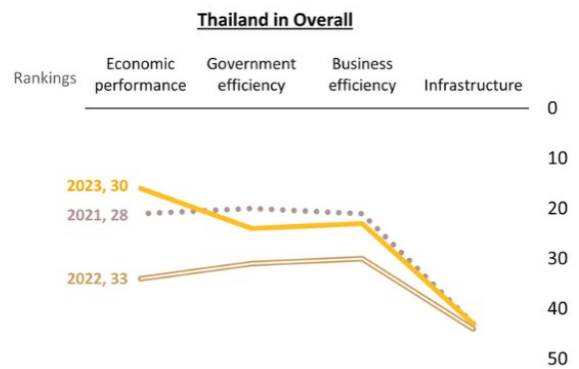
Source: Office of Transport and Traffic Policy and Planning, as of March 2023
Note: * Action Plan on Thailand Logistics Development 2023-2027, Ministry of Transport

The business environment

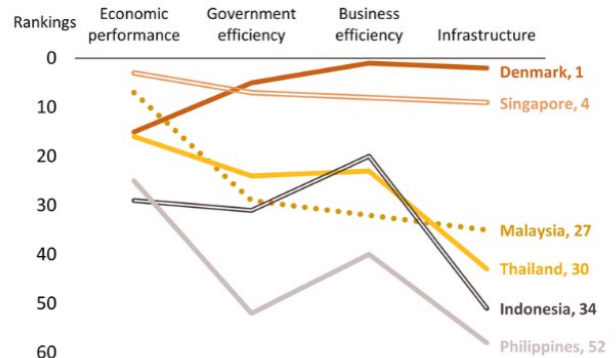
Structural problems are blunting Thailand's competitiveness
Thailand's competitiveness improved in 2023 relative to its level a year earlier, as measured by the IMD World Competitiveness Ranking of 64 countries, and overall, the country's position rose from 33 to 30 on across-the-board improvements. Under **Economic Performance**, Thailand jumped from 34th to 16th (Figure 12) thanks to improved scores for international investment, where FDI inflows surged 56% to more than THB 130 billion, and international trade (including services), where Thailand benefited from the reopening of the country to foreign arrivals and the resulting rapid rebound in the tourism sector. For **Government Efficiency and Business Efficiency**, increases in the rankings were slightly less marked, with the country going from respectively 31st to 24th and 30th to 23rd. Improvements were recorded under institutional frameworks and business legislation, and in business productivity and efficiency, **but in the infrastructure category**, Thailand edged up just a single place to 43rd. Here, Thailand's technological infrastructure improved, but in other areas, Thailand's performance remains poor, and low rankings continue to be seen in science (39th), health and the

environment (53rd), and education (54th). In contrast, the highest-ranking countries of Denmark, Ireland, and Switzerland all have deep-rooted institutional frameworks and strong education systems, and so it is imperative that the country makes better progress in these areas. Thailand's competitiveness is also lagging behind some of its ASEAN peers, including Singapore (down to 4th from 3rd) and Malaysia (up from 32nd to 27th).

Figure 12: Ranking of Thailand's Competitiveness



Thailand vs. Major ASEAN (2022)

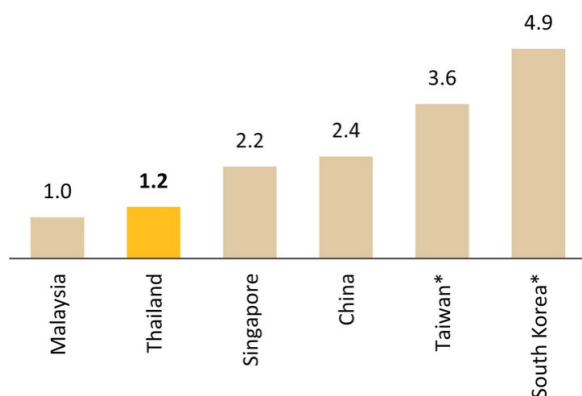


Source: The World Competitiveness Ranking (2023), Institute for Management Development (IMD)

Going forward, investment in research and development (R&D) will have a major impact on sharpening national competitiveness. Unfortunately, data for 2021, the latest available, show that spending on R&D slipped to 1.2% of gross domestic product (GDP), down from 1.3% in 2020. Compared to many of Thailand's competitors, this is very low (Figure 13), and R&D spending remains far off the 2027 target of 2% of GDP. **To help address these problems, investment needs to be accelerated, especially in new industries such as electric vehicles and future food that are dependent on the development of new technologies. This would then help to drive increased spending on R&D, which would in turn build Thailand's competitiveness over the long term**

and help to shore up the country's commercial and industrial base at a time when the outlook for the international environment is uncertain and subject to change.

Figure 13: Expenditure on R&D (% of GDP)



Source: IMD 2023 (World competitiveness ranking 2022), by country
The Office of National Higher Education Science Research and
Innovation Policy Council (NXPO)

Note: * Data as of 2021 in South Korea and 2020 in Taiwan

The potential impacts on business of changes to the regulatory environment

- **Manufacturing**

- **Duties are being waived on imports used in the assembly of battery-powered autos and boats.** These measures will run between March 7, 2023 – December 31, 2025, and will apply to battery traction motors, EV compressors, battery management systems, drive control units, on-board chargers, DC/DC converters, inverters and PCU inverters, and reduction gears. It is hoped **that this will help to stimulate the domestic production of BEVs and so sharpen the competitiveness of Thai BEV manufacturing supply chains.**
- **As part of its Circular Economy Action Plan, the EU has revised its regulations governing the sale of batteries, and from July 1, 2024, batteries sold in the EU that are used in EVs, laptops, tablets, smartphones, and industrial applications will need to accept standard chargers and to display their carbon footprint. Thai battery manufacturers will thus need to adapt their products to meet the new EU rules if they are to maintain their customer base.**
- **The US is imposing punitive duties on imports of solar cells from Thailand, Malaysia, Vietnam, and Cambodia** following an investigation into circumvention

of anti-dumping and countervailing duties slapped on Chinese exports. Chinese producers are now accused of avoiding these measures by relocating production facilities to these Southeast Asian nations, and so with effect from June 2024, duties of 16-254% will be put on Thai solar cells imported into the US (Thai exporters' most important market). According to Mordor Intelligence's forecast, the market value of solar energy in US will grow at an average of 16.5% CAGR, during 2023-2025, and so **this will cause Thai manufacturers to lose market share, most obviously to competitors from South Korea** (the 4th most important supplier to the US market) since these will be exempt from these additional duties. **Thai exporters dependent on the US market will thus need to prepare themselves for a challenging time since although policymakers are looking to build energy security** by increasing the supply of electricity from alternative sources, especially from solar, it is also possible that the US will issue additional measures to further cut dependency on Chinese solar product supply chains.

- **The anti-dumping committee has approved the imposition of anti-dumping measures on imports of hot-rolled and flat-rolled steel products** from Brazil, Iran and Turkey of respectively 34.4%, 7.3-38.3% and 6.9-38.2%, which will be levied on CIF (cost, insurance and freight) prices. These measures will be in place for 5 years, running from June 2023 to June 2028, though three categories of imports will be exempt: (i) imports for use or export from free trade zones as established in the law on the Industrial Estate Authority of Thailand; (ii) imports made by companies that have received investment support from the BOI for the purposes of import and export; and (iii) imports for use in exports as per the relevant customs law. **These measures will likely keep prices for imported steel elevated, and these increases may then be passed through into higher production costs, especially for auto manufacturers and manufacturers of electrical appliances.**
- **The Thai Industrial Standards Institute (TIS) has announced a further seven categories of electrical and electronic goods for which standards will be controlled,** with effect from 2024-2025. These are: (i) electrical skincare and haircare products; (ii) electric frying pans and deep fryers with a capacity of up to 5 liters; (iii) air conditioning units; (iv) hot- and cold-water dispensers; (v) domestic electrical

switches; (vi) low voltage switching gear and components; and (vii) three-phase induction motors. **These measures will help to improve consumer safety and reduce the volume of substandard imported goods.**

- **The sugar tax due on non-alcoholic drinks is being raised to help increase consumer awareness of the dangers of excessive consumption of sweetened beverages.** The tax rate is calculated on the value of the product and its sugar content, though the rate has steadily been ratcheted up. To date, two rounds of increases have been completed (starting in 2017) and the third round of increases will run from April 1, 2023, to March 31, 2025. Following this, the fourth and final round of increases will run from April 1, 2025 onwards. **This will raise costs for manufacturers adding significant amounts of sugar to their products, and this may then be passed on to consumers in the form of higher prices.**
- **Energy and the environment**
 - **Plans to overhaul the energy sector and transition to a carbon-neutral economy will begin to come into effect in 2024.** This will consist of: (i) the 2022 Power Development Plan (PDP 2022); (ii) plans to manage gas supply; (iii) the Alternative Energy Development Plan (AEDP); (iv) the Energy Efficiency Plan (EEP); and (v) plans to manage oil supply. Overall, the goal is for Thailand to hit carbon neutrality by 2050 and net-zero GHG emissions by 2065, and so the authorities hope **that the implementation of these plans will accelerate investment in these areas by businesses active in electricity production, natural gas exploitation and importation, and oil refining.**
 - **Amendments to the Power Development Plan** (changes to the 2022-2037 plan should be completed in 2024) **and the 2018 Alternative Energy Development Plan** will, through the use of feed-in tariffs, increase the supply of electricity from private-sector alternative sources over 2022-2030. **In particular, investment and generating capacity will expand in:** (i) power sources for which inputs do not carry a cost, e.g., biogas, solar farms, and solar farms coupled with energy storage units; and (ii) industrial waste to energy schemes.
 - **The EU's new Carbon Border Adjustment Mechanism (CBAM)** entered its initial transitional period on October 1, 2023. From this date, exporters to the EU of goods in six

product categories (cement, electricity, fertilizer, iron and steel, aluminum, and hydrogen) will need to report the embedded emissions of these, though at this initial stage, verification will not be necessary, and no carbon fees will be levied. **However, full enforcement of the CBAM will begin on January 1, 2026, when exporters will need to begin reporting the carbon footprint of their products as verified by a licensed auditor. Exporters may also have to pay the price of their products' embedded emissions.** Thai exporters thus face the prospect of higher costs relating to carbon emissions, though this will particularly affect exporters of aluminum and iron and steel, since these are carbon-intensive products and a relatively high proportion of exports goes to the EU. The net effect of this may then impact the competitiveness of Thai companies.

- **The EU's Deforestation Regulation (EUDR)** has established new laws requiring that importers and exporters of 7 products (rubber, oil palm, cattle, wood, coffee, cocoa, and soy, together with goods manufactured from these such as gloves and wooden furniture) will need to demonstrate that any products placed on or exported from the EU market are deforestation-free. These rules came into effect on June 29, 2023, but the EU postponed enforcement to December 30, 2024, for non-SMEs and to June 30, 2025, for SMEs. With the EU having an 11.5% share of exports in 2022, **rubber will be the most seriously affected Thai export, followed by wood and palm oil.**
- **The US authorities are in the process of drafting the Clean Competition Act (CCA),** which will both establish a carbon pricing mechanism to be applied to US-based production and determine the operations of the US's own CBAM. These measures will apply to energy-intensive products including fertilizer, hydrogen, cement, iron and steel, fossil fuels, refinery products, petrochemicals, adipic acid, glass, paper and paper pulp, and ethanol. It is expected that the law will come into effect in 2026.
- **The International Civil Aviation Organization (ICAO) is introducing the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)** for all 193 member states, including Thailand, and this will require that these establish mechanisms for reducing carbon emissions. The latter will include developing new low-carbon technology, overhauling business practices, and making greater use of sustainable aviation fuel (SAF), but where emissions cannot be reduced, members will need to offset these against carbon

credits. **The CORSIA measures will be enforced on a voluntary basis over 2024-2026, but from 2027 onwards, compliance with these will be compulsory.**

- **In Thailand, the authorities are drafting the Climate Change Act.** This is currently under revision, but its key provisions require that businesses report their carbon emissions and set targets for taking action. The law will also promote the establishment of a carbon market, **thus encouraging stakeholders at all levels to take concrete action towards lowering emissions and meeting the 2065 net zero target.** The Department of Climate Change and Environment (formerly the Department of Environmental Quality Promotion) will be responsible for enforcing the law.
- **The Bank of Thailand is working with public- and private-sector stakeholders to develop ‘Thailand Taxonomy’,** a classification of businesses according to their environmental impacts. This will then provide a framework for use by the financial sector to efficiently allocate sustainable finance. As of June 2023, the Thailand Taxonomy was completed for the energy and transportation sectors. Going forward, the work will be extended to include other parts of the economy, including manufacturing, agriculture, the provision of potable water, wastewater treatment, and water quality restoration, where its completion will help companies plan and execute business transformation more effectively. Alongside this, the financial sector will be able to use the taxonomy to guide the development of new financial products such as green bonds, green loans, green asset-backed securities, and green indices, **thereby boosting the credibility of Thai businesses on the global stage.**
- **The Department of Industrial Works is preparing to ban the use of dichlorodifluoromethane (HCFC-141b),** which is generally used in the manufacture of spray foam. The ban will come into force on January 1, 2024, and in place of this, manufacturers will need to use hydrofluoroolefins (HFOs), which do not damage the ozone layer. In addition to protecting the environment, the ban will also help to slow climate change and so this is forming part of Thailand’s plan to reduce the release of greenhouse gases by -40% by 2040

for hotel businesses B.E. 2566 (2023 AD), on August 30, 2023. These regulations establish construction standards for building structures to ensure a safe environment for businesses providing accommodation services. This is aimed at reducing unauthorized modifications to buildings that have not met the standard for hotel services. These regulations may incur additional costs but will enhance confidence in safety for travelers.

- **Construction**
 - **Officials have revised the ministerial regulations on the standards governing the use of construction materials and so these have been brought close into line with current conditions and international standards.** These cover the materials used for interior and exterior coverings, roofing materials, windows, and gypsum panels. The new regulations will come into effect in March 2024, and their introduction will increase both the durability of structures and the safety of users. However, to meet these new standards, **manufacturers of construction materials will need to adapt their production processes and technology, while contractors will need to exercise greater care in matching materials to the type of structure being built.**

Krungsri Research sees the macroeconomic factors described above presenting both opportunities and challenges to businesses and industry, and companies will thus have to adapt rapidly to changing macroeconomic and social conditions. Players will also have to adjust to a regulatory framework that is evolving as the authorities look to build a robust foundation for businesses and create an environment conducive to long-term sustainable growth.

- **Services**

- **Hotels**

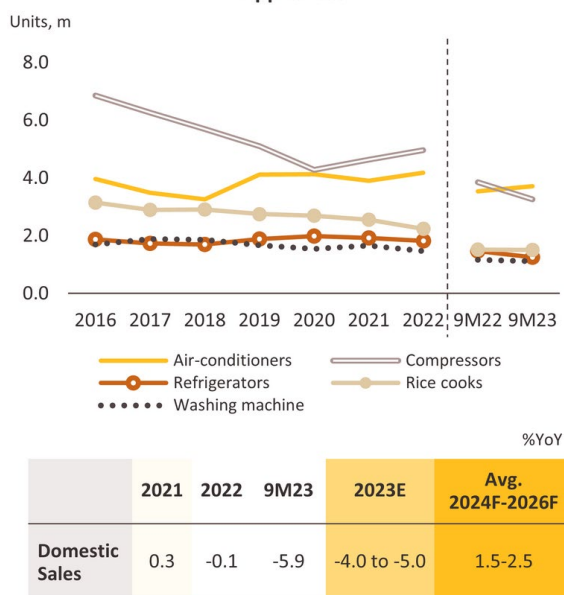
- **The government issued regulations specifying the characteristics and security systems of buildings used**

Overview of the Electrical Appliances industry in 2023 and trends in 2024

Situation in 2023

- **Production slipped -6.0% YoY to 38.38m units in 9M23, in accordance with a -5.9% YoY contraction in domestic sales to 10.86m units** as rising inflation and high levels of household debt eroded consumer spending power and the housing market remained sluggish (-19.9% YoY decrease in units sold), though the rebound in the tourism sector and hotter than normal weather boosted sales of air-conditioning units by 5.1% YoY. Comparison with the 2021-2022 high baseline together with the ending of lockdowns and the return of life to normal in overseas markets also meant that export value fell -1.2% YoY.
- These factors, especially the continuing sluggishness of overall housing market, will continue to drag on the market through Q4, and although government measures to stimulate the tourism sector (especially, allowing visa-free travel for tourists from major markets) may encourage hotels and some businesses in other tourism-related parts of the economy to spend on new appliances in response to increasing arrivals, these measures are only temporary and so their effects will be limited. **For all of 2023, domestic production and distribution will therefore slip by between -4.0% and -5.0% YoY, while sales into export markets will be down by between -1.0% and -2.0% YoY.**

Figure 1: Domestic Sales for Selected Electrical Appliances



Source: Office of Industrial Economics (OIE), Forecast by Krungsri Research
Note: Survey by OIE: covering only electrical appliances which are produced in Thailand.

2024-2026 Outlook

- Production should expand in the coming period, helped by increased access to chips and the clearing of supply chain bottlenecks, and indeed, approvals for investment support for inflows into the electronics and electrical appliance industry increased 211.8% to a total of THB 163bn over 9M23. Sales in domestic market tends to increase on a strengthening economy, a better outlook for the residential property market, and continuing growth in the tourism sector. Exports will also expand, helped by cooling inflation and the acceleration in the global economy, as well as by the need to replace appliances again following the bulge in sales during the pandemic. These tailwinds will then lift the production and domestic sales to grow at a similar rate of 1.5 - 2.5% annually and boost export value by 2.0-3.0% per year.

Figure 2: Electrical Appliance Exports



Source: Ministry of Commerce (MOC), Forecast by Krungsri Research

Overview of the Construction Contractors industry in 2023 and trends in 2024

Situation in 2023

- **Overall spending on construction rose 3.0% YoY through 9M23** to a total of THB 1.1trn. The majority of this came from the public sector, which rose 2.5% YoY to THB 645bn. 81% of the latter was for investments in infrastructure projects, a rise of 1.5% YoY, though this went only to ongoing works and ground was not broken on any new megaprojects in the period. Private-sector spending on construction increased 3.6% YoY to THB 453bn on a rise in investment in non-residential accommodation which expanded 3.9% YoY (47% of all private-sector spending on construction) thanks to construction of

factories, office buildings, and commercial building which would facilitate potential investment expansion. Construction of residential real estate grew 3.4% YoY following investment plans, especially locations in which are adjacent to mass transit lines.

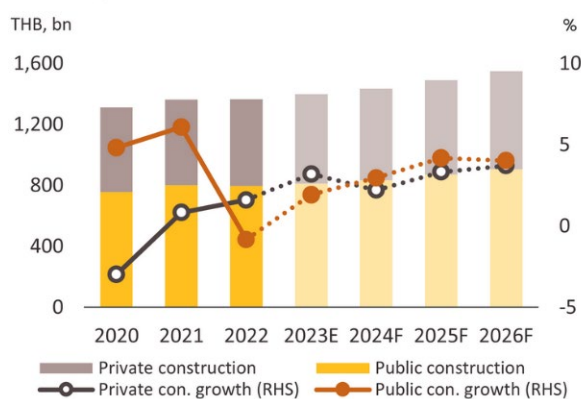
- **For the rest of 2023, growth in spending on construction is likely to slow.** Although overall construction investment will continue to grow, the growth would be limited by (i) waiting for clearer policy on the budgets for public construction investment that may cause some infrastructure projects to be delayed; (ii) the high cost of oil which pushed up construction material prices and transportation costs; (iii) labor shortages which continued to delay completion or abandonment of some projects; and (iv) an unclear path to recovery of residential projects and construction. Therefore, for all of 2023, total spending is expected to edge up by just 2.0-3.0%, rising 1.5-2.5% for the public sector and 2.5-3.5% for private sector.

2024-2026 Outlook

- **Overall spending on construction should grow by 3.0-4.0% annually,** helped by an acceleration in work on government megaprojects, in particular those connected to the development of the EEC.
 - **Public-sector spending on construction is expected to rise by 3.5-4.0% per year over 2024-2026** on an increase in budget allocations made to both ongoing and new infrastructure megaprojects, as per the 2023-2027 action plan. This will include a pick-up in the pace of work on phases 1 and 2 of the twin-track railway and on new sections connecting to industrial estates and border regions. However, work on many EEC projects is behind schedule, including phase 3 of the Laem Chabang Port development (40% behind schedule as of April 2023) and the high-speed rail-link connecting the 3 airports, for which work should begin in 2024. Progress is most advanced on phase 3 of the Map Ta Phut Port development (60% complete as of August 2023), which should be operational by 2027 as planned.
 - **The value of private-sector construction is forecast to expand by 3.0-3.5% per year.** Activity will be lifted by greater investment in new factories on EEC industrial estates and in new hotels, which will be built to meet rising tourist numbers. Supply gluts will also clear and so the residential segment will rebound, especially in the EEC and in important provincial centers

- **Large contractors will maintain their advantages over SMEs thanks to their ability to engage in competitive bidding on contracts and to negotiate from a position of strength when dealing with suppliers.** By contrast, SMEs will continue to be dependent on sub-contracting for large players, and so their income will be highly uncertain. To increase their chances of winning public sector and large private-sector contracts, operators, and in particular large contractors, will work hard to cut costs and to speed up project completion times, though players will continue to be troubled by labor shortages and the high cost of materials.

Figure 1: Construction Investment Value



| % YoY | 2022 | 2023E | 2024F | 2025F | 2026F | 2024F-2026F |
|---------|------|---------|---------|---------|---------|-------------|
| Public | -0.8 | 1.5-2.5 | 3.0-3.5 | 4.0-4.5 | 4.0-4.5 | 3.5-4.0 |
| Private | 1.6 | 2.5-3.5 | 2.0-2.5 | 3.0-3.5 | 3.5-4.0 | 3.0-3.5 |
| Total | 0.2 | 2.0-3.0 | 2.5-3.0 | 3.5-4.0 | 4.0-4.5 | 3.0-4.0 |

Source: Office of the National Economic and Social Development Council (NESDC), Forecast by Krungsri Research

Table 1: Some Megaprojects of Action Plan for Thailand's Logistics Development (2023-2027)*

| Project | Timeline | Progress |
|---|-----------|-----------------|
| 1) Double Track, Phase 1 | | |
| - Lopburi - Pak Nam Pho | 2018-2024 | In progress |
| - Mab Kabao - Jira Junction | 2018-2026 | In progress |
| - Nakhon Pathom - Hua Hin | 2018-2024 | In progress |
| 2) Double Track, Phaes 2 | | |
| - Khon Kaen - Nong Khai | 2023-2027 | Not yet started |
| - Den Chai - Chiang Mai | 2023-2027 | Not yet started |
| - Surat Thani - Hat Yai - Song Khla | 2023-2027 | Not yet started |
| - Hat Yai - Padang Besar | 2023-2028 | Not yet started |
| 3) High-speed Rail | | |
| - Connecting three airports, Phase 1 (Don Mueang - Suvarnabhumi - U-Tapao) | 2022-2028 | In progress |
| - Connecting regions, Phase 1 (Bangkok - Nakhon Ratchasima) | 2018-2026 | In progress |
| 4) Laem Chabang Port, Phase 3 (Inpart of Port Authority of Thailand's investment) | 2023-2027 | In progress |
| 5) National Highway Network | 2023-2027 | In progress |
| 6) Enhancing Airport Capacity to Connect Transportation Networks | 2023-2029 | In progress |

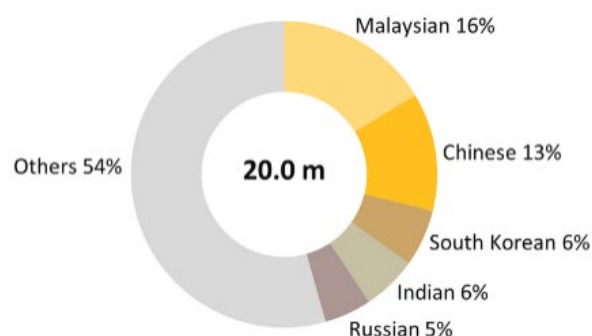
Source: Office of Transport and Traffic Policy and Planning, as of March 2023
Note: * Action Plan on Thailand Logistics Development 2023-2027, Ministry of Transport's projects

Overview of the Hotels industry in 2023 and trends in 2024

Situation in 2023

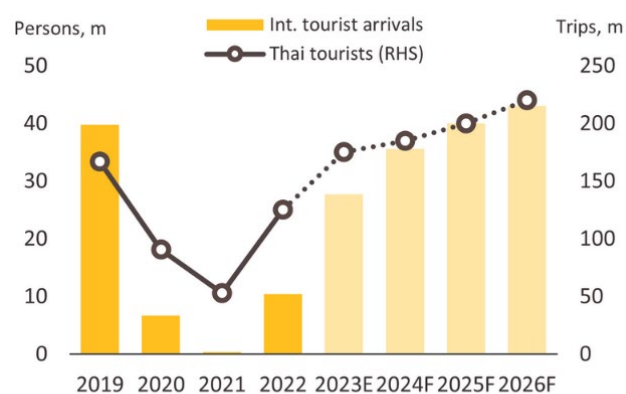
- 20.0m foreign arrivals were recorded in 9M23**, up from 5.7m in 9M22. This growth was helped by: (i) the move by the Chinese authorities to relax controls on outbound tourism from the start of the year; and (ii) the rebound in the Malaysian market, which benefited from Thailand's low costs relative to other destinations. However, arrivals are still only 67% of their 9M19 level of 29.5m. The most important source of arrivals was Malaysia, with 3.3m tourists (111% of 9M19 arrivals), followed by China with 2.5m tourists (29% of the 9M19 level), and South Korea with 1.2m arrivals (86%). Through the same period, the large number of 3-day holidays and phase 5 of the We Travel Together program (from March 7 to April 30, 2023) helped to stimulate the domestic market, and so in 9M23, Thai tourists made a total of 128.2m domestic trips (up 23.3% YoY).
- Occupancy rates rose from 43.1% in 9M22 to 67.8% in 9M23**, though this was still below 9M19's 71.2%. Room rates also jumped 44.4% YoY, pushing up RevPAR by 127.9% YoY to THB 973, compared to THB 1,224 in 9M19.
- Over 7M23, nationwide applications for permits for the construction of new hotels contracted -22.2% YoY** to a total of 0.59m sq.m., though in Bangkok (17% of all applications made nationwide), the decline was -77.6% YoY. However, in Chonburi, applications increased 22.6% YoY as hoteliers planned for an expected additional demand from both the industrial and tourism sectors in EEC.
- For the remainder of 2023, foreign arrivals should continue to strengthen**, helped by the introduction of visa-free travel for: (i) Chinese and Kazakh Arrivals between 25 September 2023, and 29 February 2024; and (ii) Indian and Taiwanese arrivals between 10 November 2023, and 10 May 2024. However, the Chinese economy remains troubled and so the impact of these measures may be limited, while growth will also be constrained by the fact that there are still fewer flights from China to Thailand than in 2019. Over the short term, the market will also be disrupted by the short-term impact from mass shooting in a Bangkok shopping center on 3 October. For all of 2023, a total of 27.7m foreign arrivals is expected (+148.4%), while Thai travelers are forecast to make 175m domestic trips (+16.2%). This will then lift the occupancy rate from 2022's 47.9% to 68.5%.

Figure 1: International Tourist Arrivals (9M23)



Source : Ministry of Tourism and Sports (MOTS)

Figure 2: Tourist Numbers in Thailand



| | 2021 | 2022 | 2023E | 2024F | 2025F | 2026F |
|-------------------------------|-------|----------|-------|-------|-------|-------|
| No. of international tourists | -93.6 | -2,493.0 | 148.4 | 28.5 | 12.6 | 7.2 |
| No. of Thai tourists | -41.4 | 183.9 | 16.2 | 5.7 | 8.1 | 10.0 |

Sources : MOTS, BOT

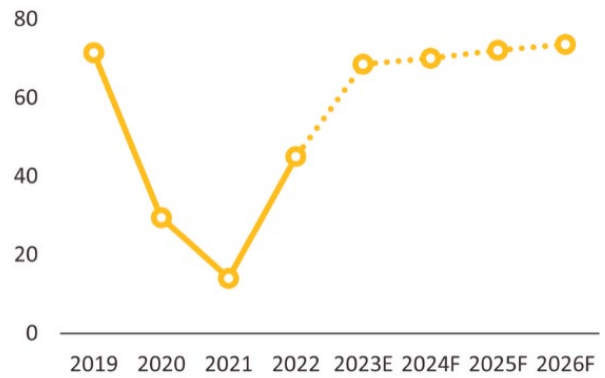
Note: Forecast by Krungsri Research

2024-2026 Outlook

- Conditions will continue to improve thanks to growth in foreign arrivals that is expected to hit 35.6m, 40m, and 43m over each of the next three years.** While geopolitical tensions will weigh on the market (most recently with fighting in the Gaza Strip), growth will be supported by: (i) gradual strengthening in the main markets, although in the case of China, unfavorable economic conditions will convince many potential tourists to travel domestically; (ii) the return of flight schedules to normal; and (iii) ongoing efforts by the government to promote tourism, for example by extending visa-free travel for Russian arrivals from 30 to 90 days (from 1 Nov.2023, to 30 April 2024). Likewise, the number of domestic trips should rise to 185m in 2024, 200m in 2025, and 220m in 2026, partly due to ongoing

- government measures to stimulate the market. Given this, the hotel occupancy rate is expected to rise to 70% in 2024, 72.0% in 2025, and 73.5% in 2026.
 - **Hotels in major tourist destinations (Bangkok, Pattaya, and Phuket):** Income will rise rapidly with the overall growth in the market, and given increasing arrivals, average occupancy rates may reach 80%.
 - **Hotels in tourist destinations and regional centers:** Income will steadily strengthen as the market expands and the government rolls out stimulus packages targeting the tourism industry.
 - **Hotels in other provinces:** Income will likely remain flat and occupancy rates will stay relatively low since these hotels generally serve as stop-offs for visitors en route to tourist areas or regional centers.

Figure 3: Occupancy Rate (%)



Sources : MOTS, BOT, Forecast by Krungsri Research

Source : Krungsri Research

Data Research: January 10th, 2024

Procurement

Procurement and Sources of Raw Materials

The main raw materials for the production of the company are copper tube, aluminum and galvanized sheet. The company purchases raw materials from both domestic and international distributors. The Company has a proportion of purchasing raw materials from domestic and abroad during the year 2021 - 2023 at the rate of 55.18 : 44.82; 37.56 : 62.44 and 57.00 : 43.00 respectively.

The company is increasingly reliant on foreign raw materials, especially importing raw materials from China as cheaper than domestic. As a result, the proportion of raw material imports increased. The company mainly imports raw materials from China.

Portion of Raw Material Purchases from Domestic and Import in 2021 – 2023.

| | 2021 | | 2022 | | 2023 | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | million baht | % | million baht | % | million baht | % |
| • Domestic | 365.85 | 55.18 | 201.93 | 37.56 | 122.40 | 57.00 |
| • Import | 297.12 | 44.82 | 335.76 | 62.44 | 92.34 | 43.00 |
| Total | 662.97 | 100.00 | 537.69 | 100.00 | 214.74 | 100.00 |

The Company has a policy to purchase raw materials by considering the following factors:

- Prices and trends of raw material especially copper and aluminum prices which are commodity products that the price will change according to the world market. The company has a policy to stock raw materials for approximately 2 months usage. Recently, the Company purchases raw materials from few large suppliers which the company has ordered from each at a large amount in order to get discount, volume discount, as well as to increase the bargaining power with each supplier. Regularly distribute to other distributors in order to prevent the risk of relying on a few large distributors.
- Quality of raw materials, The Company has a Quality Control unit to inspect raw materials quality from each sources to ensure the quality is met.
- Exchange rate Because the company has imported some raw materials. Therefore, the company will closely monitor the movements of the major currencies in order to prevent potential risks.
- Lead time for delivery, for domestic suppliers would take approximately 1 month to deliver the goods, while importing from abroad would take approximately 2-3 months. The company therefore set purchasing plan in advance based upon production plan by software program system to make the most effective plan.
- The company will focus on maintaining good relationship with all raw material suppliers by making regular contact with raw material suppliers in order to prevent risk of finding alternative raw material sources in case of shortage or the current supplier unable to provide raw materials to the Company according to the quantity ordered. As being a large coil manufacturer with a large order quantity coupled with the company's reputation in the air conditioner industry, the company has more bargaining power in purchasing raw materials.

Company's raw material purchase volume can be summarized as follows:

| | 2021 | | 2022 | | 2023 | |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | million baht | % | million baht | % | million baht | % |
| • copper tube | 366.37 | 65.11 | 342.11 | 63.63 | 148.95 | 69.36 |
| • aluminum | 145.24 | 25.81 | 145.24 | 27.01 | 48.61 | 22.64 |
| • galvanized sheet | 51.06 | 9.07 | 50.35 | 9.36 | 17.18 | 8.00 |
| • other | - | - | - | - | - | - |
| Total | 562.67 | 100.00 | 537.70 | 100.00 | 214.74 | 100.00 |

From the above table, it can be seen that the Company has 3 main raw materials, namely copper tube, aluminum sheets and galvanized steel. The portion of raw material be purchased was divided into 69.36% for copper tube, 22.64% for aluminum sheets, and 8.00% for galvanized sheets for production use.

Details of main raw materials of the company are as follows:

1. Copper Tube

Copper tube is a main raw material in coil manufacturing. The value of copper tube is approximately 52.65% of the total cost of raw materials used in coil manufacturing or accounted for 36.62% of the total cost of sales. The Company's purchasing costs of copper tube in 2021-2023 accounted for approximately 65.11%, 63.63% and 69.36% of the total raw material purchases, respectively.

Usually, the company purchases copper tube from both domestic and overseas. Based on quality, copper prices (referring to world market prices at the London Metal Exchange) and delivery times, in 2023 the price of copper has decreased from \$8,954.00 at the beginning of the year to \$8,394.11 during December or equal to an decrease of 6.25%

Table 1: Average Monthly Price of Copper in the World Market in 2023 Compared to 2022

| Monthly Average | Price (\$US) | | Change from Prior year %Increase (Decrease) |
|-----------------|--------------|-----------|---|
| | 2023 | 2022 | |
| Jan | 8,954.00 | 9,775.93 | (8.41) |
| Feb | 8,955.20 | 9,941.35 | (9.92) |
| Mar | 8,835.22 | 10,237.59 | (13.70) |
| Apr | 8,814.00 | 10,183.13 | (13.45) |
| May | 8,234.28 | 9,362.81 | (12.05) |
| Jun | 8,386.23 | 9,033.13 | (7.16) |
| Jul | 8,445.26 | 7,529.79 | 12.16 |
| Aug | 8,351.77 | 7,960.98 | 4.91 |
| Sep | 8,270.86 | 7,734.70 | 6.93 |
| Oct | 7,939.66 | 7,621.21 | 4.18 |
| Nov | 8,173.95 | 8,029.95 | 1.79 |
| Dec | 8,394.11 | 8,367.23 | 0.32 |

source: London Metal Exchange

In order to receive a discount from the bulk order quantity, the company purchases copper tube from a few major distributors. In 2023, the company purchased copper tube from three major distributors, accounting for 55.12% of the total copper tube ordered volume which in this portion is of a main supplier up to 21.79% of the total copper ordered volume.

From the implementation of the said purchasing policy, besides of getting discount but also results in the company having more

bargaining power with distributors especially in terms of speed of delivery. Moreover, the purchase of copper tube from large and distinguished manufacturer, will give the Company's customers more confidence in the quality of the raw materials. However, the company still maintain relationship with other distributors to prevent the problem of relying on a single supplier of raw materials by diversifying the purchase of copper tube to other distributors with similar trade terms to those major distributors. The company was able to partially reduce its dependence on large distributors by importing from additional distributors from China which offer cheaper prices.

2. Aluminum

Aluminum is another important raw material used in coil manufacturing. The value of aluminum is approximately 19.64% of the total cost of raw materials used in coil manufacturing or equivalent to 13.66% of the cost of sales

In 2021, the Company's aluminum purchase volume accounted for 25.81% of total raw material purchases, 27.01% in 2022 and 22.64% in 2023.

Aluminum will be processed into fins to act as a medium for dissipating heat or cooling. Mostly, the company purchases aluminum from both domestic and abroad, which be checked of quality to ensure that the raw materials meet the standards specified by the company, to be able to control the cost and time of the order to meet the needs.

Table 2: Average Monthly Price of Aluminum in the World Market in 2023 Compare to 2022

| Monthly Average | Price (\$US) | | Change from Prior year %Increase (Decrease) |
|-----------------|--------------|----------|---|
| | 2023 | 2022 | |
| Jan | 2,489.02 | 3,003.08 | (17.12) |
| Feb | 2,417.28 | 3,260.83 | (25.87) |
| Mar | 2,290.11 | 3,537.85 | (35.27) |
| Apr | 2,341.00 | 3,256.58 | (28.11) |
| May | 2,267.60 | 2,826.36 | (19.77) |
| Jun | 2,181.07 | 2,562.93 | (14.90) |
| Jul | 2,152.38 | 2,401.57 | (10.38) |
| Aug | 2,134.16 | 2,431.32 | (12.22) |
| Sep | 2,177.50 | 2,229.91 | (2.35) |
| Oct | 2,192.45 | 2,243.29 | (2.27) |
| Nov | 2,202.23 | 2,335.27 | (5.70) |
| Dec | 2,174.29 | 2,394.88 | (9.21) |

source: London Metal Exchange

The Company purchases aluminum from 3-5 distributors, which is purchasing from one large distributor in the country who is the sole manufacturer of Coated Aluminum in the country.

By that, it is causing the company to rely on such manufacturer. The company decided to buy from such a small number of distributors, due to large volume orders will increase bargaining power with distributors. That could ensure if there is a shortage of aluminum, the company will be delivered of the goods before the others. However, the company would still place order from other suppliers for normal type of aluminum to reduce shortage risk. In 2023, the company did order from 3 major distributors, accounting for 60.30% of the total aluminum orders. Among that, the company relied on the largest aluminum supplier for 24.85% of its total aluminum purchases.

3. Galvanized Sheet

Galvanized plate is used to cover header and end of coils. The galvanized sheet is worth approximately 7.14% of the total cost of raw materials used in coil manufacturing or 4.97% of the cost of sales. The company has orders galvanized sheets, accounting for 9.07%, 9.36% and 8.00% of the total raw material purchases in 2021-2023.

However, reliance on few distributors does not create much of a risk to the company's ability to procure, as it is a relatively easy to find galvanized sheet with no different in quality. Therefore, the company can easily change to order from other distributors and to find another suppliers.

Production Capacity and Production Output

Details of production capacity production output and capacity utilization rate in 2021-2023 of the Company can be summarized as follows:

| DETAILS | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|
| Production Capacity (square inches per year) | 1,200,000,000 | 1,200,000,000 | 1,200,000,000 |
| Production Output (square inches) | 546,327,100 | 449,865,240 | 241,763,335 |
| Capacity Utilization Rate (percent) | 45.53 | 37.49 | 20.15 |

The Company's annual production capacity is assessed from the ability to run machines to produce coils regardless of other factors such as the size and type of coil produced by the time, the skill and expertise of the staffs including time to adjust the machine. However, in the actual production process all machines are not operating at the same time, because each machine could produce limit pattern of coils, for example, each fin stamping machine has the ability to produce different pattern, which means different in the size of the channel used for threading copper tube, spacing of each row of copper tube, the nature of forming, etc. In addition, the company being a manufacturer who make to orders, therefore, if the customer orders a large number of the same product pattern, which must use the same fin machine, there may be cause a waiting line of the machine while the other machines may not even run.

However, in order to maximize usage of the production capacity, the company has modified some of the machines that are not fully used to be able to produce pattern that is desired by customers. Moreover, the company has a policy to advice customers on product design to match with pattern of underutilized machines. The company has a make to order policy for production without pre-production because coils could be different in size and pattern especially most of the customers, which are air conditioner manufacturers, will not be able to confirm orders for a long time in advance as their products may need to adapt to change in order to compete in the market. However, with the efficiency of the company's production process, this allows the company to still be able to produce products and be able to maintain reliability in terms of quality and deliver to customers on time.

Assets

Important Characteristics of the Main Fixed Assets

As of December 31st, 2023, the Company and its subsidiaries have assets used in business as follows:

A. Land (which has obligations with financial institutions)

| Asset Type | Location, Type of License and Size | Ownership | Obligation | Net value (Separate) As of 31 Dec. 2023 | Objective in Holding Property |
|----------------|---|-----------|------------|---|---|
| A. Land | 1/1 Bangkoowad, Muang, Pathumtani 1 Title Deed Area 4-0-37 rai | Owner | Mortgage | 0.80 | Factory |
| | 5/1-3 Bangkoowad, Muang, Pathumtani 4 Title Deeds Area 0-1-56 rai | Owner | Mortgage | 2.09 | Head Office 3 ^{1/2} stories Building |
| | 526/1 Samut Prakan 10 title deeds Area 2-1-11 rai | Owner | Mortgage | 17.77 | Factory (Thepharak Branch) |
| | Other 2 title deeds Area 0-0-47 rai | Owner | Mortgage | 0.14 | commercial building (ASA House) |
| | 789/75 M.1 Pinthong Industrial Estate, Chonburi 4 title deeds Area 6-3-56.6 rai | Owner | Mortgage | 15.85 | Factory (Pinthong Branch) |
| | Muang, Pathumtani 1 title deeds Area 9-3-99.30 rai | Owner | Mortgage | 46.73 | Empty land |

Details of Asset Lease Agreement of the Company and Subsidiaries

As of December 31st, 2023, the Company and its subsidiaries has a long-term property lease agreement as follows:

1. Long-term land lease agreement from Mr. Kengsong Sakulcheepwattana for use as a warehouse. The rental period is 5 years, starting from July 17th, 2020 to July 17th, 2025 with a fixed monthly rental rate of 44,000 baht per month.
2. De Lamai Company Limited, a subsidiary Has entered into a long-term land lease agreement for 2 plots, No. 7919 and 7920, Maret Subdistrict, Koh Samui District, Surat Thani Province from Mr. Sutin and Mrs. Wandee Poolsawat to build and operate a hotel and resort named De Lamai, restaurants and tourism-related businesses, with a period of 26 years, starting from June 30th, 2005 to June 30th, 2031, with a total rental fee of 22 million baht, the land lease is payable in installments according to the land lease agreement. Currently, payment has been completed for 21,111,200 baht, remaining for the final installment (13th installment) in the amount of 888,800 baht.

B. Buildings and Structures

| Asset Type | Location, Type of License and Size | Ownership | Obligation | Net value (Separate) As of 31 Dec. 2023 | Objective in Holding Property |
|-----------------------------|--|-----------|------------|---|---------------------------------|
| B. Buildings and structures | 1/1 M 7 Bangkoowad, Muang, Pathumtani One 2 stories building | Owner | Mortgage | 1.05 | Head Office |
| | 5/1-3 M 4 Bangkoowad, Muang, Pathumtani One 4 stories building | Owner | Mortgage | 0.66 | Head Office |
| | 5/10-15 M 4 Bangkoowad, Muang, Pathumtani 3 ^{1/2} stories building 6 Rooms | Owner | Mortgage | 1.53 | Head Office |
| | 12/2 Bangkoowad, Muang, Pathumtani 1 warehouse building | Owner | None | 0.12 | Store of goods |
| | 526/1 Samut Pakarn | Owner | Mortgage | 1.78 | Factory (Thepharak Branch) |
| | Other 3 ^{1/2} stories building 2 rooms | | Mortgage | 0.00 | commercial building (Asa House) |
| | 789/75 M1 Nongkam, Chonburi | Owner | Mortgage | 9.77 | Factory (Pinthong Branch) |
| | 11, 11/1-4 Moo.2 Saibankhusa-Bantrok-muang Rd. | Owner | Mortgage | 17.75 | Investment property |

C. Machine, Equipment, Furnishings, Office Equipment and Vehicle

| Asset Type | Ownership | Obligation | Net value (Separate) As of 31 Dec. 2023 (million baht) |
|---|-----------|------------|--|
| Machine and Equipment | Owner | Mortgage | 14.62 |
| Machine and Equipment | Owner | - | 43.84 |
| Tools - Appliances | Owner | - | - |
| Machine and Equipment- work during installation | Owner | - | 1.34 |
| Furnishings, fixtures and office equipment | Owner | - | 0.63 |
| Vehicle | Owner | - | 3.64 |

Rights or Restrictions of Doing Business

The Company has received rights and benefits, investment promotion under the Investment Promotion Act B.E. 2520 in category 5.3, manufacturing business of parts or equipment used with electrical appliances, from operating factory at Pinthong Industrial Estate, Chonburi. The details are as follows.

| | |
|---------------------|--|
| BOI Certificate No. | 1864(2)/2548 |
| Type | Business of manufacturing parts or equipment used with electrical appliances |
| Approval date | August 17, 2005 |
| Promotion card date | September 23, 2005 |

Investment Policy in Subsidiaries and Associated Companies

The company will consider investing in businesses that support and benefit to the company's business or in a business that is in an industry that has a tendency to grow or a business that the company has expertise and proficient by which taking high concern in rate of return from that investment. The company will control and supervise by sending directors to act as representatives in subsidiaries according to their shareholding proportion. And if the subsidiary has a business that is significant impact on the company, the company will determine the method of supervision, such as determining the matters that must be approved by the Executive Committee meeting and the Board of Directors of the company, etc. In the case of investments in associated companies, the company will not take much control besides sending a representative from the company to be a director in that company according to the proportion of shareholding in that associated company.

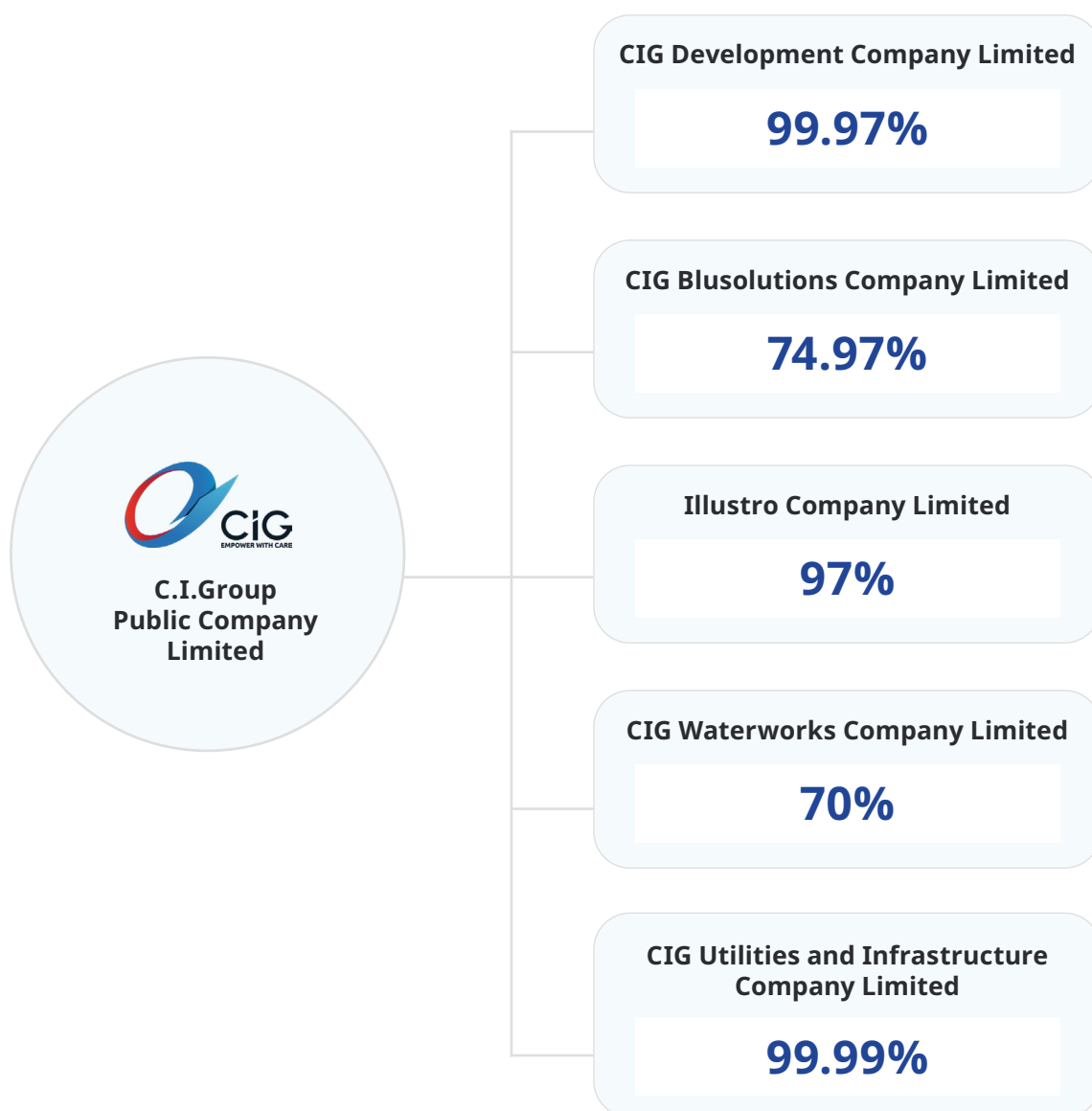
Investments in subsidiaries

| Company Name | Business Type | Paid up Capital (million baht) | % shareholding | Investment Cost (million baht) |
|---|---|--------------------------------|----------------|--------------------------------|
| CIG Development Co., Ltd. | Services business: hotel and auctions on construction contractor | 100.00 | 99.97% | 146.55 |
| Illustro Co., Ltd. | Testing service and install high voltage equipment | 2.50 | 99.40% | 2.47 |
| CIG Blusolutions Co., Ltd. | Research, development, produce and sell air-condition and all other refrigeration parts | 0.25 | 74.97% | 0.19 |
| CIG Waterworks Co., Ltd. | To operate water concession business to produce and distribute potable tap water | 1.25 | 70% | 0.87 |
| CIG Utilities and Infrastructure Co., Ltd. (Registration on September 14, 2022) | To investment in other business | 1.25 | 99.99 | 1.249 |

Disclosure of Appraisal Prices

In 2023, the Company did not conduct any asset appraisals. The Company summarizes the details of the land and buildings as of December 31st, 2023 as in Attachment 4.

Investment Structure of the Company and Subsidiary



The Company has 5 subsidiaries/ Associate which are:

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

C.I. Group Public Company Limited holds 999,680 ordinary shares with par value of 100 Baht or 99.97% of the paid up capital of CIG Development Co., Ltd. with THB100,000,000 registered capital, Registration Number 845547005846 which has two offices are (1) Head office: 1/1 Moo.7 Bangkoowad, A.Muang Pathumthani, Pathumthani. Business: Auction and construction contractor. (2) Branch: 171/4-9 Moo.4, Maret, Koh Samui, Suratthani. Business: hotel in Koh Samui under the name “Samayabura”. There are 1 director namely Mr.Bannat Nakaphan. The director who can sign to bind the company are: One director sign and seal with the company’s seal.



(2) Illustro Company Limited

C.I. Group Public Company Limited holds 97 ordinary shares with par value of 10,000 Baht or 97% of the paid-up capital of Illustro Co., Ltd. which is in services business who provide research on air-conditioning control and internet of thing (IOT) system and parts and other applications; high voltage equipment testing and installment service and new IT innovation. The company, registration No. 0135563001775, is located at 5/10 Moo.4 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000 with 5,000,000 Baht registered capital. There are 2 directors namely, Mr.Aree Poomsanoh and Mr.Wutthikorn Threewithayanon. The directors who can sign to bind the company are: Two directors jointly sign. and seal with the company’s seal.



(3) CIG Waterworks Company Limited

C.I. Group Public Company Limited holds 34,998 ordinary shares with par value of 100 Baht or 70% of the paid up capital of CIG Waterworks Co., Ltd which is to operate water concession business to produce and distribute potable tap water. The company, registration No. 0135564022946, is located at 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000. The company has registered capital of 5,000,000 Baht. There are 4 directors namely, Mr. Aree Poomsanoh, Mr. Komet Pechanunt, Mr. Panuwat Hongjaroen and Mr. Kittisak Powkaew. Authorized Directors who can sign to comply with the company are Mr. Aree Poomsanoh or Mr. Komet Pechanunt co-sign with Mr. Panuwat Hongjaroen or Mr. Kittisak Powkaew totally two persons and affix the company seal.

(4) CIG Utilities and Infrastructure Company Limited

C.I. Group Public Company Limited holds 499,997 ordinary shares with par value of 100 Baht or 99.99% of the paid-up capital of CIG Utilities and Infrastructure Co., Ltd. Which is to investment in other business. The company, registration No. 0135565024195, is located at 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000. The company has registered capital of 5,000,000 Baht. There are 4 directors namely, Mr. Aree Poomsanoh, Mr. Taweesak Wangkorkiat, Mr. Theera Poomsanoh and Mrs. Chankapaw Dissakul. The directors who can sign to bind the company are: Two directors jointly sign and seal with the company’s seal.

Associated Company through Subsidiary

(1) CIG Blusolutions Company Limited

C.I. Group Public Company Limited holds 7,497 ordinary shares with par value of 100 Baht or 74.97% of the paid up capital of CIG Blusolutions Co., Ltd. which is to provide research, development, production, assembly and distribution of air condition, parts of air condition and refrigeration including freezer, cold room and alike. The company, registration No. 0135563017671, is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Pathumthani, Pathumthani 12000. The company has registered capital of 1,000,000 Baht. There are 6 directors namely, Mr.Taweesak Wangkorkiat, Mrs.Chankapaw Dissakul, Mr.Sawai Chatchairunguang, Mr.Parkorn Tangnukulki, Mr.Anat Pinrat and Mr.Wichai Sintukanchanapan. The directors who can sign to bind the company are: Mr.Taweesak Wangkorkiat and Mrs.Chankapaw Dissakul and Mr.Sawai Chatchairunguang jointly sign with Mr.Parkorn Tangnukulki and Mr.Anat Pinrat and Mr.Wichai Sintukanchanapan total of two directors and seal with the company's seal.



Shareholders Structure

The list of 10 major shareholders as of December 21st, 2023 is as follow:

| Total Shareholders | | % Shares in Scripless Holding | |
|--------------------|--|-------------------------------|----------|
| 4,408 | | 74.53 | |
| Rank | Major Shareholders | # Shares | % Shares |
| 1. | Fin Leasing Company Limited | 300,000,000 | 10.92 |
| 2. | UOB KAY HIAN PRIVATE LIMITED | 244,190,476 | 8.89 |
| 3. | Masterkool International Public Company Limited | 235,555,556 | 8.58 |
| 4. | Asia Growth Opportunities (Thailand) Company Limited | 200,000,000 | 7.28 |
| 5. | Poomsanoh Group | | |
| | Mr. Aree Poomsanoh | 109,287,800 | 3.98 |
| | Miss. Alisa Poomsanoh | 15,126,300 | 0.55 |
| | Miss. Ananya Poomsanoh | 1,864,500 | 0.07 |
| 6. | Mr.Chanyutt Boonyagate | 100,078,000 | 3.64 |
| 7. | Thai NVDR Co., Ltd. | 82,157,095 | 2.99 |
| 8. | Mr. Supawit Chamniandamrongkarn | 53,500,000 | 1.95 |
| 9. | Mr. Chairat Kowitmongkon | 52,591,300 | 1.91 |
| 10. | Wangkorkiat Group | | |
| | Mr. Taweesak Wangkorkiat | 30,500,000 | 1.20 |
| | Mr. Nattapat Wangkorkiat | 12,000,000 | 0.44 |

Amounts of Registered and Paid up Capital

CIG Common Stock

On February 19th, 2021, the company registered the increase of paid-up capital with the Ministry of Commerce in the amount of 1,900 shares with a par value of 0.50 baht per share, representing a total increase of 950 baht in paid-up capital as of the holders of warrants to purchase ordinary shares of the Company No. 8 (CIG-W8) that was allocated 432,393,391 ordinary shares for the exercise of such warrants, but a total of 1,900 shares were exercised at par value 0.50 baht per share, causing the company's paid-up capital to increase from 432,393,391 baht to 432,394,341 baht, consisting of 864,788,682 ordinary shares with a par value of 0.50 baht per share.

On April 26th, 2021, the company has reduced its registered capital with the Ministry of Commerce in the amount of 432,391,491 shares with a par value of 0.50 baht per share, representing a total decrease in registered capital 216,195,745.50 baht from the original registered capital 648,590,086.50 baht to 432,394,341 baht according to the resolution of the Annual General Meeting of Shareholders No. 1/2021 on April 20th, 2021 due to the remaining ordinary shares from the exercise of the right to purchase the Company's ordinary shares, Class 8 (CIG-W8) that expired on February 16th, 2021.

On September 28th, 2022, the company registered increased capital with the Ministry of Commerce 2,594,365,364 shares with a par value of 0.50 baht per share according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2022 held on September 16, 2022 by allocating 2,594,365,364 of newly issued ordinary shares to support the issuance and offering of newly issued ordinary shares in the total amount not exceeding 1,729,577,364 shares, allocation of newly issued ordinary shares to support the issuance and offering of convertible debentures in the total amount not exceeding 864,788,000 shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) total 2,594,365,364 shares with a par value of THB 0.50 per share.

On March 8th, 2023, the company registered the increase of paid-up capital with the Ministry of Commerce in the amount of 1,734,184,503 shares with a par value of 0.50 baht per share, representing a total increase of 867,092,251.50 baht, the increase in capital comes from the exercise of the rights of the existing shareholders of the company

in proportion to their shareholding, in an amount not exceeding 1,729,577,364 shares, there were shareholders who subscribed to purchase additional common shares in the amount of 869,395,821 shares at the exercise price at 0.50 baht per share, causing the company's paid-up capital to increase from 432,394,341 baht to 867,092,251.50 baht, consisting of 1,734,184,503 ordinary shares with a par value of 0.50 baht per share.

On May 1st, 2023, the company has reduced its registered capital with the Ministry of Commerce in the amount of 1,724,969,543 shares with a par value of 0.50 baht per share, representing a total decrease in registered capital 862,484,771.50 baht from the original registered capital 1,729,577,023 baht to 867,092,251.50 baht according to the resolution of the 2023 Annual General Meeting of Shareholders on April 24th, 2023, due to the cutting off shares that have not been issued and selling the amount 1,724,969,543 shares with a par value of 0.50 baht per share. (1) shares allocated to support the offering to existing shareholders in proportion to their shareholding according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 On September 16th, 2022, the amount of 860,181,543 shares (2) Shares allocated to support convertible bonds according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 on September 16th, 2022, the amount of 864,788,000 shares.

On May 2nd, 2022, the company registered increased capital with the Ministry of Commerce 2,165,426,376 shares with a par value of 0.50 baht per share according to the resolution of the 2023 Annual General Meeting of Shareholders on April 24th, 2023. (1) Warrants to purchase ordinary shares of the Company No. 9 (CIG-W9) in the amount of 289,030,750 shares. (2) Warrants to purchase ordinary shares of the Company No. 10 (CIG-W10) in the amount of 144,515,375 shares. (3) allocated to existing shareholders in proportion to their shareholding in the amount of 867,092,251 shares and (4) convertible debentures according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 on September 16th, 2022, amounting to 864,788,000 shares, causing the company's registered capital to increase from 867,092,251.50 baht to 1,949,805,439.50 baht, which consists of ordinary shares in the amount 3,899,610,879 shares, par value 0.50 baht per share.

On July 7th, 2023, the company registered the increase of paid-up capital with the Ministry of Commerce in the amount of 480,832,350 shares with a par value of 0.50 baht per share, representing a total increase of 240,416,175 baht, the increase in capital comes from the exercise of the rights of the existing shareholders of the company in proportion to their shareholding, in an amount not exceeding 867,092,251 shares, there were shareholders who subscribed to purchase additional common shares in the amount of 869,395,821 shares at the exercise price at 0.50 baht per share, causing the company's paid-up capital to increase from 867,092,251.50 baht to 1,107,508,426.50 baht, consisting of 2,215,016,853 ordinary shares with a par value of 0.50 baht per share.

On October 24th, 2023, the company has reduced its registered capital with the Ministry of Commerce in the amount of 1,315,426,417 shares with a par value of 0.50 baht per share, representing a total decrease in registered capital 657,713,208.50 baht from the original registered capital 1,949,805,439.50 baht to 1,292,092,231 baht according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2023 on October 9th, 2023, due to cutting off shares that have not been issued and selling the amount 1,315,426,417 shares with a par value of 0.50 baht per share. (1) shares allocated to support the exercise of additional common stock rights for existing shareholders in proportion to their shareholding (Right Offering) that expired on June 28th, 2023, the amount of 386,259,901 shares. (2) shares allocated to support warrants to purchase common shares of the company No. 9 (CIG-W9) according to the resolution of the 2023 Annual General Meeting of Shareholders on April 24th, 2023, (common shares remaining from sale) amount 1,862 shares. (3) Shares allocated to support warrants to purchase common shares of the company No. 10 (CIG-W10) according to the resolution of the 2023 Annual General Meeting of Shareholders on April 24th, 2023, (the remaining common shares from sales) in the amount of 64,376,654 shares. (4) shares allocated to support convertible bonds according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 on September 16th, 2022, in the amount of 864,788,000 shares.

On October 25th, 2023, the company registered increased capital with the Ministry of Commerce 538,372,419 shares with a par value of 0.50 baht per share according to the resolution of the Extraordinary General Meeting of Shareholders No.2/2023 on October 9th, 2023. Allocating additional common shares in the amount of 538,372,419

shares to support the issuance and offering of convertible bonds in the amount of 538,372,419 shares, causing the registered capital of the company to increase from 1,292,092,231 baht to 1,561,278,440.50 baht, which consists of ordinary shares in the amount 3,122,556,881 shares, par value 0.50 baht per share

On November 22nd, 2023, the company registered the increase of paid-up capital with the Ministry of Commerce in the amount of 476,190,476 shares with a par value of 0.50 baht per share, representing a total increase of 238,095,238 baht, the increase in capital comes from issuance and offering of convertible debentures No.1 on November 10th, 2023, valued at 30,000,000 baht, on November 16th, 2023, convertible debentures holders exercised the right to convert debentures in the amount of 30,000,000 baht, conversion price 0.063 baht per share, the number of common shares increased from exercising rights is 476,190,476 shares, causing the company's paid-up capital to increase from 1,107,508,426.50 baht to 1,345,603,664.50 baht, consisting of 2,691,207,329 ordinary shares with a par value of 0.50 baht per share.

On December 1st, 2023, the company registered the increase of paid-up capital with the Ministry of Commerce in the amount of 55,555,556 shares with a par value of 0.50 baht per share, representing a total increase of 27,777,778 baht, the increase in capital comes from issuance and offering of convertible debentures No.2 on November 28th, 2023, valued at 5,000,000 baht, on November 29th, 2023, convertible debentures holders exercised the right to convert debentures in the amount of 5,000,000 baht, conversion price 0.090 baht per share, the number of common shares increased from exercising rights is 55,555,556 shares, causing the company's paid-up capital to increase from 1,345,603,664.50 baht to 1,373,381,442.50 baht, consisting of 2,746,762,885 ordinary shares with a par value of 0.50 baht per share.

With respect to warrants for benefits arising from Thai underlying securities (NVDR: Non-Voting Deposit Receipt), as of December 22nd, 2023, Thai NVDR Company Limited, a subsidiary of the Stock Exchange of Thailand, has invested In the Company's securities, 82,157,095 ordinary shares, representing 2.99% of the total issued and paid-up shares of the Company. Although NVDR holders are entitled to financial benefits such as dividends and capital gains alike investing in company common stock, NVDR holders do not have voting rights at shareholders' meetings.

Unless it is a vote to consider a resolution on the delisting of underlying securities from being listed on the Stock Exchange of Thailand. As a result of the above reasons, the voting rights at each shareholder's meeting increased. However, the number of shares of NVDR companies used as underlying securities may change at any time. You can check the number of NVDR shares from the website of the Stock Exchange of Thailand at www.set.or.th

Issuance of Other Securities

1. Issuance and Offering of the Newly Issued Ordinary Shares to the Existing Shareholders of the Company in Proportion to their Respective Shareholdings (Right Offering) (Expired on March 2nd, 2023.)

C.I.Group Public Company Limited has issued and offered of the newly issued ordinary shares in the amount not exceeding 1,729,577,364 shares with a par value of THB 0.50 per share to existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) at an offering ratio of 1 existing share to 2 new ordinary shares (a fraction of shares shall be disregarded). In this regard, the existing shareholders are entitled to subscribe shares in excess of their rights. The subscription date for the newly issued ordinary shares offered to the existing shareholders in proportion to their shareholding is December 26th, 2022 to March 1st, 2023. The details and methods for purchase the Company's ordinary shares are as follows:

| | |
|-----------------------|--|
| Exercise ratio | (1) existing share to (2) new ordinary shares |
| Exercise Price | THB0.50 per share. |

2. Issuance and Offering of the Newly Issued Convertible Debentures to the Existing Shareholders of the Company in Proportion to their Respective Shareholdings. (cancellation of convertible debentures according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2023 on October 9th, 2023)

C.I.Group Public Company Limited has issued and offered of the

newly issued convertible debentures of the Company with the total amount does not exceed 864,788 units, offering price THB 1,000 per 1 unit of a convertible debenture, where the total offering value is not more than THB 864,788,000 to the existing shareholders of the Company with rights to be allocated in proportion to their respective shareholdings. The details and method of exercise of conversion rights are as follows:

| | |
|--------------------------|---|
| Issue Date | April 5 th , 2023 |
| Maturity Date | April 5 th , 2028 |
| Duration | 5 years from the date of issuance of convertible debentures |
| Interest rate | 6.00% per annum |
| Subscription date | 8 – 18 May 2023 |
| Convertible ratio | 1 unit of convertible debenture : 1,000 shares, or other rates resulting from adjustment of conversion price according to the conditions set forth in the terms and conditions. |
| Exercise ratio | 1 existing share to 2 new ordinary shares, , a fraction of shares shall be disregarded |
| Exercise Price | THB1.00 per share |

3. Issuance and Offering of the Newly Issued Ordinary Shares to the Existing Shareholders of the Company in Proportion to their Respective Shareholdings (Right Offering) (Expired on June 29th, 2023.)

C.I.Group Public Company Limited has issued and offered of the newly issued ordinary shares in the amount not exceeding 867,092,251 shares with a par value of THB 0.50 per share to existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) at an offering ratio of 2 existing share to 1 new ordinary shares (a fraction of shares shall be disregarded). In this regard, the existing shareholders are entitled to subscribe shares in excess of their rights. The subscription date for the newly issued ordinary shares offered to the existing shareholders in proportion to their shareholding is May 24th, 2023 to June 28th, 2023. The details and methods for purchase the Company's ordinary shares are as follows:

| | |
|-----------------------|---|
| Exercise ratio | 2 existing share to 1 new ordinary shares |
| Exercise Price | THB0.50 per share |

4. The Warrants to Purchase Ordinary Shares of the Company No.9 (CIG-W9)

C.I.Group Public Company Limited has issued and offered of the Warrants to purchase ordinary shares of the Company No.9 (CIG-W9) amount of 289,030,750 units to the existing shareholders proportionate to their respective shareholdings without charge and at the ration of 6 ordinary shares to 1 unit of the Warrants (a fraction of shares shall be disregarded), holdersv of the Warrants can exercise their rights only on the 15 day of March, June, September and December of each year after the 3 year from the issuance date of the Warrants, whereby the first exercise date is June 15th, 2026 and the last exercise date is the expire date of the Warrants, i.e., May 9th, 2028. The details and methods for exercising rights the warrants to purchase the Company’s ordinary shares are as follows:

| | |
|-----------------------|---|
| Exercise ratio | 1 unit of Warrants carries the right to purchase to 1 ordinary shares unless the exercise ration is adjusted in accordance with the conditions on the adjustment of rights. |
| Exercise Price | THB0.50 per share |
| Issue Date | May 10 th , 2023 |
| Duration | 5 years from the date of issuance of the Warrants |

5. The Warrants to Purchase Ordinary Shares of the Company No.10 (CIG-W10)

C.I.Group Public Company Limited has issued and offered of the Warrants to purchase ordinary shares of the Company No.10 (CIG-W10) amount of 144,515,375 units to the existing shareholders who have subscribed for and been allocated the newly issued ordinary shares proportionate to their respective shareholdings without charge and at the ration of 6 ordinary shares to 1 unit of the Warrants (a fraction of shares shall be disregarded), holdersv of the Warrants can exercise their rights only on the 15 day of March, June, September and December of each year after the 3 year from the issuance date of the Warrants, whereby the first exercise date is September 15th, 2026 and the last exercise date is the expire date of the Warrants, i.e., July 6th, 2028. The details and methods for exercising rights the warrants to purchase the Company’s ordinary shares are as follows:

| | |
|-----------------------|---|
| Exercise ratio | 1 unit of Warrants carries the right to purchase to 1 ordinary shares unless the exercise ration is adjusted in accordance with the conditions on the adjustment of rights. |
| Exercise Price | THB0.50 per share |
| Issue Date | July 7 th , 2023 |
| Duration | 5 years from the date of issuance of the Warrants |

6. The Issuance and Offering of Newly Issued Convertible Debentures to Specific Investors

C.I.Group Public Company Limited has issued and offered of nely issued convertible debentures to specific investors, namely Sycamore Capital SPC, acting for and on behalf of and for the account of Sycamore Equity Fund SP (subscriber) by determining the total offered value of, not exceeding, 400,000,000 baht. Allocate 538,372,419 newly issued ordinary shares, with a par value of 0.50 baht per share (according to the resolution of the Extraordinary General Meeting of Shareholders No. 2/2023 on October 9th, 2023) and allocate 997,587,446 newly issued ordinary shares, with a par value of at 0.50 baht per share (according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2024 on January 17th, 2024), reserve for the issuance and offering of newly issued convertible debentures to specific investors. The details and method of exercise of conversion rights are as follows:

| | |
|--|--|
| Total amount of principal of the Convertible Debentures | Not exceeding 400,000,000 Baht divided into 2 tranches, as follows: (1) Convertible Debentures Tranche 1 has the value of not more than 200 million Baht divided into 40 sets, 5 million Baht per set. (2) Convertible Debentures Tranche 2 has the value of not more |
| Issue Date | October 31 st , 2023 |
| Maturity Date | October 31 st , 2026 |
| Duration | 3 years from the date of issuance of convertible debentures |
| Interest rate | -None- |
| Conversion price | Not lower than 90% of the market price , “Market Price” is calculated based on the weighted average price of the Company’s shares trading on the Market for Alternative Investment (mai) for not less than 7 consecutive business days, but not more than 15 consecutive business days prior to the day the debenture holders exercise their conversion rights |

Dividend Policy

(1) Dividend Policy of the Parent Company

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

(2) Subsidiary Dividend Policy

The subsidiary did not set the dividend payment rate but shall be governed by the relevant laws and Article 19 of the Company's Articles of Association, "Payment of dividends will be process, the company must allocate at least one-twentieth of its net profit which the Company earns from its business until the reserve fund reaches one tenth of the Company's shares.

Risk Management

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

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

Risk Management Policy and Plan

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

Definition

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

Guidelines

1. The Company shall have a system and process for risk management at enterprise level as well as in all subsidiaries which shall be aligned with corporate objectives and strategies.
2. The Company shall manage risks to be within the Risk Appetite level or in any case not to deviate from the risk tolerance levels.
3. The Audit Committee will also act as Risk Management Committee which shall govern the corporate risk management to be in accordance with The Company Policies, provide advice and suggestions and monitor to ensure of efficiency and productivity of risk management as specified in the Charter of the Audit Committee.
4. The Company's managements and executives shall manage corporate and subsidiaries risks in a holistic manner and shall govern risks management under their accountability or as per

appointed by the Board of Directors. Also, the managements shall report the risk management performance to the Audit Committee for their consent and advice on regular basis or as appropriate.

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

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

Review and Improvement of the Policy

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

Risk factors on business operation. **Risk factors on business operation.**

The company's main raw materials are copper tubes, aluminum fins and zinc coated steel plates. Such raw materials are commodities and their prices varied by the world market prices. Thus, the company's operating results may be affected by these price fluctuations. However, the company maintains close relationship with suppliers so that the company receives timely news and price trends. Moreover, the company's management team has more than 20 years'

experience in coil manufacturing industry and, to a certain extent, analyze the situation and predict movements in prices of copper, aluminum and iron plates.

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

2. Supply risk

The company relies on a few large suppliers. In 2023, the company ordered 78.51% of required copper tubes from 3 large suppliers. The largest of which accounted for 55.12% of total copper tubes orders.

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

In any case, the company is aware of supply risk and is trying to spread raw material orders to other suppliers while obtaining the same or similar trade conditions with those from large suppliers. At the present, the percentage of raw material orders to large suppliers has declined slightly.

3. Risks from raw material shortage

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

the seller to be able to plan purchases from both locally produced and international vendors. Agreements are made with the sellers to allow the sellers to provide a reserve inventory for the company. Products can be retrieved immediately when needed.

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

4. Risks from exchange rates

The company received 42.63% of its revenue from export market. Thus, the company is exposed to foreign exchange risk. However, the company also orders of some its raw materials from overseas. In 2023, export revenue accounted for 42.63% of total revenue and imported 43% of total materials from overseas. Since these revenue and cost are in US Dollars, the company enjoys natural hedging to a certain extent. In 2023, the company has gain Million 0.64 Baht from exchange rate.

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

5. Risks from free trade agreements and trade organizations

Free trade agreements encourage stronger competitions within the market which is in line with the overall industry situation for air-conditioning in terms of price and the demands for new products. This drives all players in the market to compete in price and quality. Moreover, Thailand has seen greater number of air-conditioners imports from China which has price advantage. At present,

the company focuses on customers who need high quality coils and support customers in design and development of products as well as cost reduction. With different competitiveness than mass products from China which cannot fully satisfy customer's changing needs. With US, Canana certified and award-winning quality products and services, the company is able to maintain good relationships with customers and enhances the company's competitive advantage.

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

6. Risk from major customer dependency

The proportion of sales to large customers has grown because the company was able to negotiate and increase the proportion of sales from existing large customers. This makes the proportion of sales to large customers significantly increase from 2022 – 2023.

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

The company is in the process of working with other large customers to reduce the risk from the proportion of sales of the same large customers.

Sales to 5th major customers of the company for 2021-2023

| | 2021 | 2022 | 2023 |
|---|-------|-------|-------|
| Sale proportion to the top 5 customers* | 72.93 | 71.91 | 96.46 |

*Inclusive of international distributors

7. Liquidity Risk

The company might face liquidity risk when the cash or cash equivalent balance is inadequate in running the business. The company monitors closely at its cash or cash equivalent balance to make sure that the company and its subsidiaries will not be interrupted as a

result of lack of liquidity. The company is trying to reduce such risk and pays attention to cashflows management to ensure the right balance between cash inflows and cash outflows to avoid liquidity problems.

8. Risks from subsidiaries or associates

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

The Company has guidelines and criteria to supervise the investment decision of companies that it hold shares. It also monitors and supervises investments with investment management processes. The Executive Committee is responsible for screening investments before submitting them to the Board of Directors for approval.

There is a follow-up to report the results to the Board of Directors on a quarterly basis in order to ensure that the Company's investments are of maximum benefit and efficiency. In addition, if the performance does not go according to plan, the action and investment plans are reviewed to mitigate the project's risk level to be under control as much as possible.

However, as for the subsidiary company, CIG Development Company Limited, which operates hotel business but has faced problems due to the relatively sluggish tourism industry. Subsidiaries therefore expanded their business into the construction business in order to diversify the business risks as well as being able to extend to cover air conditioning systems that can enhance the parent company's business as well and in order to prevent a certain level of risk, the subsidiary's work will focus on being a bidder by outsourcing the received work to a company that has expertise in that work. The Company will focus on expanding the scope of the business that complements the Company's business in the future.

9. Other Risks

Since a widespread flood in 2011, the company has become aware of natural disasters and other risks that may cause damage to assets, machines, and other fixed assets which are essential for its operations

and may cause business interruptions. The company has sought adequate insurance policies covering various risks to the business in order to reduce effects of those risks. Moreover, the company has 3 production capacities in 3 factories at different locations. In case of disruption in one of the factories, the others have excess capacities to cover a disrupted factory to ensure that the company is able to meet demands of its customers.

In 2021-2022, the COVID-19 pandemic caused people to be infected and many deaths affect global economy, including Thailand. Even in 2023, the epidemic situation has decreased the company has taken various measures with full strength to ensure that the company can operate continuously. Under the responsibility for the safety of all employees, including continuously monitoring the number of infected people and people at risk, continuously announcing measures and guidelines from relevant government agencies to determine measures and guidelines to prevent and reduce the risk of infection in work areas, including compliance with such universal preventions as wearing a mask at all times, washing or cleaning hands, maintaining social distance.

10. Technology Change Risk

One of the risks that industrial players will face is a change of technology in production process or the product itself. Some of those changes may allow the company to benefit from increasing productivity such as increased machine productivity in some areas where time consumption may be reduced or less labour requirements. All of these may lead to cost reduction. On the other hand, such changes may harm the company if it is not able to adapt in a timely manner such as change in product or substitute products. However, heat exchanger industry is quite mature, and the change has been minimal. Over the past 30 years, changes in technology that occurred was not too radical and the company was able to keep up with all the changes. To reduce such risk, the company became a member of ASRAE (the American Society of Heating, Refrigerating and Air-conditioning Engineers) which is a key organization with knowledge in Heat, Cool and Air Conditioning systems of the USA. so that the company has access to latest news and technology to ensure that the company maintains latest production capability. Moreover, the company focuses on research and development to ensure that it can adapt to any change and reduce technology change risk. The company's research and development department is also studying the trends of new technology and improve machines and

processes to adapt to current changes.

11. Environmental Effects risk

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

12. Conflict of Interest Risk of Management

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

13. Risks of construction business

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

Therefore, according to the company's revenue recognition policy, the work performed by the company for its clients will be surveyed and assessed on a basis of success. The revenue from the service is recognized as part of the work performed in the income statement

with recording unbilled income in the statement of financial position until the company delivers the work to collect payment from the customer with the reversal of revenues, unbilled revenues are account receivables in the statement of financial position. Therefore, the company has the risk in the event that the customer cancels or refuses to accept the work that the company has already started to complete, including the risk of the delay of the work that may occur and exceed the time limit that the company has assessed operating time, may have impact on the financial position and operating results of the company.

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

Investment risk of securities holders

Management risks of major shareholders

As of December 21st, 2023, the Company's largest shareholders is the Fin Leasing Co.,Ltd., holding in total of 300,000,000 shares, representing 10.92% of the total issued and paid-up shares of the Company which can vote at the shareholders' meeting. However, most of the important agenda items are set out in the Company's Articles of Association requiring three-fourths of the votes of the shareholders' meeting, such as amendments to the Memorandum of Association and the Company's Articles of Association. Increase/decrease registered capital issuance of debentures, amalgamation, dissolution, selling or transferring all or part of the Company's business to another person, buying or accepting business transfers of other companies whether it is a public company or private companies. Making, amending, adding or terminating contracts relating to the leasing of all or substantial parts of the Company's business, assigning other people to manage the company's business

or a merger of a business with another person for the purpose of sharing profit and loss and the resolution of any director to retire before the expiration of the term. If it is an agenda in which a major shareholder has an interest, such as a connected transaction, acquisition or disposition of assets from or to major shareholders, etc. Major shareholders will not be able to vote on such agenda. In addition, the Company has determined that there are no less than half of the independent directors (currently there are 4 out of 9 directors). The selection of the Board of Directors of the Company will take into account the knowledge, ability and experience that will be beneficial to the company and ensure that there is no conflict of interest with the Company. In addition, the Company has appointed an audit committee comprising 3 independent committees who do not have any conflict of interest with the company to be responsible for auditing the company's operations. and take care of the interests of shareholders in order to operate the business with transparency and in accordance with the principles of good corporate governance of the Company.

Risk of uncertainty of return to investors as expected.

The company's share price may fluctuate up or down, depending on various factors, many of which the company cannot be controlled, such as

- Changes to policies, rules, regulations or conditions affecting the industry
- Economic conditions, crisis, unusual situations such as the Covid-19 epidemic situation

such factors may cause the share price to fall below the price that investors buy and/or higher than the price at which the investor sells the shares As a result, investors may be at risk from the uncertainty of the expected return that investors will receive.

Risk from dividend payout capability does not meet investors' expectations.

The company has a policy to pay dividends at the rate of not less than 50 percent of the net profit of the financial statements. But because the company still has accumulated losses. Therefore, the company cannot pay dividends.

Risk of investing in foreign securities (In case the issuer is a foreign company)

-N/A-

Business Sustainability Development

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

Sustainability management policies and goals

Mission on Corporate Social Responsibility

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

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

Conserve Environment and Energy

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

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

Human Rights and Human Resources Practice

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

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

Responsibility to Consumer

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

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

Corporate Governance

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

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

Community and Education

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

- Using business process to improve quality of life, boost up economic and strength of the neighbor community and society.
- Support on all activities and projects which necessary to the community and related to education projects for schools in the community.
- Together with the Company staffs/employees, employees' family, local community and with overall society in order to improve all quality of life in the way that is value added to both business and development.

Implementation of Corporate Social Responsibility Policy

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

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

Report preparation process

At present, the company is still in the initial stage of implementing the action plan. The responsible parties are in the process of scheduling. Action plan in accordance with the important issues that the working group has set which is in the process of monitoring and evaluating the work plan It uses the Global Reporting Initiative (GRI) principles and procedures as a model. in implementing the Corporate Social Responsibility Action Plan, the working group shall collect the results of the plan at least once a year to follow up and jointly consider if it is appropriate to change the plan or practice in order to achieve the goal as much as possible.

Management of impacts on stakeholders in the business value chain

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

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

The procurement of raw materials and services: responsible by the purchasing agency.

- The Company has guidelines for procurement with transparency and fairness
- The Company's raw materials and services must meet the specified eligibility criteria taking into account the ability to use, safety requirements and environmental requirements to ensure that raw materials and services at the company will not cause problems for stakeholders further.
- Suppliers and manufacturers of raw materials must state the source of raw materials and production process clearly to be sure that the source of raw materials and the processing of such raw materials will not violate social, safety and environment.

Employee benefits: responsible by Management / Human Resource Section

- Trainings are offered to all employees to increase potentials and career path.

- Annual health check-ups are offered to reduce medical costs and promote good health among employees.
- The company gives scholarships to employees' children.

Management of environmental sustainability

Due to the fact that the company is in manufacturing sector, some of the production processes may require use of lubricants and/or other chemicals. The company has set up preventive plans to reduce any effects on the environment and local community complying with the ESG (Environment, Social, and Governance) concept that takes into account the 3 main responsibilities of the environment, society, and good governance. The company stopped using CFC which is harmful to the environment even though it is a widely used chemical in air-conditioning industry. The company is thriving to improve its products and production processes to protect the environment and community from any harmful substances. Furthermore, the Company continues improving quality both production process and products to ensure that will not have negative effect to society and environment by following ISO 14001 criteria. The Company seeks for raw material and components which must comply with international safety standard and could be reused in the processes. Moreover, the Company has target on effectively usage of energy to maximize benefit, create less waste, reuse materials and avoid supplying non-compostable raw materials or components.

Greenhouse Gases Management

CI Group Public Company Limited has a policy to drive the business along with environmental conservation for the sustainability of the organization and the nation that will be affected by global climate change and global warming in line with the NDC's 40% greenhouse gas reduction goal in 2021-2030 together with the goal of reducing more than 30% of greenhouse gas emissions within 10 years by promoting energy conservation projects, pushing for renewable energy and reduce greenhouse gas emissions in the production process. The company has set a direction of continuous investment

in the period of 10 years (2021-2030) including registration of Carbon Footprint for Organization with Thailand Greenhouse Gas Management Organization (Public Organization) to show information and manage to reduce greenhouse gas emissions effectively.

The company has initiated in generating the Carbon Footprint Report for the organization for the fiscal year 2021 (1 Jan. 2021 to 31 Dec. 2021) with the scope of the organization being Pathum Thani Factory (Head Office), Chonburi Factory and Samut Prakan Factory has passed the approval of the Carbon Footprint of the Organization registration from the Thailand Greenhouse Gas Management Organization (TGO) (Public Organization) in the agenda of the meeting No. 2/2023 dated 28/02/2023 .In 2021, the Company has emitted 2,871 tCO₂e of GHG emissions in type 1 and 2 (Scope 1-2) per year, and factory which is an indirect GHG emission from energy imported from outside (Energy indirect GHG) has GHG emissions of 1,559 tCO₂e per year, accounting for 54.3%, while GHG emissions Direct GHG in product manufacturing activities has greenhouse gas emissions of 1,312 tCO₂e per year, representing 45.7% as for category 3, other indirect greenhouse gas emissions mainly from raw material procurement activities GHG emissions are 10,574 tCO₂e per year.



In 2023, the Company is in the process of verifying greenhouse gas emissions data at various facilities of the organization, including 3 factories, namely the Pathum Thani factory (Head Office), Chonburi Factory and Samut Prakan Factory.

Greenhouse Gas Emission Reduction Program

| Year | Description | Budget (Baht) | Period |
|------|--|-----------------------------------|-----------------|
| 2021 | <ul style="list-style-type: none"> Start a project to produce a report on greenhouse gas emissions of C.I.G. Headquarters, Factory 1, Factory 2 and Factory 3 | 90,000 | Jan.- Dec. 2021 |
| 2022 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, Factory 1, Factory 2 and Factory 3 | 90,000 | Jan.- Dec. 2022 |
| 2023 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 1,200,000 | Jan.- Dec. 2023 |
| 2024 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 30 KW (10% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 785,700 1,200,000 | Jan.- Dec. 2024 |
| 2025 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 30 KW (20% of the total power) Change the paint room #1 from LPG system to electric power system | 100,000 785,700 700,000 | Jan.- Dec. 2025 |
| 2026 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies. Install a solar power generation system of 30 KW (30% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 785,700 1,200,000 | Jan.- Dec. 2026 |
| 2027 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 30 KW (40% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 785,700 1,200,000 | Jan.- Dec. 2027 |
| 2028 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 60 KW (60% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 1,571,400 1,200,000 | Jan.- Dec. 2028 |
| 2029 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 60 KW (80% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 1,571,400 1,200,000 | Jan.- Dec. 2029 |
| 2030 | <ul style="list-style-type: none"> Make a report on greenhouse gas emissions of C.I.G. Headquarters, 3 factories and affiliated companies Install a solar power generation system of 60 KW (100% of the total power) Replace fossil fuel vehicles to electric vehicle (EV) | 100,000 1,571,400 1,200,000 | Jan.- Dec. 2030 |
| | Total | 17,937,000 | |

Sustainability Management in Social Dimensions

In order to implement the policy in accordance with the principles towards sustainability with society and the environment, the Company has set up a preliminary action plan in which various departments in the organization have prepared an action plan based on key issues that have been selected as follows:

Health and safety: responsible by Safety Section

- The company has comprehensive safety measures.
- Safety training sessions are conducted regularly.
- During the epidemic of COVID-19, safety section takes full action in determining measures, inspecting and verifying measures to be consistent with the epidemic situation to ensure that employees and the surrounding community are safe.

Waste management and excess materials: responsible by Production Section

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

Environmentally friendly products and services: responsible by Engineering Section

- Joining CFC elimination project to discontinue the use of Chlorofluorocarbons (CFC) in air-conditioning manufacturing process.
- The Company's products do not require use of CFC.
- The company's products must be designed to be compatible with the use of new refrigerants that have the least impact on the environment.
- The Company's repair and maintenance service reduces the need for replacements and therefore reduce effects to environment.

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

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

- Good corporate governance
- Internal data usage policy

- Transparency
- Data Disclosure
- Risk Management

Community and education: responsible by Management Section

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

- Offer scholarships to students at various educational institutions and local communities such as Bangkoowad School, Eur Ar Torn village, Bangkoowad Municipality.
- Provide trainings to polytechnic students such as Lamthong Polytechnic School and Pathumthani Polytechnic School.
- Help victims from disaster and mitigation.

Legal disputes

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

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



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

Adverse effects to society and environment

The company's operations from the past until end of 2022, there is no evidence of adverse effects to society and environment according to 8 principles of CSR.

CSR Activities for society and environment

In 2023, the company engaged in various activities such as environment and energy conservation project, production process without harmful chemical, cost reduction, material reduction and maintaining good relationship with local communities.

Health and safety

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

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

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



In 2023, the company conducted internal and external safety training such as Enhancing Safety Awareness, Chemicals Safety and Emergency Response, Fire Extinguish Foundation, Safety for Supervisor, Safety for Management and etc.



STATISTIC OF SERIOUS ACCIDENT AT WORK OF 3 FACTORIES FOR 2021-2023

| STATISTICS OF 3 FACTORY | 2021 | 2022 | 2023 |
|--|------|------|------|
| Number of Accidents | 17 | 8 | 7 |
| Number of staffs injured | 17 | 8 | 7 |
| Number of total off days of the injured staffs | 203 | 61 | 55 |

However, as the company has been affected by the COVID-19 epidemic, it has caused higher employee turnover. The company had to rush to hire employees to meet the production needs. In addition, the company's production process requires expertise, and some machines has been used for a long time which cause more accidents. The company, therefore, the corrective methods are as follows:

- Take action to prevent accidents and product quality problems due to new machine inspection and machine maintenance check by improving the process of machine acceptance to be inspected by a working group consisting of employees, supervisors, quality officers and professional safety officers. This is to allow thorough consideration before approving the use of the machine.
- Determine skill matrix required for specific machines. The employees who use the machines need to undergo training and exams to make sure employees are able to work with machines correctly. They must wear appropriate equipment for work and operate with safety.
- Improve security check procedure. by adding security offers from those who have experience working in machinery in the same way but working in different departments. This approach gives security improvements a broader perspective. and can see more security risks
- In 2023, the Company focuses on optimizing usage of raw materials and materials, resulting in reduced production costs of 831,192.93 baht.
- Reduce loss from compressed air system project in order to reduce electrical energy loss and extend maintenance time, increase air compressor rest times to restore machine efficiency. By this, the electricity cost reduction of 240,864 baht per year.

Energy management

The company promotes energy conservation and initiated energy saving project. There were 1 project with electricity cost reduction of 240,864 Baht per year.

Employee benefits

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

Waste management and excess materials

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



Employee Development Programs

Hours per person per year

| Average training time | 2020 | 2021 | 2022 | 2023 |
|------------------------|------|------|------|------|
| Director and employees | 5.22 | 5.32 | 5.35 | 5.20 |

Baht per person per year

| Expenses for training | 2020 | 2021 | 2022 | 2023 |
|------------------------|--------|--------|--------|--------|
| Director and employees | 183.00 | 847.00 | 805.00 | 755.00 |

In 2023, the Company introduced many training courses such as standard procedures courses used in production, knowledge of refrigeration system, handling flammable refrigerants, control points and check points in drawing, knowledge of welders, use of measuring tools, coil calculation program, safe forklift driving, crane operator, tower crane, crane vehicle, crane operator signal operator, material binder and crane operators, coil production capabilities, advanced Microsoft Excel, organization carbon footprint preparation, occupational diseases, knowledge development of professional safety personnel, work standards Occupational health and safety in the workplace, quality conscious awareness, professional project management, OKRs, effective work supervision, etc.



- Annual health check-up



- Scholarships for employee's children



Responsibility to Community and Education Support

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

- Offering alms to monks



- Buddhist Lent Candle Procession



- community cleaning



- Drug testing of employees according to the White Factory Project of Pathum Thani Province.



- Donate blood



- Give gifts for children to school, Special Education Center and Municipality of Pathum Thani Province on the Children's Day.



- 5S activities and Big Clean Day "9 areas for temples to create happiness"



- Participate in the Loi Krathong activity to preserve Thai cultural traditions with Bang Khu Wat Municipality Pathum Thani Province.



- Give gifts to people with disabilities on the International Day of Persons with Disabilities Pathum Thani Province

- Provided scholarships to children in educational institutions in nearby communities such as Bang Khu Wat School and gave the opportunity for junior high school students to visit the business and study work, etc.



Management discussion and analysis (MD&A)

Description and Analysis of Financial Position and Performance

Conclusion of Operational Performance for the Fiscal Year 2023

The following conclusion of the company's financial and performance is an analysis upon the Financial Statement of the Company, C.I. Group (Public) Company Limited and its affiliates (company) by December 31st, 2023, as states in Notes to Financial Statement item 1. General Information.

Executive Summary

Summary of The Thai Air Conditioning Industry 2023

Production of electrical appliances in 2023 compared to 2022 shrank by 5.6 percent from electric motor products, hot water bottles, compressors, microwave ovens, refrigerators, rice cookers, fans, and electrical transformers that have decreased This is due to the continuous increase in production costs. In addition, demand in the world market has decreased and the world economy has not yet recovered. However, as for air conditioners, there has been an increase in demand according to the needs of the industrial production chain.

From domestic sales and foreign orders in the air conditioner group increased by 0.1 percent due to an increase in foreign orders as for domestic air conditioner sales in 2023, in the air conditioner group, domestic sales increased by 8.1 percent compared to 2022 due to urbanization and population expansion.

In 2023, imports of electrical appliances are worth 18,826.20 million US dollars expanded from the previous year by 4.0 percent (%YoY) from imports of electrical transformer products air conditioner, microwave ovens and refrigerators for electrical appliance exports in 2023 are valued at 30,055.6 million US dollars expanded from the previous year by 2.2 percent (%YoY) from exports from Thailand which are important to the production chain in industries such as Argentina and Vietnam, allowing entrepreneurs to export more.

Electricity Industry Outlook for 2024

Expected that production will shrink by approximately 1.0-3.0 percent compared to the previous year, because production costs or raw material prices still tend to be uncertain and the global economic situation that may slow down Meanwhile, exports are

expected to expand by approximately 2.0-8.0 percent compared to the previous year due to the demand for electrical appliances products and services, expected to continue growing in developing countries such as India and Vietnam due to consumers and businesses in the region. It is looking to develop the technological infrastructure in the country and more amenities for citizens or consumers.

Social Environment

Sustainability Management in Environmental Dimensions

The company operates in the manufacturing industry where certain oils, lubricants and/or chemicals may be used in the process, the Company attaches great importance to formulating plans to prevent negative environmental and social impacts along with systematic surveillance. This can be seen from the elimination of CFC which has an impact on the environment, even though it has been the main substance commonly used in the air conditioner parts manufacturing industry for at least 10 years. Both processes and products in order to avoid negative effects on society and the environment by adopting the ISO 14001 standard as a guideline. Raw materials and parts selected by the company must meet international safety standards, including selecting raw materials that can be recycled in the production process. The company also aims to use energy in the most efficient way generates minimal waste during production waste is separated encourage reuse and avoid buying raw materials or parts that are difficult to decompose as well.

Operation Performance

(1) Overall Performance

The operating results of the Company for 2023 had a net profit of 8.26 million baht and for 2022 a net loss of 124.56 million baht. In 2023, sales and service income decreased by 424.08 million baht compared to Year 2022 and gross profit decreased to 61.32 million baht, accounting for 43.38 percent. The operating results of the group of companies that have significantly changed can be summarized as follows.

The Company has total income for 2023 in the amount of 603.09 million baht, a decrease from the same period last year in the amount of 424.08 million baht or 41.29 percent, divided into sales income of 523.12 million baht, a decrease from the period.

The same amount of the previous year was 475.64 million baht or 47.62 percent, which was a decrease in income from foreign sales, as for service income, income for 2023 was equal to 79.97 million baht, an increase of 51.56 million baht or 181.47 percent, which was a result of the construction service business with increased income from providing design services and IT services with increased income.

Cost of sales and services for 2023 amounted to 523.08 million baht, a decrease from the previous year of 362.76 million baht or 40.95 percent, divided into cost of sales in 2023 of 481.11 million baht, a decrease from the previous year of 357.69 million baht or percent. 42.64 and service costs in 2023 amounted to 41.97 million baht, a decrease from the previous year of 5.07 million baht or 10.78 percent, which was caused by a decrease in sales costs abroad that decreased according to sales. Including controlling various expenses efficiently and according to the set goals.

The company has sales expenses for the year 2023 in the amount of 44.76 million baht, decreased from sales expenses for the year 2022 at 66.98 million baht, amounting to 22.22 million baht or a

decrease of 33.17 percent, which is affected by reduced income.

As for financial costs, the company has financial costs for 2023 in the amount of 36.90 million baht, an increase from financial costs for 2022 of 34.84 million baht, equal to 2.06 million baht or an increase of 5.89 percent, with the main cause being procurement, increased working capital.

The Company recognizes profit from the sale of investments in subsidiaries and the transfer back of estimated liabilities from interests in the joint venture, causing the Company and its subsidiaries to have a profit for the year 2023 in the amount of 8.26 million baht, increasing from the total loss for the year 2022 at 124.56 million baht, equal to 132.82 million baht, or an increase 106.63 percent, which is the first profitable performance in many years.

(2) Financial Performance for Each Business

(1) Incom

The company recorded revenue of THB 623.62 million, a decrease of THB 409.52 million or 39.64 % compared to revenue of THB 1,033.14 Million in 2022.

Unit: Million Baht

| | 2023 | 2022 | Change | |
|------------------------|--------|--------|----------|------------|
| | | | Amount | Percentage |
| Manufacturing Business | 525.34 | 993.53 | (468.18) | (47.12) |
| Construction Business | 22.82 | 20.14 | 2.68 | 13.31 |
| Design services | 48.00 | - | 48.00 | 100.00 |
| Hotel Business | 1.36 | 4.44 | (3.09) | (69.37) |
| Trading Business | 5.58 | 2.09 | 3.49 | 3.55 |

Increase/decrease reason in each business are as follows:

Manufacturing business in 2023, the Company had sales revenue from operations in coil distribution business of 525.34 million baht, a decrease of 468.18 million baht from revenue in 2022 of 993.53 million baht, representing a decrease of 47.12%. The reason that increased revenue was due to the decrease in income from sales abroad. In 2023, gross profit amounted to 80.01 million baht, gross profit margin decreased from the previous year by 61.32 million baht or 43.38 %, or gross profit margin of 2022 was 141.33 % compared to with the year 2023, which is 13.27%. The reason for the decrease is mainly due to the price of main raw materials increasing.

The revenue from construction increases by 2.68 Million Baht or 13.31% to be 22.82 Million Baht in 2023

The revenue from hotel business slightly decreased by 3.09 Million baht or 69.37% to be 1.35 Million Baht in 2023, because it has been sub-leased to other companies as a result, most of the income comes from rental income.

Revenue from sales and services

Unit: million Baht

| | 2023 | 2022 | Change | |
|-----------------------------------|--------------|---------------|--------------|--------------|
| | | | Amount | Percentage |
| Revenue from sales and services | 603.09 | 1,027.17 | (71.54) | (6.51) |
| Revenue from domestic sales | 379.13 | 491.43 | 40.30 | 8.93 |
| Revenue from export sales | 223.96 | 502.10 | (20.74) | (3.97) |
| Deduct Cost of sales and services | 523.08 | 885.84 | (84.56) | (8.71) |
| Gross Profit | 80.01 | 141.33 | 13.02 | 10.15 |

(2) Cost of sales and gross profit margin

Cost of sales in 2023 amounted to 523.08 million Baht, decreasing by 362.76 million Baht or 40.95 % compared to cost of sales of 885.84 million Baht in 2022, due to the decrease in sales costs abroad which decreased according to sales and controlling various expenses effectively, including a reduction in service costs in the hotel business that is subleased to other companies.

(3) Sales, general and administrative expenses

Sales, general and administrative expenses in 2023 amounted to 156.08 million Baht, a decrease of 73.61 million Baht or 32.05 % compared to 229.69 million Baht in 2022. The significant decrease in import and export expenses, losses from investment impairment. Including losses from exchange rates.

(4) Finance Cost

The company recorded financial costs of 36.90 million Baht in 2023, an increase of 2.06 million Baht or 5.89 % compared to 34.84 million Baht in 2022, due to the company increase in revolving fund financing.

The Qualified Opinion of Auditor are as follows;

As mentioned to the note 14 and 15.1 to financial statements, the Company has disposed its investment in C.I.G. (Thailand) Co., Ltd, which is subsidiary of the Company in the whole amount on May 8th, 2023. Subsidiary has investments in Fakwantip Co., Ltd., as an associated company, thus the Company has loss of control in subsidiary and significant influence in associate are cease. I have given a qualified opinion on the consolidated statements of financial position as at December 31st, 2022 and the related consolidated of

comprehensive income for the year then ended. I can not to audited enough evidences of investment in associated of Fakwantip Co., Ltd. because the company has not completed the assessment of the machinery during installation at the date of the equity method. The management of the entity has clarified machinery during installation in the process of requesting permission to enter the area with the Legal Execution Department to assess the fair value because the Central Bankruptcy Court has an absolute receivership order from being used by creditors for bankruptcy. At present, the effect of such matter has ended. However, the Company's financial statements may also effect of this matter regarding the comparison between the current period and comparative figures. Therefore, my conclusions on the consolidated financial statements for the current period are conditional on that matter.

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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Profitability

| Description | 2021 | 2022 | 2023 |
|----------------------------|-------------|---------|--------|
| Profitability Ratio | | | |
| Gross Profit Margin (%) | 11.68 | 13.76 | 13.27 |
| Operating Profit (%) | (10.94) | (0.84) | 7.05 |
| Cash Profitability (%) | (14,818.24) | 309.07 | 542.89 |
| Net Profit (%) | (12.83) | (12.06) | 1.32 |
| ROE (%) | (47.21) | (71.06) | 1.74 |
| Efficiency Ratio | | | |
| ROA (%) | (16.35) | (15.16) | 0.81 |
| ROFA (%) | (27.54) | (27.13) | 22.01 |
| Asset turnover (times) | 1.27 | 1.26 | 0.61 |

Return on Asset (ROA) increased from (15.16%) in 2022 to 0.81% in 2023 and Return on Equity (ROE) increased from (71.06%) in 2022 to 1.74% in 2023 due to the company has a net profit of 8.26 million baht and in 2022 has a net loss of 124.56 million baht.

Factors affecting the company's profitability in 2023

1) Changing commodity prices of raw materials

Average raw material prices have increased in 2022 while the company's pricing depends on commodity prices. With the business nature of the company, 2 months minimum stock is required and this inevitably creates a gap between actual price charged to customers and actual cost. The company strives to improve its raw material and inventory management and change pricing policy to cover existing risks.

2) Cost of sales

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

3) Selling and Administrative Expenses

Selling and administrative expenses increased due to the increase in administrative expenses of affiliated companies and from the provision for doubtful debts allowance for impairment of investments in subsidiaries Adjust the loss from selling shares of subsidiaries such as Siam Railway Development Co., Ltd., CIG Operations Co., Ltd. and CIG (Thailand) Co., Ltd.

4) Finance Cost

The Company had interest expenses in the year 2023 of 36.90 million baht, an increase of 2.06 million baht or an increase of 5.89 % compared to the year 2022, which had interest expenses of 34.84 million baht because the company has used credit lines from institutions finance and short-term loans from others increased to support business expansion.

Financial Position

(I) Assets

Components of the Company's assets consist of the total assets of the Company in 2023 amounted to 1,272.87 million baht, an increase of 494.35 million baht or 63.50 % when compared to the year 2022 with total assets of 778.52 million baht. The major changes are as follows:

- Property, plant and equipment decreased by 97.51 million baht or decreased by 36.29 % due to the amortization of depreciation and the transfer of hotel business assets into investment properties.
- Trade and other receivables an increase of 78.88 million baht or an increase of 39.43 percent due to an increase in damage deposits.
- Inventories decreased by 61.15 million baht or an decrease of 48.68% due to a decrease in raw material orders and have used more raw materials in stock to produce more in order to control the amount of raw materials remaining to be efficient.
- Advance payments increased by 515 million baht from advance payment of shares and business transfer fees.

(2) Liabilities

The total liabilities of the Company in 2023 amounted to 433.08 million baht, a decrease of 234.62 million baht or a decrease of 35.14% when compared to the year 2022 with total liabilities of 667.70 million baht, due to the repayment of loan debt including a decrease in trade payables and a decrease in raw material purchases.

Asset Management Capabilities

(a) Assets

(i) Net Inventories

| Inventory Allowance | |
|--------------------------------------|--------------|
| | Million Baht |
| Balance at the beginning of the year | (17.26) |
| Increase (decrease) during the year | 0.03 |
| End of year balance | (17.23) |

The Company and its subsidiaries have net inventories as of the end of 2023 and 2022 equal to 64.46 million baht and 125.61 million baht, respectively. The inventories were raw materials, which can be stored and used to produce other parts.

Note: The Company has a policy to set an allowance for slow moving products more than 1 year at a rate of 100 percent

- Inventories are recorded at cost or net realizable value, whichever is lower. The cost is calculated by the first-in, first-out method.
- The cost of goods sold consists of raw material costs, production costs, and other costs incurred to keep the product in its current location and condition. In case of finished and in-process goods, costs are inclusive of an appropriate allocation of production overheads considering normal production capacity level.
- Net realizable value is an estimate of the price to be sold in the ordinary business less the estimated production cost and the cost of goods sold.
- Inventory components consist of raw materials, work in process, finished goods, goods in transit, consumables and raw materials waiting to be transferred to work.

(ii) Investments in Subsidiaries

| Allowance for impairment of investment in subsidiary (CIG Development Company Limited) | | |
|---|--------------------------|-------------------------------|
| Year | Amount (million baht) | Accumulated (million baht) |
| 2019 | - | 146.55 |
| 2020 | - | 146.55 |
| 2021 | - | 146.55 |
| 2022 | - | 146.55 |
| 2023 | - | 146.55 |

In 2023, the Company considers that it is not necessary to increase the allowance for impairment of the Company's investments. For the reasons mentioned earlier

(iii) Assets of the Subsidiary

| Allowance for impairment of assets of subsidiaries (CIG Development Company Limited) | | |
|---|--------------------------|-------------------------------|
| Year | Amount (million baht) | Accumulated (million baht) |
| 2019 | - | 97.07 |
| 2020 | - | 97.07 |
| 2021 | - | 97.07 |
| 2022 | - | 97.07 |
| 2023 | - | 97.07 |

In 2023, the Company considers that the allowance for impairment of the subsidiary's assets in the consolidated financial statements is the right amount.

(2) Account Receivable

As of December 31st, 2023, accounts receivable of the Company and its subsidiaries are classified by age as follows:

| Account Receivable Aging | Million Baht | % |
|---------------------------------|--------------|---------------|
| Not Due | 18.16 | 24.05 |
| Over Due | | |
| less than 3 months | 14.12 | 18.70 |
| 3 - 6 months | 0.72 | 0.95 |
| 6 - 12 months | - | - |
| more than 12 months | 41.43 | 54.86 |
| bills received | 1.09 | 1.44 |
| Total | 75.52 | 100.00 |
| Allowance for Doubtful Accounts | 41.44 | 54.87 |

The company has a credit term policy for Grade A customers, who have high purchases volume and on time payment, would get 90 days term. For Grade B customers, who have average purchases volume and have been customers of the Company for at least 2 years and have good payment history, would get 60 days term. By which

to control the outstanding balance that may put the company at risk on the top. For lower grade customers or new customers, the company will sell in cash and less than 3 months overdue, who are mostly due to the collection period of the Company is different from the customer's repayment period. The Company has a collection process for more than 6 months but not over 12 months systematically with continuous monitoring and debt restructuring to suit the debtor's ability to repay. The company is still confident that will be able to fully track the said debt and for more than 12 months overdue, arising from the sale of the products of the manufacturing business, the Company has filed a lawsuit and filed an application for debt repayment with the said account receivable. For the provision of allowance for doubtful accounts according to the Company's policy, the allowance for doubtful accounts will be set for all accounts receivable that are more than 12 months old. The Company operates in accordance with the Company's policy of setting allowance for doubtful accounts and considers that it is sufficient.

Capital Adequacy

Cash Flow

As for the cash flow statement in 2023, the Company's net cash flow from operations was 113.11 million baht, from debt repayment. The company has paid in advance for shares and business transfer fees. Total net cash used in investing activities was 478.80 million baht. For cash flow from financing activities, the company has net cash acquired equal to 589.61 million baht, mainly from the capital increase and convertible debentures. Therefore, at the end of 2023, the company had cash and cash equivalents of 27.56 million baht, a decrease of 2.79 million baht from the last year.

Important Factors or Items that Affect the Change in Cash Flow from Various Activities may Affect the Financial position of the Company in the Future

The Ability to Repay Short-Term Liabilities

The Company's current liabilities amounted to 352.36 million baht, while current assets amounted to 409.90 million baht, making the company's ability to repay short-term liabilities is relatively low.

Financial Liquidity

| Description | 2021 | 2022 | 2023 |
|--|--------|--------|--------|
| <u>Liquidity Ratio</u> | | | |
| Current Ratio (times) | 0.65 | 0.63 | 1.16 |
| Quick Ratio (times) | 0.41 | 0.42 | 0.98 |
| Operating Cash Flow to Current Liabilities (times) | (0.07) | (0.08) | (0.24) |
| Receivable Turnover Ratio (times) | 5.74 | 4.91 | 4.33 |
| Collection Period (days) | 63.62 | 74.30 | 84.35 |
| Inventory turnover Ratio (times) | 7.45 | 6.05 | 4.66 |
| Collection Period (days) | 49.01 | 60.30 | 78.40 |
| Account Payable Turnover Ratio (times) | 5.88 | 4.99 | 4.23 |
| Payment Period (days) | 62.06 | 73.09 | 86.33 |
| Cash Cycle (days) | 50.56 | 61.51 | 76.42 |

The Company's liquidity ratio as of December 31st, 2023, was 1.16 times, an increase from the year 2022 which was 0.63 times due to the Company's able to repay short-term debts as specified with new debt being created less than the total paid

The Company has a Cash Cycle as of December 31st, 2023 of 41 days, an increase of 15 days from the previous year due to an increase in the receivable conversion period from the previous year.

Ability to Repay Debt and the Ability to Comply with Important Loan Terms

| Description | 2021 | 2022 | 2023 |
|---------------------------------|--------|--------|------|
| <u>Leverage Ratio</u> | | | |
| Debt to Equity Ratio (times) | 2.60 | 6.02 | 0.52 |
| Interest Coverage Ratio (times) | (4.57) | (2.37) | 1.31 |
| Dividend payout ratio (%) | - | - | - |

The Company's total debt to equity ratio as of December 31st, 2023, was 0.52 times, a decrease of 5.5 times from 2022 due to the company's an increased capital and the loan has been repaid. More than creating new debt.

Leased Liabilities

The Changes in Leased Liabilities for the Years Ended, December 31st, 2023 and 2022 are as follows:

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|---|--|----------------|
| | <u>2023</u> | <u>2023</u> |
| Leased liabilities at the beginning of the year | 5,481,245.04 | 10,616,404.31 |
| Additional contracts during the year | 2,745,879.11 | 2,178,551.16 |
| Paid during the year | (1,593,834.72) | (3,008,327.31) |
| Cancel the contract during the year | - | (4,305,383.12) |
| Leased liabilities at the end of the year | 6,633,289.43 | 5,481,245.04 |

(Unit : Baht)

| | <u>Separate financial statements</u> | |
|---|--------------------------------------|--------------|
| | <u>2023</u> | <u>2022</u> |
| Leased liabilities at the beginning of the year | 3,027,076.71 | 3,462,771.43 |
| Additional contracts during the year | 2,755,159.72 | - |
| paid during the year | (595,866.87) | (435,694.72) |
| Leased liabilities at the end of the year | 5,186,369.56 | 3,027,076.71 |

Factors Affect to Future Operation Performance

(1) Wage

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

(2) Exchange rates

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

Important financial information

Summary of the Company's financial statements

Statements of Financial Position

| Description (Unit: Million Baht) | Consolidated financial statements | | |
|---|-----------------------------------|---------------|-----------------|
| | 2021 | 2022 | 2023 |
| <u>Assets</u> | | | |
| Current assets | | | |
| Cash and cash equivalents | 9.67 | 30.35 | 27.56 |
| Trade and other receivable | 177.85 | 200.06 | 278.95 |
| Short-term loans to other persons and parties | 10.00 | 1.20 | 1.25 |
| Inventories | 131.05 | 125.61 | 64.46 |
| Other current assets | 33.68 | 22.71 | 37.68 |
| Total current assets | 362.25 | 379.93 | 409.90 |
| Non-current assets | | | |
| Assets arising from the contract | 27.30 | 27.20 | 24.08 |
| Investment property | 46.29 | 42.18 | 100.81 |
| Property, plant and equipment | 337.50 | 268.69 | 171.18 |
| Right-of-use assets | 16.34 | 12.31 | 13.48 |
| Advance payment | - | - | 515.00 |
| Deferred tax assets | 37.37 | 30.61 | 27.64 |
| Other non-current assets | 37.27 | 17.60 | 10.78 |
| Total non-current assets | 502.07 | 398.59 | 862.97 |
| Total non-current assets | 864.32 | 778.52 | 1,272.87 |

Consolidated financial statements

| Description (Unit: Million Baht) | 2021 | 2022 | 2023 |
|---|---------------|---------------|-----------------|
| <u>Liabilities and Shareholders' equity</u> | | | |
| Current liabilities | | | |
| Short-term loans from financial institutions | 104.35 | 105.21 | 61.08 |
| Short-term loans from related persons and businesses | 154.01 | 230.93 | 145.46 |
| Trade and other payable | 258.12 | 228.15 | 129.49 |
| Estimating liabilities from contractual interests in joint ventures | 20.34 | 21.93 | - |
| Long-term loans from financial institution | 5.17 | 1.96 | 2.49 |
| Other current liabilities | 17.74 | 17.59 | 13.84 |
| Total current liabilities | 559.73 | 605.77 | 352.36 |
| Non-current liabilities | | | |
| Long-term loans from financial institution | 2.52 | 2.14 | 1.74 |
| Liabilities under land lease agreements | 5.80 | 3.85 | 4.49 |
| Employee benefit obligations | 55.61 | 55.94 | 44.19 |
| Rental income received in advance | - | - | 11.70 |
| Convertible Debentures | - | - | 18.60 |
| Other non-current liabilities | 0.89 | - | - |
| Total non-current liabilities | 64.82 | 61.93 | 80.72 |
| Total liabilities | 624.55 | 667.70 | 433.08 |
| <u>Shareholders' equity</u> | | | |
| <u>Share capital</u> | | | |
| <u>Authorized share capital</u> | | | |
| 3,122,556,881 ordinary shares @ Baht 0.50 | - | - | 1,561.28 |
| 3,459,154,046 ordinary shares @ Baht 0.50 | - | 1,729.58 | - |
| 864,788,682 ordinary shares @ Baht 0.50 | 432.39 | - | - |
| <u>Issued and paid-up share capital</u> | | | |
| 2,746,762,885 ordinary shares @ Baht 0.50 | - | - | 1,373.38 |
| 864,788,682 ordinary shares @ Baht 0.50 | 432.39 | 432.39 | - |
| Premium on ordinary shares | 565.02 | 565.02 | 565.02 |
| Premium on sale treasury stock | 15.53 | 15.53 | 15.53 |
| Portion lower on ordinary shares | - | - | (230.87) |
| Retained earnings (deficit) | | | |
| Appropriated – Legal reserve | 12.71 | 12.71 | 12.71 |
| Unappropriated | (790.80) | (913.34) | (896.80) |
| Non-controlling interests | 4.92 | (1.49) | 0.82 |
| Total shareholders' equity | 239.77 | 110.82 | 839.79 |
| Total liabilities and shareholder's equity | 864.32 | 778.52 | 1,272.87 |

Statements of Comprehensive Income

| Description (Unit: Million Baht) | Consolidated financial statements | | |
|---|-----------------------------------|-----------------|-----------------|
| | 2021 | 2022 | 2023 |
| Revenue from operation | | | |
| Revenue from sales and services | 1,098.71 | 1,027.17 | 603.09 |
| Other income | 9.34 | 5.97 | 20.53 |
| Total revenues | 1,108.05 | 1,033.14 | 623.62 |
| Cost from operation | | | |
| Cost of sales and services | 970.40 | 885.84 | 523.08 |
| Selling and distribution expenses | 69.99 | 66.98 | 44.76 |
| Administrative expenses | 123.40 | 162.71 | 111.32 |
| Expected credit loss | (44.09) | 1.87 | 12.18 |
| Profit (loss) from selling investments in subsidiaries | - | (0.44) | 68.27 |
| Profit (loss) from operating activities | 99.83 | 80.96 | 24.91 |
| Finance costs | 26.32 | 34.84 | 36.90 |
| Share of loss on investment in associate | (0.02) | (0.02) | - |
| Transfer back estimates of liabilities from equity in joint venture | - | - | - |
| Loss from interest in joint venture | (20.34) | (1.59) | - |
| Loss before income tax | (146.51) | (117.41) | 9.94 |
| Income tax revenues | 4.38 | (7.15) | (1.68) |
| Profit (Loss) for the year | (142.13) | (124.56) | 8.26 |
| Loss for the year attributable to: | | | |
| Equity holders of the Company | (141.94) | (122.53) | 5.86 |
| Non-controlling interests | (0.19) | (2.03) | 2.40 |
| Basic loss per share | - | - | - |
| Equity holders of the Company (Unit : Baht) | (0.16) | (0.14) | 0.003 |
| Average number of ordinary shares (shares) | 864.79 | 864.79 | 1,868.67 |

Statements of Comprehensive Income

| Description (Unit: Million Baht) | Consolidated financial statements | | |
|---|-----------------------------------|-----------------|--------------|
| | 2021 | 2022 | 2023 |
| Loss for the year | (142.13) | (124.56) | 8.26 |
| Other comprehensive income | | | |
| Actuarial gain arising from defined benefit plan | 17.99 | - | 13.29 |
| Income tax relevance with other comprehensive income | | | |
| Other's Equity | (3.60) | - | (2.66) |
| Other comprehensive income for the year-net of income tax | 14.39 | - | 10.63 |
| Total comprehensive income for the year | (127.74) | (124.56) | 18.89 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | | | |
| Non-controlling interests | (127.55) | (122.53) | 16.54 |
| Total comprehensive income for the year | (0.19) | (2.03) | 2.35 |
| | (127.74) | (124.56) | 18.89 |

General Information and Other Material Facts

1. Company Profile

| | |
|----------------------------|--|
| Company Name | C.I.Group Public company Limited |
| Initial | CIG |
| Business Type | Produce parts, coils, for all heat exchanger products such as air-condition, refrigeration, heat pump, air handling unit and etc, for both export and local market |
| Registration Number | 0107547000133 |
| Registered Capital | 1,561,278,440.50 Bahts (As of December 31, 2023) Paid up capital 1,373,381,442.50 Bahts Par value 0.50 Baht per share |
| Head Office | 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290-9 Fax : 0-2976-5023 |
| Branch Office | 789/75 Moo 1 Pinthong Industrial Estate Nong-Kham, Sriracha, Chonburi โทรศัพท์ : 0-3829-6920-4 โทรสาร : 0-3829-6919 Tel : 0-3829-6920-4 Fax : 0-3829-6919 |
| Branch Office | 526/1-3 Moo 3 Soi. Than Phu Ying, Thepharak Rd., Thepharak, Muang Samutprakan 10270 Tel : 0-2758-3034-6 Fax : 0-2758-3085 |
| Home Page | http://www.cigpcl.com |

REFERRED PERSONS

| | |
|------------------------|--|
| Share Registrar | Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991 |
| Auditor | consider Mr. Ampol Chamnongwat, Miss Praphasri Leelasupha, Mr. Naris Saowalagsukul, Miss Kanyanan Punyawiwat, Mr. Burin Prasongsamrit CPA Registration No.4663, 4664, 5369, 12733 and 12879 respectively or other CPAs, who are in list of approved auditors by the office of SEC. of Sam Nak- Ngan A.M.C. Co.,Ltd. Sam Nak- Ngan A.M.C. Co.,Ltd. 191 Silom Complex Bldg., 19 th FL, 4 th Unit, Silom Rd., Silom, Bangrak Bangkok 10500 Tel. : 0-2231-3980-7 Fax. : 0-2231-3988 |

SUBSIDIARY COMPANIES

| | |
|----------------------------|---|
| Company Name | CIG Development Co., Ltd. (changed from De Lamai Co., Ltd.) |
| Business Type | Services business: hotel and auctions on construction contractor |
| Registration Number | 0845547005846 |
| Registered Capital | 100,000,000.00 Bahts (as of December 31, 2023) Paid up capital 100,000,000.00 Bahts |
| Head Office | 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel: 0-2976-5290-9 Fax: -0-2976-5023 |
| Branch Office | 71/4-9 Moo 4 Maret Koh Samui, Suratthani Tel : 0-7791-3250 Fax : 0-7791-3255 |
| Website | http://www.samayabura.com |

| | |
|----------------------------|---|
| Company Name | Illustro Co., Ltd. |
| Business Type | Testing service and install high voltage equipment |
| Registration Number | 0135563001775 |
| Registered Capital | 5,000,000 Bahts (as of December 31, 2023) Paid up capital 2,500,000 Bahts |
| Head Office | 5/10 Moo 4 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023 |

| | |
|----------------------------|--|
| Company Name | CIG Blusolutions Co., Ltd. |
| Business Type | Research, development, produce and sell air-condition and all other refrigeration parts |
| Registration Number | 0135563017671 |
| Registered Capital | 1,000,000 Bahts (as of December 31, 2023) Paid up capital 250,000 Bahts |
| Head Office | 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023 |

| | |
|----------------------------|--|
| Company Name | CIG Waterworks Co., Ltd. |
| Business Type | Produce and distribute potable tap water |
| Registration Number | 0135564022946 |
| Registered Capital | 5,000,000 Bahts (as of December 31, 2023) Paid up capital 1,250,000 Bahts |
| Head Office | 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023 |

| | |
|----------------------------|--|
| Company Name | CIG Utilities and Infrastructure Co., Ltd. |
| Business Type | Operate on renewable energy |
| Registration Number | 0135565024195 |
| Registered Capital | 5,000,000 Bahts (as of December 31, 2023) Paid up capital 1,250,000 Bahts |
| Head Office | 1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023 |

2. Other Material Facts

- None -

3. Legal Disputes

- None -

4. Legal Disputes

- None -



Part
2

Corporate Governance

Corporate Governance

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

In terms of corporate governance, the company has an internal audit office which is responsible for overseeing the Company's business operation to ensure that it operates properly and in accordance with the rules and in accordance with the principles of good governance more transparent.

In order to be used as a guideline of the organization, the Board of Directors has announced Corporate Governance Policy and Code of Conduct for Directors Management and Staffs which was effective since November 7th, 2014 by which has been improving to ensure operation is merit transparency and verifiable and follows business ethics. Hence could continuously create value added to the Company, trust of shareholders customers and related persons. The adjusted policy was approved and effective since November 11th, 2015 which had announced the Policy through all company's media such as website, announcement board and intranet. For the Code of Conducts, director management and all staffs have got Manual to get acknowledgement which all were signed to agree of following the manual strictly.

In the Board of Director Meeting No.1/2024 on February 28th, 2024, has consider how far of applying the 2017's Corporate Governance Code (CG CODE) for listed companies to be used as a principle of the board of directors. Then, found out that the Company has set and applied quite several codes whereas some such as established a Nomination and Remuneration Committee that the company still not establish as yet due to appropriation of the organization itself. On the other hand, the Company does have directors' recruitment and nomination method together with appropriate remuneration consideration base upon industrial standard. However, the Company would set plan beyond objectives of applying the CG CODE for listed companies completely. in order to create good corporate governance method of the company. The resolution of the meeting considered to review appropriateness of compliment the new CG CODE to the company business continuously or at least once a year.

Overview of Corporate Governance Policies and Practices

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

1. The Board of Directors will perform their duties with high attention and responsibility; independence and define clearly between roles of President of the Board of Directors and President of the Board of Executive Committee.
2. The Board of Directors have an important role in set vision, strategies, policy and important plan which must consider on risks in order to implement an appropriate method of doing business together with must ensure that the company's financial system and accounting audit are reliable and accepted.
3. The Board of Directors shall be leader in ethic, a role model on CG's behavior of the company and shall monitor on conflict-of-interest management and related items.
4. Board of Directors may set up a committee to decide on important issues.
5. Board of Directors must evaluate themselves for ease of auditing.
6. Board of Directors will set up Ethics Code of Conduct for management and all employees.
7. Board of Directors must disclose financial and non-financial data in a timely and equally manner for all shareholders and stakeholders.
8. Board of Directors must ensure that all shareholders are treated equally and have access to necessary information and provide suitable means for them to contact the company.
9. Board of Directors must set up a fair and transparent system for management recruitments.
10. Operate business in accordance with applicable law, regulation, rule and requirement set out by Stock Exchange Committee (SEC), requirement of the Stock Exchange of Thailand, and comply with the resolution of the shareholder meeting.
11. Prevent the company from entering into the conflict of interest which may occur among the companies, establish confidences with the shareholder under the transparent and verifiable tradeoff approach

12. The Board of Directors consist at least no less than three independent committees.
13. Provide the evaluation and risk control appropriately.
14. The Board of Directors should hold a meeting at least on quarterly basis regularly and special meeting is allowed to be held when necessary. The meeting agenda should be designed in advance pursuant to the company's regulation so that the Board members have enough time to examine the information prior to the meeting.
15. The Board of Directors must be consisted of many varieties of qualifications including skills, experience and expertise in guiding the company. The Board of Directors must also consist of at least one director who are not involved or associated with the core business of the company.

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

Leadership and Vision

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

Conflicts of Interest

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

1. The Directors shall neither operate nor engage in nor partake as shareholder or partnership with any juristic person operating the similar business or competing with the company, unless informed in the shareholder meeting prior to appointment resolution.
2. Executive and employees shall neither use internal information for their own exploitation in buying and selling the company's stock, nor disclose the third party or any concerned persons

the internal information that jeopardizes the shareholders.

3. Executives and employees shall not utilize their position or acquired information to operate activity or any business relevant to company business to compete.
4. In case that the company and its affiliates have some related transactions or acquired the crucial corporate assets sold, the Board and the Management shall conduct a meeting for such respective matter carefully, honestly and reasonably for the sake of the optimum interest of the company and overall shareholders. The Directors or executives who are stakeholders concerning such a case are required to leave the Board meeting and disclose the information through channels so that the stakeholders can be advised thoroughly and equitably.

Balance of Power for Authority of Non-executive Directors

The company currently has overall 9 directors, composing of 3 executive, 2 non-executive and 4 independent directors who have real independence out of the management and have neither business relationship nor any other kinds of relationship with the company. This is to ensure of the autonomy and neutrality of the Board in respect of governance.

Business Ethics

The company policy has exercised the disclosure of the performance of the Board and employees to customers, trade partners, society and related persons explicitly, and embraced the Best Practices honestly, justly and equitably. The company pursues the performance and concerned matters in accordance with the policy and ethics regularly, including to disciplinary punishment. Information on good corporate governance and the complete Code of Business Conduct can be found on the Company's website www.cigpcl.com.

In 2023, there were no violations of the organization's ethics and code of conduct.

Significant changes and developments in policies, practices and corporate governance systems in the past year

In 2023, the Board of Directors Meeting reviewed the essence of the policy, guidelines on corporate governance and the business ethics and has not changed any content.

Governance in other areas

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

The company focuses on internal audit in management and operation level and set up rules and clear operating practices. Clear responsibility and scope of authority are clearly written to separate the operating personnel, evaluators and controllers from one another so that a balance can be maintained. Moreover, a financial system control is in place. Financial reports will be sent to related persons.

Rights of Shareholders

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

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

Shareholders' Meetings

Program of Shareholder's Meeting

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

In the year 2023, the AGM was held on April 24 at 13.30 hrs. at the master Meeting Room of C.I. Group Public Company Limited 1/1 M.7 Bangkoowad Road, Bangkoowad, A. Muang Pathumthani, Pathumthani 12000, Thailand. During 2022's, there were 2 Extraordinary General Meeting of shareholders as follows :

Extraordinary General Meeting of Shareholders No.1/2023 on March 10th, 2023, at 14.00 hrs. at the master Meeting Room of C.I. Group Public Company Limited 1/1 M.7 Bangkoowad Road, Bangkoowad, A. Muang Pathumthani, Pathumthani 12000, Thailand.

Extraordinary General Meeting of Shareholders No.2/2023 on October 9th, 2023, at 13.00 hrs. at the master Meeting Room of C.I. Group Public Company Limited 1/1 M.7 Bangkoowad Road, Bangkoowad, A. Muang Pathumthani, Pathumthani 12000, Thailand.

Meeting Notice in Advance

For the 2023 AGM, the Board of Director's meeting No.6/2023 on Tuesday 28th February 2023 decided to call a shareholders' meeting on Monday 24th April, 2023, its decision, meeting date, meeting agenda was disclosed in detail prior by announcing on SET's website to alert the shareholders before sending meeting notices.

The company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail meeting notices together with details of the agenda and accompanying documents, supplementary and supporting information for decision making, opinions of the board, complete minutes of the past meeting, the Annual Report, meeting documents, proxy forms with complete instruction, to the shareholders more than 14 days ahead of the meeting date. Also, three days ahead of the meeting, the invitation had been announcing on newspaper for three days, to allow time for the shareholders to prepare for the meeting.

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

Organize of the Meeting

Before each meeting, the secretary of the meeting introduces the directors, management team members, the external auditor and the legal adviser who acts as a moderator. After explaining the company's rules on voting and vote counting for individual agenda items,

the chairman must clearly address how to vote on each agenda item. Once information has been provided for each item, the chairman gives the floor to all attendants to express opinions or recommendations and ask questions, giving adequate time for debate. The chairman and the management are to address and answers all questions clearly and precisely, treating all questions with due respect. For the election of directors, individual votes are required.

The chairman ensures that the meeting proceeds according to the order of the agenda and does not add an item without notifying shareholders in advance. If the meeting should decide to change the order of the agenda, it would need at least two-thirds of the vote of the shareholders in attendance. Alternatively, the shareholders with at least one-third of all the sold-shares may ask the meeting to consider other matters not mentioned in the meeting notice. At the 2023 AGM, the order of the agenda was not changed and there was no request to consider any other matter.

The minute of the meeting must be completely and accurately recorded and concluded with a vote counting point, which includes the meeting time of shareholders to review, 2 hours in the meeting. The 2023 Annual Meeting has scheduled the meeting at 1:30 p.m., with registration starting at 12:30 p.m. The Meeting's opening, the shareholders and proxy holders in total of 26 shareholders which holding 619,397,302 shares or 35.72% of the total shares sold, which exceeded one-third of all the sold shares of 1,734,184,503 shares.

Disclosure of Shareholders' Meeting Outcomes

For the year 2023's AGM, the company duly submitted the summary of resolutions made to SET and the SET Board within the afternoon of the date of the meeting (April 24th, 2023). It also duly submitted the report of the shareholders' meeting with minutes, voting records, and every question raised by shareholders to SET and the SET Board within 14 days after the meeting which also could be access via the company's website.

Equitable Treatment of Shareholders

The company treats all shareholders fairly despite different shareholding proportions and thus different voting proportions. The fundamental rights of the shareholders are conserved regardless of their gender, age, origin, nationality, religious belief, physical impairment or political inclinations. At the AGM, the company has set staffs to take care and services shareholders. For any activity of the company,

it will also open opportunities to everybody without any condition.

Proposing Additional Meeting Agenda Items and Nominating Directors

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

For the AGM of year 2023, the company posted such criteria on its website and posted an announcement on the website of SET from 29th September to 29th December 2022, so that the shareholders could propose meeting agenda items and/or nominate directors in advance. However, it attracted no recommendation of such agenda items and no nomination of directors, and the Corporate Secretary has duly informed the Board meeting on the matter.

Facilitating Shareholders at the Meeting

For the 2023's AGM, the company facilitated all shareholders by manning officers to welcome and take care of them and provided adequate convenience. The meeting venue was well chosen to facilitate all shareholders. Officers were set to verify documents. On the meeting days, registration opened 2 hours ahead of the meeting and extended until the period before the last meeting agenda. A barcode system quickened registration. Finally, the shareholders had access to a reception and feel free to have some snacks which the company had set for treating them.

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

Appointing Proxy

To maintain the rights of shareholders who cannot attend the 2023 AGM in person, they can appoint proxies or delegate their votes to the assigned independent director of the company in attendance. To this end, the company has specified these independent directors' name in proxy form defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The company shall treat proxies as if they were shareholders. Thirty days ahead of each meeting, the company discloses the proxy form, which is attached along with details and procedures on its website. Shareholders may make further inquiries about this by phone or other channels such as the company's website or e-mail.

In 2023, the company got 100% on quality of Annual General Shareholder Meeting of the Company from Thai Investor Association.

Role of Shareholders

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

Treatment of stakeholders based on the following principles:

Shareholders

The company directors are dedicated to work with transparency and honesty for the best interest of shareholders and promote long term value creation for all shareholders. All information that might affect the share prices and/or important decision makings must be disclosed in a timely manner.

Employee

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

The company believes that the company's growth depends on high

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

Guidelines

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

Business Partner

The company pays great attention to business partners which are important stakeholders. The company treats all business partners equally based on fair competition with respect and mutual cooperation.

The company maintains business relationship and honors all contracts.

Purchasing system is carefully monitored and transparent for auditing.

Including promoting and supporting business partners to fight against corruption by learning the strengths and weakness of each other in order to develop businesses together.

Guidelines

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

Creditor

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

Guidelines

- 1) Strictly comply with contract terms with creditors in terms of payment and other terms which have been agreed with creditors.
- 2) Disclose financial information to creditors according to the

contracts in a timely manner.

- 3) Notify creditors in case of non-compliance with the terms of the contract and try find solutions to such problems.

Customer

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

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

The company applies customer management and marketing consistent with the vision and mission of the company to meet the needs and expectations of a wide range of clients.

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

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

Competitor

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

Guidelines

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

Community and Society

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

Respect for International Human Rights Principles

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

Guidelines

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

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

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

Guidelines

- 1) The company encourages employees to use the internet to work related matters. Employees must not interfere with the system and others in the office. They must not use the computer system of the company to publish information that is not suitable to customs and traditions or violates the laws, such as damage to reputation and assets. The possession of pornography and forwarding abusive mails or personal advertisement are also prohibited.
- 2) Employees must use licensed programs. Should they work on external computers, they must verify the required licenses and inform the management. They must not install or use illegal programs in the company.
- 3) Employees must protect their own password and never tell anyone. They should not use suspicious websites which may be harmful to the company's computer system.
- 4) In case that the employees require external user to use the company's computer system, they should oversee all the usage and they must be responsible for any damages that might result from such use.
- 5) The company will check, search, track, investigate and control use of Information technology system of the company for security and safety purposes.

Employee Safety and Welfare

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

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

Receiving and Offering Customary Gifts, Assets or other Benefits

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

Guidelines

- 1) Non-extravagant gifts, assets or other benefits may be given and received so long as they are moral, legal and it is a customary local practice. When either the given or the recipient have any doubts or believe that such gifts, assets or other benefits may not be appropriate, the gift shall be returned. If it cannot be returned, it shall be delivered to the Administration Office in order to collect to be an employees’ reward during special occasion or donate to external person or organization as appropriate.
- 2) Ethical and legal gifts or assets of appropriate value may be received from persons with whom personnel have associated with if it is the general practice and there are no ulterior reasons. The Company personnel must not illegally accept gifts.
- 3) The Company prohibits its personnel and their family members at all levels, under any circumstances, to solicit or receive gifts, assets or other benefits from contractors, sub-contractors, customers, trade partners or other related parties, which may lead to unfair judgments, impair decision making or create conflicts of interest.

- 4) The Company personnel are responsible for reporting and gifts, assets or other benefits they have received. The Company shall frequently communicate its policies related to giving and receiving gifts, assets or other benefits to its contractors, sub-contractors, customers, and trade partners.
- 5) The Company personnel shall not offer bribes or other similar benefits to other company personnel or outsiders, especially government officials. When offering gifts, assets or other benefits to government officers in Thailand and other countries, it must be ensured that such offerings or not against the local law and customs.

Disclosure of Information and Transparency

Financial and Non-Financial Report

The company trusts that disclosure of information is a key index of transparency, an important factor to create confidence among investors and stakeholders. Thus, it is important to control and set standard in disclosure of information in both financial and non-financial to be precisely correct and accurately align with the required laws and regulation. The information must include all major concern, is adequate, trustable and on-time both in Thai and English. Channels of disclosure information are through the Set Community Portal’ system of the SET and SET Community Portal and through the company’s website. The company strictly respects rules and regulations as set forth by SET, SEC and other government organization and following up all the changes (if any) at all time to ensure if the company’s policies and regulations are correct including the standard set which could ensure shareholders’ trust in our transparency, accuracy and accountability. The company also creates appropriate mechanism to receive complaints and fair treatment both for those who file complaints and those who have been complained such as:

- 1) Disclose information both financial and non-financial correctly, accurately and on-time.
- 2) Prepare Report of Directors’ Responsibility on Financial Report together with Auditor Report in the company’s Annual Report.
- 3) Set policy to make directors and managements to report all interests that are involved with interest of the company and affiliates of themselves and related person by having criteria and method of reporting as follows:
 - Report by the time of positioning as Directors and Management.

- Report every time if the significant information have changed.
 - Report every end of the year.
 - In case the Directors retired by rotation which are chosen to be in the same position continuously, they do not need to submit new form if there is no change in the information reported.
 - The Directors and Management must submit Interests Report Form to the Corporate Secretary and the Corporate Secretary must submit the report form to the Chairman of the BOD and AC within 7 days after receiving the reports.
- 4) Disclose information of the directors' performance and number of attendance to the meeting individually.
 - 5) Clearly disclose operation structure and investment in affiliates and subsidiaries.
 - 6) Disclose the Director's remuneration of each director from acting as the Company's Directors.
 - 7) Disclose Compensation Policy for directors and executive managements in details.
 - 8) Report on Corporate Governance Policy and results of perform as per the policies.
 - 9) Disclose all significant investment projects and effects of investment through SET Community Portal of the SET and the company's website for investors, shareholders, mass media and related persons aware of the information thoroughly correctly and transparently.

Complaint-Filing and Access to Information

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

- Tel: 0-2976-5290
- Web site: : www.cigpcl.com
- E-mail: secretary@cigpcl.com

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

The company offers opportunities for the public to complain on improper behavior of directors, the management, and staffs or their

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

- A. The Corporate Secretary : secretary@cigpcl.com
- B. The Corporate Audit (Internal Audit):
internalaudit@cigpcl.com

For the year 2023, no complaints on ethics were made.

Board Responsibility

Segregation of the Chairman and the President & CEO Position

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

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

Board Meeting

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

Overall, the Board of Directors has held 23 meetings in the FY 2023 which are 20 BOD, 1 AGM and 2 Extraordinary General Meeting. The directors could propose idea and opinion open and freely. For which agenda that may relate or has any conflict of interest to the directors, the said directors will not vote or even not attend the meeting during the agenda.

Meeting of Non-Executive Directors

The Board of Directors does support non-executive directors meeting among each other and/or with auditor to exchange concern about management and operation without any Management attending. In 2023, the Audit Committee had meeting 7 times (without management attending).

Self-Assessment of the Board

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

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

The Self-Assessment of the Board Method

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

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

The findings from the self-assessments were as follows:

Assessment of the Board consisted of four categories:

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

Procedure of Assessment

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

Overall results for the year 2023 were excellent for most directors, with an average score at 95%.

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

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

Procedure of Assessment

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

In 2023, overall results of the three categories indicated excellent conformance by most directors, with an average score at 92%.

Assessment of the Audit Committee's Performance

Under the company's Audit Committee Charter 2013 on performance assessment, the Audit Committee Manual for State Enterprises under the Ministry of Finance, and SET's Good Governance handbook for internal auditors and the audit committee section 1.1: responsibility of the Audit Committee, the Audit Committee must assess its performance by undertaking self-assessment at least once a year. The individual self-assessment or the entire Committee's assessment is presented yearly to the Board, specify in problems leading to unfulfilled objectives. The Audit Committee's Meeting No.2/2024 on 28th February, 2024, passed a resolution to use the assessment form since it conform to the good governance stipulated by SET, with a waiver of cross-assessments because there were only three audit committee members. The Audit Committee's Meeting No. 2/2024 dated 28th February, 2024, passed a resolution to approve the assessment of the Audit Committee's performance 2023 with the following details:

Assessment of the entire committee consisted of the structure and composition/ role and responsibilities/ relationship with the Office

Director's Compensation

The 2023's Annual General Meeting of the shareholders on 24th April, 2023 had resolution to approve Director and Audit Committee's remuneration for the year 2023 not exceeded THB 8,000,000 per year, there were details of compensation as follows:

| POSITION | DIRECTOR'S COMPENSATION | MEETING ALLOWANCE THB5,000 /PERSON/TIME |
|-----------------------|-------------------------|---|
| Chairman of the BOD | THB45,000 / Month | Meeting Allowance will be paid to Directors who attend meetings only (BOD and AC) |
| Chairman of the AC | THB15,000 / Month | |
| Directors Independent | THB25,000 / Month | |
| Directors Audit | THB25,000 / Month | |
| Committee | THB12,500 / Month | |

of Corporate Audit and the external auditor/ relationship with the management/ reporting / quality consistency.

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

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

Directors and Executive Remuneration

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

Management Succession Planning

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

Guidelines for management succession for each position are as follow:

1) Managing Director

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

2) Manager

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

The process of succession plan for manager level are:

- a. Analyze business situation of the company in term of policies, strategies, investment plan and operating extension plan.
- b. Assess manpower to be complied with the company's strategies both in short and long term.

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

Policy on Serving as Directors of Other Companies

In the year 2023, CIG had 5 affiliates, so the company put highly attention to adopt group management structure for synergy and alignment of policies. To achieve this, the company has appoints directors or management team members to serve as directors in these companies to supervise policies and business management which align with the company's for the benefit and value addition for all stakeholders. The objectives for such appointments are as follows:

- 1) To ensure that the management of a given company aligns with the policy of the CIG's group companies; to monitor its overall business performance to align with the company's policy and institute comparable standards.
- 2) To establish synergy for the business of the company's group and add value to all related parties.
- 3) To apply specific expertise in support of business, including financial know-how to improve accounting and financial processes to enable a given company to grow robustly. This includes assistance to companies outside the group. The resulting application of the knowledge and expertise gained from serving in such leading companies will enhance the benefit to the company and foster cordial relations and business alliances for the company in return.
- 4) This is part and parcel of the responsibility of directors and the management of the company.

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

Directors' Development

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

In the year 2023, the directors are not trained.

Directors Orientation

The company has set an orientation for new Directors in order to create best understanding with the company's business and policies inclusive with related information such as investment structure, shareholders structure, business performance, information and systems are used within the company, related rule and regulations and laws, business ethics of the Board of Directors, Good Corporate Governance Policy, Anti-Corruption Policy, etc.

Corporate governance structure and significant information related to the Board of Directors, subcommittees, executives, employees and others

Organization Char

Organization Chart
C.I.Group Public Company Limited



Approved by

Chairman of Executive Committee

Date of Issue : 08/02/2022

REV.47

Information on the Board of Directors

The Board of Directors

As of December 31st, 2023, the Board of Directors is comprised of 9 peoples as name follows:

| No. | Name-Surname | | Position |
|-----|----------------|----------------|------------------------------------|
| 1. | Pol.Gen.Prung | Boonpadung | Chairman of the Board of Directors |
| 2. | Mr. Aree | Poomsanoh | Vice Chairman of the Board |
| 3. | Mr. Taweesak | Wangkorkiat | Director |
| 4. | Mr. Theera | Poomsanoh | Director |
| 5. | Mr. Cherdpong | Siriwit | Independent Director |
| 6. | Mr. Banjoed | Jareyanukeja | Director |
| 7. | Mr. Pat | Lapanan | Director |
| 8. | Mr. Phongcharn | Samphaongern | Independent Director |
| 9. | Mr. Thammarong | Suphakitcharak | Independent Director |

Definitions Executive Directors

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

Non-executive Directors

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

Independent Directors

Directors who are independent from major shareholders and are independent from any kinds of relationship that will prevent independent consideration. Independent directors must have following qualifications in section 8.

Qualifications of the Company's Directors

1. Directors must have knowledge, abilities and experiences that will be beneficial to business operations. They must have honesty, integrity, business ethics and have enough time to devote knowledge, ability and fully perform duties for the company.
2. Directors must have full qualifications and must not have any prohibited characteristics under the law governing public limited companies and the law on securities and exchange Including not having characteristics indicating lack of suitability to be entrusted with the management of a publicly held business as specified in the notification of the Securities and Exchange Commission. They must be a person whose name is listed in

the list of directors and executives of a company issuing securities according to the Notification of the Capital Market Supervisory Board Re: Rules for Displaying Names of Persons in the List of Directors and Executives of a Company. issuing securities, including:

- Not being a director in a company in which the Company holds more than 3 shares, including being a director by position and being assigned to act on behalf of a director as well.
- Independent directors must have qualifications related to independence as announced by the Stock Exchange of Thailand. Qualifications and scope of work of the Audit Committee.
- Never been sentenced by a final judgment to imprisonment, except for an offense committed through negligence or a petty offense
- Not a political official except being a director under the provisions of the law
- Not holding any position in a political party or an official of a political party.
- Never been fired, fired or fired for malpractice.

- 3) Directors cannot operate businesses of the same nature and in competition with the Company's business or become a partner or a director in another juristic person having the same nature and competing with the company's business, whether for his own benefit or for the benefit of others unless notified to the shareholders' meeting prior to the resolution of appointment.
- 4) Directors must notify the company without delay. If there is an interest in a contract entered into by the Company, whether directly or indirectly, or if the shareholding, debentures, debentures increase or decrease in the Company or affiliated companies

Directorship

- 1) Holding a position of director in the company and/or juristic person in which the company holds shares not more than 3 companies
- 2) Holding a directorship position in a company listed on the Stock Exchange of Thailand and not more than 5 non-listed subsidiaries, provided that holding a director position under this Clause 2 shall not be contrary to the Rules No. 1 as well. According to the provisions of Articles 1 and 2, together, must not exceed 5

places.

- 3) Company Directors, Independent Directors and Specialized Directors Cannot hold office for more than 9 consecutive years

Authorized Directors

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

Rotation of Retirement

At every Annual General Meeting of Shareholders, one-third of the directors liable to retirement by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office. The directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who will have to retire is to be determined by lot, unless otherwise agreed to among themselves.

Board of Directors of the Subsidiaries

As of December 31st, 2023, the Board of Directors of the Subsidiary consists of the following qualified persons:

CIG Development Co., Ltd. (changed from De Lamai Co., Ltd.)

| | | | |
|----|------------|----------|------------------------------|
| 1. | Mr. Bannat | Nakaphan | Director / Managing Director |
|----|------------|----------|------------------------------|

Illustro Co., Ltd.

| | | | |
|----|---------------|-----------------|-----------------------|
| 1. | Mr. Aree | Poomsanoh | Chairman of the Board |
| 2. | Dr.Wutthikorn | Threevithayanon | Director |

CIG Blusolutions Co., Ltd.

| | | | |
|----|----------------|-------------------|-----------------------|
| 1. | Mr. Taweesak | Wangkorkiat | Chairman of the Board |
| 2. | Mrs. Chankapaw | Dissakul | Director |
| 3. | Mr. Sawai | Chatchairungruang | Director |
| 4. | Mr. Anat | Pinrat | Director |
| 5. | Mr. Parkorn | Tangnukulkij | Director |
| 6. | Mr. Wichai | Sintukanchanapan | Director |

CIG Waterworks Co., Ltd.

| | | | |
|----|--------------|------------|-----------------------|
| 1. | Mr. Aree | Poomsanoh | Chairman of the Board |
| 2. | Mr. Panuwat | Hongjaroen | Director |
| 3. | Mr. Kittisak | Powkaew | Director |

CIG Utilities and Infrastructure Co., Ltd.

| | | | |
|----|----------------|-------------|-----------------------|
| 1. | Mr. Aree | Poomsanoh | Chairman of the Board |
| 2. | Mr. Taweesak | Wangkorkiat | Director |
| 3. | Mr. Theera | Poomsanoh | Director |
| 4. | Mrs. Chankapaw | Dissakul | Director |

Information about sub-committees

Structure of the Board of Directors of the Company It consists of 3 committees, namely the Board of Directors. Executive Committee and the Audit Committee, are detailed as follows

Board of Directors

The Board of Directors consists of qualified persons A total of 9 people consisted of

- 3 Executive Directors
- 2 Non-Executive Directors
- 4 Independent Directors, equal to 44.44% of the total number of directors.

Remarks: List of committees and their profiles are shown in Attachment 2.

Scope of Authority and Duty of the Board of Directors

- 1) To manage the company honestly in accordance with laws, objectives, obligations and resolutions of Shareholder Meeting and to take precautions in order to protect the company benefits.
- 2) To authorize an appointment a set of directors as Executive Committee to execute one or several tasks in order to implement the work assigned by the Board of Directors as well as to authorize an appointment the Chairman of Executive Committee together with other committee such as Audit Committee, Nomination and Remuneration Committee as deemed appropriate.
- 3) To set objective, procedure, policy, plan, and company budget and monitor the management of the Board of Executive Committee or the assigned person to follow with the policy set

forth.

- 4) To consider review and approve and govern policy, direction, strategy, business plan, and annual budget, investment on big project proposed by the Board of Executive Committee by supporting in apply innovation and technology to value added to the business.
- 5) To continuously follow up on the operation as plan and budget set forth.
- 6) To consider and approve other activities concerning the company and have it done to benefit the company.
- 7) Govern in intelligent technology and ensure of disclosure policy inclusive of confidential information leakage. The confidential information management will cover keeping information method especially market sensitive information.
- 8) Monitor sufficiency of liquidity, debt payment capability and recover business method in case the company is facing cash flow problem. Also, ensure of financial management understanding of the employees and provident fund.

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

- a) Matters stipulated by Laws must be obtained the resolutions from Shareholder Meeting.

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

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

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

Board of Directors Meeting

- (a) Directors must be present at the meeting of not less than half of the total directors of the company to form a quorum.
- (b) The decision of the Board of Directors shall be made by a majority of votes. However, the minimum number of quorums at the time when the Board of Directors will vote at the Board of Directors' meeting must be at least two-thirds of the total number of directors.
- (c) One director has one vote. Directors who have interests in any matter have no right to vote on that matter. if the votes are equal, the chairman of the meeting shall have an additional vote as a casting vote.

Roles and Duties of the Chairman

The chairman of the board has the following duties:

1. Consider setting the agenda for the Board of Directors meeting with the Managing Director and to ensure that the Company's directors receive accurate, complete, clear and timely information prior to the meeting so that the Company's directors can make appropriate decisions.
2. Be the leader of the Board of Directors and chaired the meeting of the Board of Directors
 - 2.1 Conducting the Board of Directors meeting according to the agenda Articles of Association and law.

- 2.2 Allocate enough time and encourage all directors to discuss freely exchanging opinions and use discretion carefully taking into account all stakeholders in its entirety.
- 2.3 Clearly summarize the resolutions of the meeting and what needs to be done next
- 2.4 Schedule a meeting of the Board of Directors without any directors from the management.
3. To be the leader in the shareholders' meeting in accordance with the agenda Articles of Association and law by allocating time appropriately as well as giving shareholders an opportunity to express their opinions equally, and ensure that shareholders' inquiries are properly and transparently answered.
4. Support and be a good role model in compliance with the corporate governance and code of conduct.
5. Strengthen good relationship between the Board of Directors and the Management. and support the performance of duties of the Managing Director and the Management according to the Company's policy.
6. Supervise the disclosure of information and transparent management in case of conflicts of interest.
7. Supervise the Board of Directors to have an appropriate structure and composition.
8. Supervise the overall performance of the Board of Directors. The various sub-committees and each director are efficient and effective.
9. Supervise and assess the overall performance of the Board of Directors. and various sub-committees to bring results to improve the performance of duties and enhancing the knowledge and abilities of the Company's directors and sub-committees

Separation of roles and duties between the Board of Directors and the Management.

The Company has clearly separated the roles, duties and responsibilities between the Board of Directors and the Management. The Directors are responsible for setting policies and supervising the operations of the Management at the policy level. While the management is responsible for managing various tasks in accordance with the specified policies. Therefore, the Chairman and Managing Director is a different person. Both positions must be selected by the Board of Directors, to get the most suitable person.

The Chairman of the Board is not an executive director and does not participate in the management of the Company and does not have the power to bind the Company—in order to clearly separate the duties between the overall policy supervision of the company and the management.

The management department has been assigned the authority to operate under the policies set forth, responsible for the overall performance, control expenses and investment budget within the scope approved by the Board of Directors in the annual work plan. Operate in accordance with the privacy policy. Resolve issues or conflicts affecting the organization and maintain effective communication with the stakeholders.

The Board of Executive Committee

As of December 31st, 2023, the Board of Executive Committee is comprised of 4 people as name follows:

| | Name-Surname | | Position |
|----|----------------|-------------|---------------------------------|
| 1. | Mr. Aree | Poomsanoh | Chairman of Executive Committee |
| 2. | Mr. Taweesak | Wangkorkiat | Executive Committee |
| 3. | Mr. Threera | Poomsanoh | Executive Committee |
| 4. | Mrs. Chankapaw | Dissakul | Executive Committee |

Scope of Authority and Duty of the Board of Executive Committee

1. To manage the company honestly in accordance with laws, objectives, obligations, resolutions of Shareholder Meeting and resolutions of the Board of Directors Meeting and to take precaution to protect the company benefits.
2. To determine organization structure, authorization lines and to ensure its coverage of details in terms of selection, training, employment, reshuffle and dismissal of company personnel.
3. To plan and to determine the business plan, business strategies and annual budget and then to propose to the Board of Directors for approval. Also, to consider and to approve the allocation of annual budget, to amend, adjust, or increase annual expense budget in case of urgent needs and then to present to the Board of Directors accordingly.
4. To audit and monitor the company business operation, policy, and administrative guidance in a manner that is compatible to business situation.
5. To audit and to monitor in order to ensure that the company is operated in accordance with the approved business plans.
6. To consider company large-scaled investment project and have

it presented to the Board of Directors for approval.

7. To authorize and to approve the following financial implementations.
 - a. The Board of Executive Committee is entitled to approve unlimited financial amount in case that such implementation is stated in the business plan or annual budget.
 - b. If not stated in documents mentioned in (1), the Board of Executive Committee is entitled to approve an amount not exceeding 150 million Baht. Such approval shall include the approval on the expense occurred from general operations. Investment on permanent property, lend, including provision of guarantee, etc. and acknowledge the Board of Directors.
8. To implement other tasks as periodically instructed by the Board of Directors.

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

The Audit Committee

The company has an audit committee which consists of 3 independent directors whose terms are 2 years each. However, upon the expiration of the term, they may be re-appointed to hold the position. All Audit Committee members have knowledge and understanding of the roles and duties of the Audit Committee in order to review the Company's performance in accordance with the Securities and Exchange Act, or laws related to the company's business, review the financial reports to present to the Company's directors, as well as consider disclosing the Company's information in the event of a connected transaction or a conflict of interest to be accurate and complete. The Audit Committee is able to perform duties and express opinions independently. There is an internal audit office to audit the company on a quarterly basis, and report the audit results directly to the Audit Committee. In 2023, the Audit Committee held a total of 7 meetings. As of December 31st, 2023 Audit Committee consists of 3 directors as follows:

| Name-Surname | | Position |
|--------------|--------------------------------|--|
| 1. | Mr. Cherdpong Siriwit | Independent Director and the Chairman of Audit committee |
| 2. | Mr. Phongcharn Samphaongern | Independent Director and Audit Committee |
| 3. | Mr. Thammarong Supphakitcharak | Independent Director and Audit Committee |

The second member of the audit committee has adequate expertise and experience to review credibility of the financial reports.

The Audit Committee Secretary: Ms. Wanphen Khaosuwan

Scope of Authority and Duty of the Board of Audit Committee

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

- other transactions which, according to the audit committee's opinion, should inform to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) To conduct other tasks as instructed by the Board of Directors whereas agreed by the Audit Committee, i.e. to make revisions on financial policies and risk management, make revisions on compliance with business ethics, make co-revisions with

company directors on important issues which need to be disclosed to public stated by laws, for instance, report and analysis of management team.

The company discloses the charter of the audit committee at the company website, www.cigpcl.com

Information on Executives

Executive Management

As of December 31st, 2023 Executive Management is comprised of 4 people as name follows:

| | Name-Surname | | Position |
|----|-------------------|-----------------|--------------------------|
| 1. | Mr. Aree | Poomsanoh | Chief Executive Officer |
| 2. | Miss Rattanakamol | Poomsanoh | Acting Managing Director |
| 3. | Dr. Wutthikorn | Threevithayanon | Operations Director |
| 4. | Mr.Chiradul | Pitaktham | Engineering Director |

Scope of Authority and Duty of the Managing Director

- 1) To direct and oversee the administration and the management to be in accordance with policies, plans and budget approved by the Board of Directors or the Board of Executive Committee and report the company performance to the Board of Directors or the Board of Executive Committee consecutively.
- 2) To consider the suitability of an annual budget allocation prepared by the Board of Executive Committee prior to propose to the Board of Directors.
- 3) To authorize an approval on the overall purchase and the expenditure on general matters as stated in the Company Authority Table.
- 4) To consistently evaluate the company operation in order to prevent risks from various factors inside and outside the company.

- 5) To authorize the issuance of orders, regulations, announcements, memorandum so that the company is operated in compliance with the policy or for company's interest.
- 6) To provide an authority and/or to sub-authorize to other persons to carry out specific task. Such sub-authorization shall be under the scope of authorization as stated in the given power of attorney and/or shall be comply with the regulations, specifications or order stated by the Board of Directors and/or the company.
- 7) To implement other tasks as periodically instructed by the Board of Directors or the Board of Executive Committee.

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

Executive Remuneration

The Company determines the remuneration of directors and executives at an appropriate level, and at the same level as the industry. Consideration of remuneration of directors will be paid in the form of monthly remuneration and meeting allowances according to the number of meetings attended, which must be approved by the shareholders' meeting of the Company. In terms of executive compensation, the Company will consider the payment according to the performance of each executive, along with the Company's performance. The Company believes that such compensation is sufficient to motivate and retain qualified personnel.

Monetary compensation

The Company has disclosed the Board of Directors' and the Audit Committee's remuneration in Section 8.1.2 Meeting attendance and remuneration of individual committees.

In 2021-2023 The executive remuneration is summarized as follows:

| Type of Remuneration | 2021 | 2022 | 2022 |
|----------------------------|-------------------|----------------------|-------------------|
| Salary | 24,044,112 | 23,221,291.00 | 21,409,526 |
| Incidental benefit | 60,556 | 40,100.00 | 25,750 |
| Other | 593,840 | 490,305.00 | 428,067 |
| Total | 24,698,508 | 23,751,696.00 | 21,863,343 |
| Number of Executive | 10 | 11 | 8 |

Note: As of December 31st, 2023, the Company has 4 Executive Managements and 4 Executive Committee.

Other Remunerations consists of ESOP-1 and Provident Fund.

The company paid compensation to the Chairman of the Executive Committee (CEO) in the form of salary and gratuity, which will be varied to the company's performance. For the year 2023, total remuneration of CEO was 7,500,000 baht.

Other compensation

The Company has provided welfare and other compensation other than salary, bonus and provident fund contributions to management and employees as appropriate to economic conditions and livelihood to be competitive as well as comparable to the standards of the same industry and consistent with the Company's performance both now and in the future and has been continuously improved and reviewed.

The Company provides compensation to its directors and employees in the form of offering warrants to purchase the Company's ordinary shares, ("Warrant"), with name specified and non-transferable and also provident fund as an incentive and to strengthen the morale of the directors and employees of the Company that has contributed to the success of the company and for employees to be respectful to the organization. In the past The Company's directors and employees were allocated warrants totaled 25,100,000 units or 4.99 percent of the total issued shares of the Company as of April 23, 2010.

Details of warrants to purchase the Company's ordinary shares Issued and offered to directors and employees, No.1 (ESOP-1)

| | |
|--|--|
| Offering amount | 25,100,000 units |
| Par value | 0.50 baht per unit |
| Offering price per unit | 0.00 baht per unit |
| Total offering value | 0.00 baht |
| Age | 3 years - months |
| Issue date | 17 June 2010 |
| The expiration date of the warrants | 14 June 2013 |
| Exercise ratio | 1 unit of warrant can be exercise to purchase 1 newly issued ordinary share |
| Exercise price | 0.50 baht pershare |
| Number of shares reserved for the exercise of share options | 25,100,000 shares |
| Exercise period | The right can be exercised every month, i.e. on the last business day of a commercial bank every month. Throughout the term of the warrants, the first exercise date will be on August 2, 2010. and the last exercise date will be the date on which the warrants expire 3 years-month, which with the date of June 14, 2013 |

Report on the results of the offering of securities (ESOP-1)

| Item | Right to Buy Securities | | | Allocation Results | | |
|---|-------------------------|------------|------------|--------------------|------------|------------|
| | Directors | Staff | Total | Directors | Staff | Total |
| Number of persons | 11 | 625 | 636 | 11 | 625 | 636 |
| Number of Securities | 8,375,000 | 16,725,000 | 25,100,000 | 8,375,000 | 16,725,000 | 25,100,000 |
| Percentage of total number of securities offered for sale | 33.37 | 66.63 | 100 | 33.37 | 66.63 | 100 |

Provident Fund

The company has issued a specification to enforce the fund was established since July 1, 2010 as follows:

Employer Contributions

When any member terminates his membership. Members will receive employer contributions as well as average net benefit based on the following criteria:

| Number of years worked | Contribution plus average Net benefit (percent) |
|---|---|
| Less than 1 year | - |
| Completed 1 year but less than 2 years | 20 |
| Completed 2 years but less than 3 years | 30 |
| Completed 3 years but less than 4 years | 40 |
| Completed 4 years but less than 5 years | 50 |
| Completed 5 years but less than 6 years | 60 |
| Completed 6 years but less than 7 years | 70 |
| Completed 7 years but less than 8 years | 80 |
| Completed 8 years but less than 9 years | 90 |
| Completed 9 years or more | 100 |

The returns of the accumulated fund until December 31st, 2023 are as follows:

| Payoff/Risk | Total number of units | Asset Value Net per unit | (%) Yield Cumulative net (%) |
|--|-----------------------|--------------------------|------------------------------|
| The long-term average return is quite high, the risk can be quite high. | 376,326,465.6492 | 58.0630 | -1.16 |
| Average long-term return at a moderate rate and volatility of rate of return | 4,744,414,131.2630 | 12.6474 | 1.34 |
| Maintain long-term principal/receive rate fluctuations returns are relatively low. | 354,900,248.1094 | 22.5029 | 0.88 |
| Maintain the principal and be able to take risks from low yield volatility. | 231,826,962.1903 | 12.5560 | 1.07 |
| Long-term average return at a high rate and earn can take the risk of high yield volatility. | 679,283,600.9617 | 25.1417 | -13.05 |

Employee

Employees Headcount

As of December 31st, 2023, the company has a total of 427 employees, divided into 291 full-time employees per month and 136 full-time employees per day, as follows:

| Departmenten | Full-time employees Indirect (Headcount) | | Full-time employees Direct (Headcount) | | Total (Headcount) | |
|---|--|------------|--|-----------|-------------------|------------|
| | Male | Female | Male | Female | Male | Female |
| 1. Production Department / Factory CIG 1,2,3 | 90 | 45 | 61 | 70 | 151 | 115 |
| 2. Engineering and Product Development Department | 18 | 1 | 0 | 0 | 18 | 1 |
| 3. Quality Assurance Department | 6 | 8 | 0 | 0 | 6 | 8 |
| 4. Maintenance Department | 18 | 0 | 0 | 0 | 18 | 0 |
| 5. Logistics Department | 1 | 0 | 0 | 0 | 1 | 0 |
| 6. Planning Department | 2 | 2 | 0 | 0 | 2 | 2 |
| 7. Business Development | 1 | 1 | 0 | 0 | 1 | 1 |
| 8. Office Department | 29 | 69 | 1 | 4 | 30 | 73 |
| Total | 165 | 126 | 62 | 74 | 227 | 200 |

Employee Compensation

Monetary employee compensation and other compensation (excluding executives) in 2021 - 2023 can be summarized as follows

| Type of compensation | 2021 (Million baht) | 2022 (Million baht) | 2023 (Million baht) |
|--------------------------|---------------------|---------------------|---------------------|
| Salary | 144.35 | 134.44 | 105.37 |
| Bonus | - | - | - |
| Overtime | 34.20 | 29.47 | 10.67 |
| Special grant | 2.67 | 2.72 | 1.34 |
| Retirement | 0.52 | 4.48 | 1.23 |
| Termination compensation | - | - | - |
| Other | 0.49 | - | 1.61 |
| Total | 182.23 | 171.6 | 121.12 |

Human resource development policy

The Company has a policy to encourage people to develop their knowledge and expertise from actual work (On the Job Training). New employees will have a supervisor in each line of work to train in that line of work. There is a 4-month probation period. During that period, the company will assess the abilities of employees. To be recruited as employees of the company in a department that is suitable for each person's abilities and aptitudes.

In addition, the Company has a policy to prepare a personnel progress plan to be used as a plan for appropriate training and development of employees. The company has a clear Career Path and a Key Performance Indicators (KPIs) is used to measure the success of each employee. The success rate is compared to the expected value. This allows the company to measure the success of each employee effectively.

In addition to the human resource management system that focuses on developing employees to be competent or potential. Being able to respond to the organization's expectations in business operations, the company also attaches importance to the development of employees to be good people, to take part in corporate social responsibility and to adhere to the principles of governance. Corporate Governance is a framework for executives and employees to follow. It will help the organization grow stably and sustainably in the long term.

Labor Dispute

-N/A-

Other Important Information

The Company's Secretary

The Board of Director had appointed Ms. Wanphen Khaosuwan, education: Bachelor's Degree in Accounting, Bangkok University. She had trained in the Professional Development Program for Company Secretary of the Thai Listed Companies Association No.1/2021, to be the Company's Secretary which has duties as follows.

Scope of Duty of Company Secretary

- 1) Advice Directors regarding laws, rules and regulations related.
- 2) Ensure the company follows the laws, rules and company's regulations related to good corporate governance.
- 3) Set up meetings as required by rules and regulations, prepare

and keep Directors' Record, Invitation Letter for Board of Director Meeting, Minutes of Board Meeting and Annual Report together with Invitation for the Annual General Meeting of Shareholders and the Minute of AGM in fully secure and effective.

- 4) Disclose information and news to SEC and/or SET as required by law and regulations.
- 5) Contact and communicate with the shareholders, SET and SEC
- 6) Support and being an assistant to the new Directors in order to find and provide necessary information and courses that could be value added to director jobs
- 7) Other tasks as requested by the Board of Directors.

Investor Relations

Central Management by Executive Directors and Managing Director serves to disclose information of the company and is responsible for dealing with relevant analysts and investors. The company has given importance to the disclosure of accurate, complete, transparent and thorough information for the benefit of investors through the website of the Stock Exchange of Thailand and the company's website at <http://www.cigpcl.com>. If in doubt about the information disclosed or would like more information at the central management of the company, please call 02-976-5290-9 or e-mail address: secretary@cigpcl.com.

Audit Fee

Audit Fee for 2021-2023

Baht

| | 2021 | 2022 | 2023 |
|---------------|------------|------------|-----------|
| Audit Fee | 1,120,000 | 1,120,000 | 1,000,000 |
| Non-Audit Fee | 182,487.50 | 249,909.75 | 322,834 |

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

Report on Key Performance in Corporate Governance

Summary of the Performance of the Board of Directors in the Past Year

Recruiting, Developing and Evaluating the Performance of the Board of Directors

1. Independent Directors

Independent Director Qualification

- 1) Holding not exceeding 1% shares of paid-up capital amount of the company and its affiliates, joint-ventures, or related companies (inclusive of a number of shares hold by those concerned persons)
- 2) Independent directors must not be or has been directors involving in management of operation, employees, consultants or controlling member of the company, its subsidiary, joint venture, subsidiary of the same level, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- 3) Independent directors must not be related by birth or by law in a relationship as father, mother, spouse, brother, sister and child including spouse of child, management, major shareholders, controlling member or person(s) that will be appointed as management or controlling member of the company or its subsidiary.
- 4) Independent directors must not have any business relationship with the company, subsidiary, joint venture, major shareholders or controlling member in a way that might affect independent consideration. He or she must not be or never have been implied shareholders, or controlling member having business relationship with the company, its subsidiary, joint venture, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment. "Business relationship" as stated earlier includes normal business transactions, renting or letting properties, assets or service transactions, giving or receiving financial support by borrowing or lending, guaranteeing, giving assets as collateral for debt or that of the same kind that creates a binding liability for more than 3% of total tangible assets or from 20 million Baht or more whichever is lower. Thus, such calculation complies with method of calculations for related party transaction according to the Stock Exchange Commission's rule for related party transactions. Such calculations is inclusive of those that happened within 1 year prior to business relationship of the person.
- 5) Independent directors must not be or have been the company's auditor(s), its subsidiary, joint venture, major shareholders or controlling member and must not be implied shareholders, controlling member or partners of auditor's office that has the auditor(s) of the company, its subsidiary, joint venture, major shareholders or controlling members unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- 6) Independent directors must not be or have been professional service provider of any kind including legal or financial advisor that received professional fee of 2 million Baht or more from the company, its subsidiary, joint venture, major shareholders or controlling members and must not be implied shareholders, controlling member or partner of such professional firm unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- 7) Independent directors must not be directors appointed as representative of company's directors, major shareholders or shareholders who are related to major shareholders.
- 8) Independent directors must not operate in a company of the same kind or is in direct competition as that of the company, its subsidiary or partner in partnership or as executive directors with involvement in management, employee, consultants or hold more than 1% of voting rights of other companies that operate in the same business or in direct competition with the company or its subsidiary.
- 9) Independent directors must not have any characteristics that may prevent him or her from giving independent opinions on the company's business operations.
- 10) Independent Directors who are qualified according to item 1-9 may be assigned by the Board of Directors to make decisions on the business operations of the Company, parent company, subsidiary company, associated company, same level subsidiary or juristic person with conflict of interest by making decision in the form of a collective decision.

In this regard, the independent director's qualifications must not conflict with other relevant laws. In case an independent director holds a position as an independent director in the company, subsidiary and subsidiary of the same level, the company will disclose information about holding such position and the remuneration

including that independent director was also received in the annual registration statement (Form 56-1 One Report).

Business Relationship or Professional Service of Independent Directors in the Past Fiscal Year

-None-

(1) Roles, Duties and Responsibilities of Independent Directors

1. Recommend important and beneficial matters to the Company, shareholders and minority shareholders to the Board of Directors and/or the Chief Executive Officer.
2. Provide an idea about the roles and duties of the committee that should be performed as well as opinions in accordance with the roles and duties of independent directors that should be performed for the benefit of the company, shareholders and minority shareholders.
3. Review the Company's compliance with the laws related to independent directors including reviewing the definition of independent directors to be appropriate and complete according to the law.
4. Perform any other tasks as assigned by the Board of Directors which must not affect performing duties independently.
5. The term of an independent director starts from having all the qualifications as defined by the definition of an independent director in the Company's good corporate governance and retire from being an independent director when lacking qualifications under the aforementioned definition or retiring from the position of the Company's director.

(2) Selection and Appointment of Directors and Executive Management

Directors' Selection

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

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

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

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

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

Executive Managements' Selection

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

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

Meeting Attendance and Remuneration of Individual Committees

Executive Remuneration Remuneration in Cash Remuneration for the Board of Directors In 2022 and 2023, the remuneration of directors can be summarized as follows:

| No. | Name of the Directors | | Position | 2022 | | | 2023 | | |
|------------|-----------------------|---------------------------------|--|--------------------------|------------------|--------------------------|--------------------------|------------------|--------------------------|
| | | | | Meeting Allowance (Baht) | Gratuity (Baht) | No. of Attendance BOD;AC | Meeting Allowance (Baht) | Gratuity (Baht) | No. of Attendance BOD;AC |
| 1. | Pol.Gen. Prung | Boonpadung | Chairman of the Board of Directors, Independent Director | 70,000 | 540,000 | 10/10;4/4 | 95,000 | 540,000 | 19/20 |
| 2. | Mr. Aree | Poomsanoh | Director, Vice Chairman of the Board of Directors | 50,000 | 300,000 | 10/10 | 100,000 | 300,000 | 20/20 |
| 3. | Mr. Taweesak | Wangkorkiat | Director | 50,000 | 300,000 | 10/10 | 100,000 | 300,000 | 20/20 |
| 4. | Mr. Theera | Poomsanoh | Director | 50,000 | 300,000 | 10/10 | 100,000 | 300,000 | 20/20 |
| 5. | Mr. Cherdpong | Siriwit | Chairman of the Audit Committee and Independent Director | 20,000 | 140,000 | 3/5;1/1 | 130,000 | 480,000 | 19/20;7/7 |
| 6. | Mr. Banjoed | Jareyanukeja | Director | 25,000 | 87,500 | 5/5 | 100,000 | 300,000 | 20/20 |
| 7. | Mr. Pat | Lapanan ^{1/} | Director | 5,000 | 39,166.67 | 1/1 | 100,000 | 300,000 | 20/20 |
| 8. | Mr. Phongcharn | Samphaongern ^{2/} | Independent Director, Audit Committee | - | - | - | 65,000 | 264,919.36 | 9/9;4/4 |
| 9. | Mr. Thammarong | Suphakitcharak ^{3/} | Independent Director, Audit Committee | - | - | - | 25,000 | 66,250 | 3/3;2/2 |
| 10. | Ms. Yaowarote | Klinboon ^{4/} | Independent Director, Audit Committee | - | - | - | 20,000 | 130,833.33 | 4/4;0/1 |
| 11. | Mr. Bannat | Nakhaphan ^{5/} | Director | 25,000 | 87,500 | 5/5 | 65,000 | 164,166.67 | 13/13 |
| 12. | Ms. Pimonyup | Suvarnajata ^{6/} | Independent Director, Audit Committee | - | - | - | 10,000 | 23,333.33 | 1/1;1/1 |
| 13. | Mrs. Chankapaw | Dissakul ^{7/} | Director | 50,000 | 300,000 | 10/10 | 35,000 | 75,000 | 7/8 |
| 14. | Mr. Sawai | Chatchairungruang ^{8/} | Director | 25,000 | 87,500 | 5/5 | 25,000 | 69,166.67 | 5/7 |
| 15. | Mr. Sudkhet | Kulsarapusit ^{9/} | Independent Director, Audit Committee | 25,000 | 122,500 | 4/4;1/1 | 40,000 | 91,250 | 6/7;2/2 |
| 16. | Mr. Thibdee | Mangkalee ^{10/} | Independent Director, Audit Committee | 25,000 | 122,500 | 4/4;1/1 | 35,000 | 91,250 | 5/7;2/2 |
| 17. | Mr. Navawit | Kuvanant ^{11/} | Director | 10,000 | 35,833.33 | 2/2 | - | - | - |
| 18. | Mr. Songphol | Annanon ^{12/} | Independent Director, Audit Committ | 40,000 | 323,750 | 4/5;4/4 | - | - | - |
| 19. | Mr. Nadith | Rodphet ^{13/} | Independent Director, Audit Committee | 45,000 | 323,750 | 5/5;4/4 | - | - | - |
| รวม | | | | 515,000 | 3,110,000 | | 1,045,000 | 3,496,169 | |

Remarks:

- 1/ No.1 Appointed as a Director on November 14th, 2022 (Replacing Mr. Navawit Kuvanant)
- 2/ No.8 Appointed as an Independent Director on May 30th, 2023 (Replacing Ms. Pimonyupa Suvarnajata)
- 3/ No.9 Appointed as an Independent Director on November 8th, 2023 (Replacing Ms. Yaowarote Klinboon)
- 4/ No.10 Directors resigned on August 11th, 2023
- 5/ No.11 Directors resigned on July 18th, 2023
- 6/ No.12 Directors resigned on May 15th, 2023
- 7/ No.13 Directors resigned on April 1st, 2023
- 8/ No.14 Directors resigned on March 24th, 2023
- 9/ No.15 Directors resigned on March 14th, 2023
- 10/ No.16 Directors resigned on March 14th, 2023
- 11/ No.17 Directors resigned on October 28th, 2022
- 12/ No.18 Directors resigned on September 19th, 2022
- 13/ No.19 Directors resigned on September 19th, 2022

In 2023, E-Meeting totally 11 times.

Supervision of Subsidiaries and Associated Companies

The Board of Directors is responsible for overseeing, monitoring and evaluating the performance of good corporate governance and anti-corruption of the Company. The Board of Directors provides policies and guidelines for the management to supervise, risk management and compliance to law, regulation and organization rules which has roles and duties in overseeing compliance with good governance operational, risk management, internal control and regulatory and organization rules compliance where supervision of subsidiaries and associated companies is a part of the aforementioned operations.

In case the company invests in subsidiaries or associated company The Company will control by sending directors to act as representatives in proportion to the shareholding. And the company has operations to promote compliance with policies and guidelines for supervising subsidiaries and associated companies. There is a policy of holding other director positions for directors and executives. Details are in Section 6, Corporate Governance Policy.

Related Transaction and Acquisition/Sales of Company's Assets

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

- 1) The transaction is regarded for the company interest as the transaction with the outsiders.
- 2) The transaction is passed on comments through entering the transaction under sound consideration of the audit committee in term of reasonability and price appropriation.
- 3) The transaction is consented by the Board of Directors transparently in conjunction with the stockholder's decision-making.
- 4) Information is disseminated to those concerned persons equitably.

Criteria for Connected Transactions or Related Transactions

The Company is aware of its duty to comply with the rules relating to connected or related transactions as prescribed by the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Office of the SEC have announced. Therefore, the company has

set rules and procedures for making related transactions or connected transactions as follows:

- 1) Consideration of related transactions, the Company will use the same pricing criteria and trade agreements as it would for a normal customer. For items of giving or receiving financial assistance It must be necessary, reasonable and must include fair terms and conditions cause the greatest benefit to the company
- 2) If there is no such price criteria for reference, the company will consider comparing the prices of goods or services with external prices under the same or similar conditions.
- 3) The company may use reports of independent appraisers which the company appointed to compare prices for important related transactions activities to ensure that the prices are reasonable and in the best interests of the Group.
- 4) Directors, Executives or related persons could do any transactions with the Company or its subsidiaries only after such transactions have been approved by the shareholders' meeting of the Company, unless it is a transaction that is a commercial agreement in the form of in the same way that a sensible person would act with a general counterpart in the same situation with commercial bargaining power without influence in regard to his status as a director, executive or related person, as the case may be, and is a formal agreement approved by the Board of Directors or in accordance with the principles approved by the Board of Directors.
- 5) If the company has connected or other related transactions that fall under the regulations of the Stock Exchange of Thailand, The Capital Market Supervisory Board and the SEC, have to strictly comply with such requirements.
- 6) The company must disclose information about transactions that may have conflicts of interest or connected transactions or related transactions according to the rules that of the Stock Exchange of Thailand, The Capital Market Supervisory Board and the SEC by disclosing them in the annual registration statement and annual report or any other reports as the case may be and disclosure of related transactions to the Stock Exchange of according to the rules of the Stock Exchange as well as related transactions with the Company according to accounting standards.
- 7) To review the connected transactions according to the audit plan by the Internal Audit Office which must report to the Audit Committee and has measures to control, inspect, and

ensure that there is a random review of the actual transaction, correctness, in accordance with the contract, or the policy or condition specified.

The transaction will be disclosed in the annual registration statement (Form 56-1 One Report) as well as disclosing various information to the SET with minimum information as required by the Stock Exchange of Thailand set for related transactions.

Monitoring Compliance with Corporate Governance Policies and Practices

(1) Conflicts of Interest

The company has set disclosure of information to prevent conflicts of interest with the company to prevent activities that may cause conflict, Illegal and inappropriate activities as states in Section 6, Corporate Governance Policy

Preparation of Conflict-of-Interest Reports of Directors, Executives and Related Persons

During the first quarter of 2023, the Board of Directors has prepared a report on the interests of directors to be used as a basis for governance on stakeholder matters at the director level and all senior executives have prepared such reports every year. Then, send to the company secretary to collect along with a copy to send to the Chairman of the Board of Directors and the chairman of the audit committee for use in the audit and overseeing conflicts of interest. There were no significant conflicts found.

In 2023, there was no case of a conflict of interest related to a disciplinary offense.

Surveillance of Internal Information Use

The company has complied with the usage of inside information policy by which all directors, executives and employees including subsidiaries, associated companies, strictly abide with. The policy states all directors, executives and employees must not use the inside

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

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

In 2023, no accusations of using inside information by regulators.

Report on The Company's Securities Holdings of Directors and Executives as of December 31st, 2023.

| No. | Name-Surname | Number of shares (shares) | | | Remark |
|------------------|--------------------------------|---------------------------|------------------|---------------------|--|
| | | 31 December 2022 | 31 December 2023 | increase (decrease) | |
| Director | | | | | |
| 1. | Pol.Gen. Prung Boonpadung | - | - | - | No share held. |
| 2. | Mr. Aree Poomsanoh | 109,287,800 | 109,287,800 | - | No trading transaction of shares in 2023. |
| 3. | Mr. Taweesak Wangkorkiat | 30,500,000 | 33,000,000 | 2,500,000 | Exercise the rights to capital increase shares No.1 in the amount of 2,500,000 shares. |
| 4. | Mr. Theera Poomsanoh | 12,000,000 | 12,000,000 | - | During 2023, exercise the rights to capital increase shares No.1 in the amount of 400,000,000 shares, Sold 400,000,000 shares. |
| 5. | Mr. Cherdpong Siriwit | - | - | - | No share held. |
| 6. | Mr. Banjoed Jareyanukeja | - | - | - | No share held. |
| 7. | Mr. Pat Lapanan | 50,000 | 50,000 | - | No trading transaction of shares in 2023. |
| 8. | Mr. Phongcharn Samphaongern | - | - | - | Newly appointed on May 30 th , 2023, no share held. |
| 9. | Mr. Thammarong Supphakitcharak | - | - | - | Newly appointed on November 8 th , 2023, no share held. |
| Executive | | | | | |
| 10. | Miss Rattakamol Poomsanoh | 100,000 | 100,000 | - | No trading transaction of shares in 2023. |
| 11. | Dr. Wutthikorn Threewithayanon | 120,000 | 360,000 | 240,000 | Exercise the rights to capital increase shares No.1 in the amount of 240,000 shares. |
| 12. | Mr. Chiradul Pitaktam | 226,000 | 226,000 | - | No trading transaction of shares in 2023. |

Including the share of spouse/underage child

Report on The Company's Securities Holdings of Directors and Executives who resigned in 2023

| No. | Name-Surname | Number of shares (shares) | | | Remark |
|------------------|----------------------------------|---------------------------|------------------|---------------------|---|
| | | 31 December 2022 | 31 December 2023 | increase (decrease) | |
| Director | | | | | |
| 1. | Mrs. Chankapaw Dissakul | 705,768 | 68 | (705,700) | Resigned on April 1 st , 2023. |
| 2. | Mr. Sawai Chatchairungruang | - | - | - | No share held. |
| 3. | Mr. Sudkhet Kulsaraputit | - | - | - | No share held. |
| 4. | Mr. Thibdee Mangkalee | - | - | - | No share held. |
| 5. | Ms. Pimonyupa Suvarnajata | - | - | - | No share held. |
| 6. | Ms. Yaowarote Klinboon | - | - | - | No share held. |
| 7. | Mr. Bannat Nakhaphan | - | - | - | No share held. |
| Executive | | | | | |
| 8. | Mr. Vorapong Vibooncharoenkitcha | - | - | - | Resigned on October 4 th , 2023, no trading transaction of shares in 2023. |

Including the share of spouse/underage child

(3) Anti-Corruption

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

chance to conflict with anti-corruption policy and setup review appropriate of system and measurement to be complied with business situation change, order, rules and regulations of law continuously. Moreover, on 22nd December 2016, the company did sign off on agreement to join in the Private Sector Collective Action Coalition Against Corruption Committee: CAC and get certified as a member of CAC on 17th May 2018. The company has already been approved to be renewed the membership certification. The accreditation will be valid for 3 years from the date of the Board's resolution for certification on June 30th, 2021. The certification will be expired on June 30th, 2024.



Anti-corruption policy

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

1. Directors, managers and all employees of the company as well as its subsidiaries shall not directly or indirectly accept or support corruptions in any forms. This applies to all subsidiaries, including but not limited to contractors, sub-contractors, and any parties involved. The anti-corruption policy must be reviewed regularly to match rules, regulations, law and changes in business operations.
 2. Anti-corruption is an essential part of business operation. It is a responsibility of board of directors, management, all employees, contractors, and sub-contractors to express opinions on how to conform with anti-corruption policy so that the anti-corruption objectives are achieved.
 3. The company will not act or support bribery in any form under all activities it is involved including but not limited to control, charitable donations, donations to political parties, corporate gifts and support all activities with transparency and not to influence government officers or private sector employees to act in his or her favor.
 4. The company just implements effective internal control, and it must be reviewed regularly to prevent inappropriate actions especially sales, marketing and purchasing activities.
 5. The company must educate anti-corruption to directors, management and all employees to promote integrity, honesty and responsibility to all business operations as well as communicate the company's willingness to become corruption-free.
 6. The company must have transparency and accuracy reporting system for its financial positions.
 7. The company allows various ways of communication related to corruption and makes sure that confidentiality is strictly protected while ensuring unfair treatment and investigate all issues that were reported.
1. Don't do any behavior that shows that it is a bribe or bribes to stakeholders in the matter that they perform their duties responsible directly or indirectly in order to obtain benefits in a wrong way by practice as the following.
 - 1) Not accepting or giving gifts, souvenirs, cash, cheques, bonds, stocks, gold, jewelry, real estate or the like with those who are involved with whom they have contacted and coordinated both in government agencies and private agencies
 - 2) Not accepting property, things, gifts, souvenirs or other benefits which induces the neglect of their duties. However, if it cannot be avoided before accepting a souvenir, make sure it's legal and the Company's Articles of Association. The items or gifts given to each other in their work should be less expensive and appropriate for each occasion.
 - 3) Not to give property, things, gifts, souvenirs or other benefits to motivate decision making or resulting in the recipient not complying with the same trading practices as other trading partners. However, giving things on different opportunities or occasions must not have a value that is beyond the norm.
 - 4) Not being an intermediary in offering money, assets, things or any other benefits to people related to business, government agency or any organization in exchange for privileges that should not be or cause government officials to refrain from complying with the rules regulations and legal compliance as required.
 2. In the procurement and employment, must be carried out through the procedures according to the regulations of the company be transparent and auditable.
 3. Spending on Business Entertainment and other expenses related to the performance of business contracts able to do but have to spend reasonable which could be audited.
 4. Donate to charity must do as follows.
 - 1) Donation money or assets of the company to charity must act on behalf of the company only by which the charity must be a foundation, public charity, temple, hospital, medical facility or organization for social benefit with certificate or reliable can check and proceed through the procedures according to the Company's regulations.
 - 2) Charitable donations in the name of a private person could be done but must not be involved or cause suspicion that it is a corrupt act for any benefit.

Anti-Corruption Policy Process

The Company set the Good Corporate Governance Policy and Code of Conducts to be use as a guideline for employees to follow in the same lane during operation such as guideline in give and take gifts, welcoming party or other benefits as states in the Code of Conducts (business ethics) which also complied with the Anti-Corruption Policy. For the board of directors, directors, executives, employees and workers of the Company which must strictly comply with the business ethics, policies and anti-corruption practices without being involved in corruption, whether directly or indirectly including other contractors or subcontractors related by

5. Use of the company's money or assets to support the project must specify the name on behalf of the company only. By which the subsidy paid, must for a business purpose, good image and reputation of the company. However, the disbursement must specify a clear objective with have verifiable evidence and proceeded through the procedures according to the Company's regulations.
6. Do not do anything related to politics within the company including does not use any resources of the Company to do so. The company is an organization that adheres to political neutrality, supporting the implementation of the law and the democratic regime including no guidelines for providing political assistance to any political party whether directly or indirectly.
7. Employees should not be neglected or ignored when seeing actions or behaviors that are considered corruption or implying corruption that affects the company either directly or indirectly. Employees must notify their supervisor or responsible person and cooperate in the investigation of various facts if in doubt or questions, consult the supervisor or the person designated to be responsible for the follow-up according to the code of conduct through various channels as specified.
8. The company will be fair and protect employees who refuse or employees who report fraud and corruption related to the company by using measures to protect complainants or those who cooperate in reporting and reporting fraud and corruption as the Company stipulated in the measures to protect complainants.
9. Company directors, executives and employees who commit fraud and corruption is a violation of the Company's Code of Conduct. This must be considered disciplinary in accordance with the regulations set by the company. In addition, may be punished by law, If the action is illegal.
10. The Board of Directors and the Executive Committee aware the importance of disseminating, educating, giving advice and understanding to employees and related persons on anti-corruption so that personnel and those involved would follow the Anti-Corruption Practices and Policies as well as being a good role model for honesty integrity and ethic.
11. The Company is determined to create and maintain an organizational culture that adheres to corruption and giving or receiving bribes are unacceptable actions to any person or transactions with the public or private sectors.
12. Anti-Corruption Policy and Guidelines cover the process of personnel management from recruiting or selecting personnel,

promotion, training, employee performance appraisal and reward by requiring supervisors at all levels to communicate and explain to employees for use in business activities that are under their responsibility and to supervise the operation to be effective.

(4) whistleblowing

The Board of Directors provides opportunities for employees and stakeholders to be able to file complaints when found behavior of directors, executives and employees that is inappropriate or contrary to the company's business ethics, comment and report any illegal actions including fraud, corruption, which leads to disgrace to the company's assets and reputation. The Company will listen to all complaints with fairness, transparency, care and fairness to all parties. An appropriate period of arrangement time has been set, keeping confidential and proceed with caution as well as providing protection for the whistleblower and related persons to be treated fairly or not be bullied in any manner. The company secretary and the Internal Audit Department are assigned to act as a complaint's unit for corporate governance and the company's business ethics. There are complaint channels and processes as follows:

1. 3 Channels to report complaint concerns and suggestion are:
 - 1) The company's website: [http:// www.cigpcl.com](http://www.cigpcl.com)
 - 2) Email : secretary@cigpcl.com : internalaudit@cigpcl.com
 - 3) Mail or hand-in to:

Company's Secretary Office
C.I.Group Public Company Limited
1/1 Moo. 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000
2. Complaints Management Process

The company provides employees with channels for complaints and express their opinions independently as a guideline for the development and sustainability of the organization as follows:

 - 1) The Company assigns the Internal Audit Office or other appropriate agencies to gather facts related to violation or does not comply with policies, regulations and Code of Conduct of the Company by considering the sufficiency of the evidence initially collect information, record progress and summaries, track the status of complaints and set the right to access information related to complaints and report facts to independent directors which will perform the duty

of investigating the facts and consider complaints, establishing action measures to suspend violations or non-compliance with the law. Moreover, also responsible for overseeing that

complaints are processed within a reasonable timeframe.

The persons who may be complained are directors, employees or any person acting on behalf of the Company that is complained or accused by the complainant. In the event that the investigator finds that there is another person involved in the action, support the action, hire or direct the complaint, it shall be deemed that such other person is the person receiving the complaint.

- 2) If the investigation of the facts found that from the available information or evidence led to believe that the accused has committed corruption. The company will give the accused person the right to be informed of the allegation and proving oneself by seeking additional information or evidence demonstrating that he was not involved in the alleged corrupt conduct.
- 3) If the accused has actually committed such fraud, those who committed whether they are directors, executives or employees, are considered violations of the anti-corruption policy and business ethics which will be subject to disciplinary action according to the regulations set by the company. By which the judgement of the Board of Directors according to the referred case is a final. If the act of corruption is an act against the law, offenders may be subject to legal penalties.
- 4) Reporting the result: The recipient has a duty to notify the complainant of the result. If the complainant discloses himself in the event that is important, must be reported to the Chairman of the Board and/or the Board of Directors for acknowledgment.
- 5) Appointment of a complaint coordinator and complaint inspector of the subsidiary would be a decision of the managing director of the subsidiary who is the top management in controlling and supervising operation of the subsidiary including those authorized by the Managing Director or acting in that position. The Complaint Coordinator and Complaint Investigator shall have no conflict of interest in the complaint.

3. Measures to Protect Complainants and Related Persons

The Company has established measures to protect complainants in accordance with the following rules:

- 1) The Company will not disclose the name, surname, address and any other information that can identify the person who complains or reports a whistleblower including information providers or those who cooperate in the investigation of facts. However, the complainant or the whistleblower can choose not to reveal themselves, if they deem it unsafe. On the other hand, self-disclosure will make the company able to report progress and clarify facts.
- 2) The Company will keep the relevant information confidential. Only those responsible for investigating complaints will have access to such information. However, the person receiving information from performing duties related to complaints is responsible for keeping information, complaints and documents of the complainant and the information provider confidential. Do not disclose information to other unrelated parties, unless disclosure is required by law. Taking into account the safety and damage of the complainant or whistleblower is important.
- 3) The Company will protect employees who make complaints and/or those who provide information and/or cooperate in investigations of facts. They will be protected from unfair practices such as changing or relocating positions, job characteristics, workplace, work suspension, intimidation, interference with work and termination of employment cause of complaint.

Communication and Dissemination of Anti-Corruption Policy

The Company has communicated anti-corruption policies and guidelines to subsidiaries, associated companies, business partners and stakeholders including public through a variety of communication channels such as letters, email, public relations boards, websites, annual information lists, annual report or other channels as appropriate for all groups of stakeholders to acknowledge and act in accordance with the guidelines set by the Company. Anti-Corruption Policy Manual, Code of Conduct for Directors, Executives and Employees has been prepared for directors, executives, and all employees to sign for acknowledgment and compliance. Also, continually provide training on related policies such as business ethics, Anti-Corruption Policy and guidelines for implementing the policy to new employees and requiring a review of the anti-corruption policy every year.

The Company has issued a notice to business partners, business

Refraining from giving gifts to executives and employees of the company including affiliated companies during the New Year or any other occasion with the expectation that personnel at all levels perform their duties to the best of their ability without expecting any benefit in return. It also aims to operate with transparency and taking into account society, environment and good corporate governance, to create a good norm in the performance of the personnel of the company.

Tracking and Review

The Company requires the Board of Directors, executives and all employees to acknowledge, understand and comply with policies and practices, set out in anti-corruption measures strictly. The executives at all levels in the organization are responsible for monitoring and responsible for the implementation of the policy. And it is considered an important mission to ensure that employees under the line of command of all departments are aware, understand and strictly comply with anti-corruption measures. If any director, executive and employee commits an offense as specified will be subject to severe disciplinary action and if there is an act that is believed to be against the law, rules, regulations and government regulations, the company must consider submitting the matter to government officials to proceed with the law.

The Board of Directors assign all parties involved who have duties and responsibilities must be followed up and review their own performance. If anyone has questions about the performance or any activity or business transaction that may be considered violation of the policy measures or guidelines on anti-corruption or violating the law, rules, regulations, and regulations of the Company, must notify or report such information to related parties according to the channels for complaints and whistleblowing.

The company Requires regular monitoring and review of measures and guidelines on an annual basis or when there are significant changes that affect risk management on corruption to ensure that such measures are consistent with the good corporate governance policy and the Company's Code of Conduct Manual in accordance with the regulations and other laws related. In addition, improvements must be approved by the Board of Directors and the improvement measures must be communicated throughout the company.

In addition, the Audit Committee will supervise the compliance with anti-corruption measures by reviewing the relevant measures

and internal controls appropriately and giving advice to the Board of Directors, executives, and employees of all relevant departments to keep them up to date.

Anti-Corruption Risk Assessment

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

Internal Control and Compliance Audit of Anti-Corruption Policy

The Company has established an audit process and internal control system throughout the organization (to encourage a good governance culture to occur in the organization), risk management and verifying system including to prevent corruption within the organization which the process covers marketing, investment management, products, procurement, finance, accounting, records, human resource management since hiring compensation and staff training and disciplinary action including the delegation of authority and the separation of duties clearly and appropriately.

The Company has set up an internal audit unit with independence to assess the internal control system, risk management system and the process of corporate governance of the activities or systems of the Company, covering both financial and the execution of accounting processes and record keeping whether it is sufficient, appropriate and effective in accordance with its intended purpose as well as ensuring compliance with anti-corruption policies, legal regulations or relevant regulatory agencies. In addition, the financial statements and operating results have been audited by a certified public accountant on a quarterly basis and annually. To ensure that financial or accounting information and reports are accurate, reliable, timely and in accordance with legal requirements.

The Audit Committee is in charge of the Company's internal control including considering financial reports and other processes related to anti-corruption measures.

Punishment

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

Operation of the Company about Anti-Corruption



- The Company provides continuous communication and training to its personnel to create a real understanding of anti-corruption measures, company's expectations and penalties such as training on good corporate governance and anti-corruption to new employees through orientation course. In addition, training is provided to the Board of Directors, executives and all employees such as
- Lecture on “Anti-Corruption for Executives: Business Sector with Anti-Corruption” to create understanding of how important of anti-corruption for private sector and government toward sustainable of the company's competitive advantage to the directors and management by Dr.Bandid Nijathaworn, President & CEO of Thai Institute of Directors.





- Training course “Together Create Transparency to Anti-Corruption” for management and staffs for their better understanding on overall of the Good Corporate Governance Policy, Anti-Corruption Policy and the Guidelines to form basic knowledge in complied practices with the policies by external speaker.
- The company has set “No Gift Policy” since 2017 to create the company’s norm with expecting all staffs of the company to work in full capacity without wishing for benefit in return and transparency work with social and environment concern together with good governance. In order to spread the policy to business partners, customers and related organization to inform of un-accepted of getting gifts for our management and employees inclusive of subsidiaries during New Year festival or any others occasion, the Company did again sent letters to all prior to new year or any special festival.

Report on the Performance of the Audit Committee in the Past Year

has already been disclosed as detailed in Attachment 6.



Internal control and related party transactions

Internal control

Under the principle of the Good Corporate Governance, the company focuses on effective internal control as an important method of management. The company puts effort on 5 measurements which are:

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

With objectives to ensure of the company's operation would reach the target of internal control under effectiveness of operation, usage of resources, asset monitoring and control, preventive or decreasing mistake and damages, leakage of all important issue of the company, waste, trustable of financial and others report and comply with law, rules, regulation, cabinet resolution and policy inclusive of the company's rules and regulation in order to create maximum benefit for shareholders and to ensure of rights of shareholders are protected. Establish an internal audit office to take care of the company's business operations to operate properly and in accordance with the rules various rules and in accordance with the principles of good governance more transparent.

Moreover, the company focuses on managing risks that affect the achievement of organizational objectives, which covers employee safety and health risks, society and community, including the environment compliance with laws and regulations and respond to stakeholders fairly taking into account the goals of the performance and the investment of the company in accordance with good corporate governance, etc., using the corporate risk management framework according to the COSO-Enterprise Risk Management Framework 2004. On November 11, 2016, at the Board of Directors' meeting No. 7/2016, the Board of Directors therefore approved Risk Management Policy to take effect since January 1, 2017. The guidelines are as follows:

1. The company has established a system and risk management process throughout the organization including affiliated companies to be in line with strategy and business goals.
2. The Company will manage risks to be at an acceptable level (Risk Appetite) or deviate not more than an acceptable level (Risk Tolerance).
3. Audit Committee acting as a risk management committee. It will supervise

the risk management of the company to comply with the policy as well as provide comments, suggestions and follow-up for effective and efficient risk management as stated in the charter

4. The management will manage the risks of the company and affiliated companies as a whole and supervise the management of each risk in accordance with the duties and responsibilities or as assigned by the Board of Directors as well as provide a report on the risk management performance to the Audit Committee for approval or suggestions on a regular basis or as appropriate.
5. Executives from all departments of the Company are responsible for managing risks at the organizational level and operational level under responsibility or as assigned by management as well as defining and encouraging employees to realize the importance of risk management.
6. Internal Audit Office is responsible for giving advice, opinions, suggestions, guidelines for risk management to various departments within the organization, as well as preparing Enterprise Risk Management reports to Management and to report to the Audit Committee regularly or as appropriate.
7. All employees are responsible for complying with risk management systems and processes both at the organization level, line level and operational level according to the company determined as part of the responsible practice.

The implementation of this risk management policy includes the formulation of a guideline framework. Risk management manual and procurement of sufficient resources to implement the risk management policy for maximum benefit.

Risk Management Policy and related manuals shall be reviewed and updated on a regular basis. The suitability and effectiveness of the implementation must be reported to the Audit Committee for continuous improvement.

The opinions of the Board of Directors regarding the Company's internal control

The Board of Directors' meeting Internal Audit Office and Chief Executive Officer by assessing the sufficiency of the internal control system that has been assessed by the Audit Committee has considered and approved the Internal Control System Sufficiency Assessment Form for the year 2023 at the Board of Directors Meeting No. 1/2024 on February 28th, 2024.

With the aforementioned 5 principles, together with the results of the sufficiency assessment of the internal control system, the Board of Directors considers that the Company has adequate and appropriate internal control system.

Internal auditors are required to present an audit plan and procedures to report directly to the Audit Committee as well as having an internal control system in regards to transactions with major shareholders, directors, executives, or those related to such persons sufficiently. In addition, the Board of Directors has encouraged the management to continually improve the quality of the internal control system. And to strengthen the company to have good corporate governance (Good Corporate Governance).

The company has established a strict operating procedure with segregation of duties and responsibilities of each department a system has been set up to be able to review the internal operations of each department. The Company is managed by the Board of Directors in accordance with the Company's regulations and certificates and according to the resolution of the Board of Directors' meeting the authorized Directors who can sign to comply with the company are Mr. Aree Poomsanoh or Mr.Theera Poomsanoh or Mr. Taweesak Wangkorkiat co-sign totally two persons and affix the company seal. This practice covers the payment of company checks.

The company also has an internal audit office which will report directly to the Audit Committee responsible for supervising and monitoring the operations within the company to be transparent, appropriate, concise and in accordance with the authority of the company as well as follow up on information and check various items as assigned by the Audit Committee.

The opinion of the Audit Committee in case of differences in opinion with the Board of Directors

In 2023, it does not appear that the opinion of the Audit Committee differed from the opinion of the Board of Directors regarding the sufficiency of the internal control system as detailed in the attachment Audit Committee Report

Heads of Internal Audit and Head of Compliance Units

(1) Heads of Internal Audit

At the Audit Committee Meeting No. 4/2013 held on August 8th,

2013, Ms. Wanphen Khaosuwan was appointed to be the Chief Internal Auditor of the Company since August 8th, 2013, due to her experience in auditing perform internal audit work for 19 years (including 28 years of work experience to date). She attended training courses related to internal audit operations, namely internal audit and control, assessing risks for internal audit, planning tools and techniques for the Audit Manager, Conducting an Audit Report Analysis & Workshop, and understanding the activities and operations of the company.

The qualifications of the person holding the position of Head of Internal Audit are shown in Attachment 3.

Opinion of the Audit Committee regarding the person holding the position of Head of Internal Audit

The Audit Committee has an opinion on the performance of the person holding the position of Chief of Internal Audit that they are knowledgeable and have good competence and in accordance with the responsibilities received from the Audit Committee. They are also independent in auditing or acting, detailed, prudent and straight forward to accuracy while having good human relations that does not cause problems in the performance of duties

Appointment, removal and transfer of the person holding the position of supervisor of internal auditors

Because the Company's Internal Audit Office directly reports to the Audit Committee, therefore, in considering and approving the appointment, removal, or transfer of the person holding the position of the head of the internal audit unit of the Company, it must be approved by the Audit Committee first. If there is a unanimous opinion, the Company, by Managing Director through the Human Resources Department, shall proceed in accordance with the resolution of the Audit Committee.

(2) Head of Compliance Units

The Company has not yet determined and appointed a candidate to take the position. The head of the company's operations supervision, however, has been assigned to the Managing Director, who is responsible for corporate governance and the Company's operations.

Related-transactions

Detail of related-transactions during 2021 – 2023, the company and its subsidiaries had transactions with parties that may cause conflict interest as follows;

| Related Individual / Juristic Person who may cause conflict of interest | Relationship | Description | Related-transactions Amount (million Baht) | | | Necessity and reasonability of transactions |
|--|--|---------------------|--|--------|--------|--|
| | | | 2021 | 2022 | 2023 | |
| 1. CIG Develop- ment Co.,Ltd. | C.I.Group Pcl., has held the ordinary shares 99.97% of the paid up capital of the CIG Development Co.,Ltd. and Joint Directors. | Long-term Loan | 182.50 | 182.50 | 67.50 | For using as working capital |
| | | Interest receivable | 7.54 | 7.54 | 7.54 | The Audit Committee is of the opinion that this is a reasonable transaction because it provides financial assistance to the company that will be used as working capital in the business |
| | | Short-term Loan | 41.08 | 42.24 | 11.21 | For using as working capital |
| | | Interest receivable | 0.38 | 0.38 | 0.38 | The Audit Committee is of the opinion that this is a reasonable transaction because it provides financial assistance to the company that will be used as working |
| 2. Fakwantip Co.,Ltd. | C.I.Group Pcl., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd, has invested in Fakwantip Co., Ltd as a joint venture in a portion of 40.20% of registered capital | Short-term Loan | 19.80 | 19.00 | - | Remark Ceasing to be an associated on May 8 th , 2023. |
| | | Interest receivable | 2.85 | 2.85 | - | The Audit Committee is of the opinion that it is reasonable because it provides financial assistance to the associated |
| 3. CIG (Thailand) Co., Ltd. | C.I.Group Pcl., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd. | Short-term Loan | 35.50 | 35.50 | - | Remark Ceasing to be a subsidiary on May 8 th , 2023. |
| | | Interest receivable | 0.76 | 0.76 | - | |
| 4. Siam Railway Development Co., Ltd. | C.I.Group Pcl., has held the ordinary shares 99.99% of the paid up capital of the Siam Railway Development Co., Ltd | Short-term Loan | 10.70 | 10.70 | - | Remark Ceasing to be a subsidiary on May 8 th , 2023. |
| | | Interest receivable | 0.60 | 0.60 | - | |
| | | Short-term Loan | 0.52 | 0.52 | - | |
| | | Interest payable | 0.08 | 0.08 | - | |
| 5. CIG Utilities and Infrastructure Co., Ltd. | C.I.Group Pcl., has held the ordinary shares 99.99% of the paid up capital of the CIG Utilities and Infrastructure Co., Ltd. | Short-term Loan | - | - | 515.00 | To invest in other businesses through subsidiaries |
| | | Interest receivable | - | - | 5.22 | The Audit Committee is of the opinion that it is reasonable because it is an investment according to the Company's policy. |

Remarks:

CIG Development Co., Ltd.

Long-term Loan

As of December 31st, 2023, there is a long-term loan balance of 167.50 million baht.

- 1) July 15th, 2016, the subsidiary entered into a new loan agreement in the amount of 184 million baht due to inability to repay the debt under the old loan agreement. The principal amount including interest 183.06 million baht, consisting of principal amount 175.90 million baht, accrued interest 7.16 million baht to be considered as part of the principal. (calculated until June 30th, 2016) and borrowed an additional 0.94 million baht for working capital. In 2016 paid the loan amount of 0.50 million baht, In 2017 paid the loan amount of 1 million baht, there is a total outstanding loan balance of 182.50 million baht. The company has stopped recognizing interest income from April 1st, 2019 onwards due to uncertainty in receiving payments. However, the subsidiary still has obligations that must pay interest as specified in the loan agreement between them and the company will recognize income when interest is paid, on March 30th, 2023, the company received loan payment in the amount of 14.99 million baht.

Short-term Loan

- 1) January 5th, 2021, a meeting of the Executive Committee approved the subsidiary total of 8 short-term promissory notes, totaling principal amount 13,100,000 baht, charged at 1.5% per annum for a period of 1 year due on December 31st, 2023, during the period, part of the loan was repaid. Resulting in a remaining loan balance of 11,211,364 baht.

CIG Utilities and Infrastructure Co., Ltd.

Short-term Loan

- 1) On August 11th, 2023, the Board of Directors' meeting approved the subsidiary's loan of 225,000,000 baht at an interest rate of 1.5% per year for a period of 1 year by granting the loan through

a promissory note, to invest in Impact Green Utility Holding Company Limited (IGU) through a subsidiary, which will be due on February 16th, 2024.

- 2) On August 11th, 2023, the Board of Directors' meeting approved the subsidiary's loan of 450,000,000 baht at an interest rate of 1.5% per year for a period of 1 year by granting the loan through
 - 1st installment amount 70,000,000 baht
 - 2nd installment amount 190,000,000 baht
 - 3rd installment amount 190,000,000 baht

In 2023, the subsidiary received a total loan of 290,000,000 baht, with another 160,000,000 baht still outstanding.

Approval of related transactions

For related transactions, they must be necessary and sound for the best interest of the company. Paying and receiving remunerations must comply with market or fair value and an approval from the audit committee is required.

Related transaction policy

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

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



Part
3

Financial Statements

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, 2023, 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, 2023, 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 14 and 15.1 to financial statements, the Company has disposed its investment in C.I.G. (Thailand) Co., Ltd, which is subsidiary of the Company in the whole amount on May 8, 2023. Subsidiary has investments in Fakwantip Co., Ltd., as an associated company, thus the Company has loss of control in subsidiary and significant influence in associate are cease. I have given a qualified opinion on the consolidated statements of financial position as at December 31, 2022 and the related consolidated of comprehensive income for the year then ended. I can not to audited enough evidences of investment in associated of Fakwantip Co. , Ltd. because the company has not completed the assessment of the machinery during installation at the date of the equity method. The management of the entity has clarified machinery during installation in the process of requesting permission to enter the area with the Legal Execution Department to assess the fair value because the Central Bankruptcy Court has an absolute receivership order from being used by creditors for bankruptcy. At present, the effect of such matter has ended. However, the Company's financial statements may also effect of this matter regarding the comparison between the current period and comparative figures. Therefore, my conclusions on the consolidated financial statements for the current period are conditional on that matter.

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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are

relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter and event

I draw attention to note to the financial statements as follow: -

1) Due diligence of the target company

As mentioned in the note to financial statements No.7.3, the consolidate and separate financial statements, the Company has signed a Memorandum of Understanding with 5 companies and pay insurance for damages and expenses for due diligence and business valuation of the target group, totaling amount of Baht 239.00 million. Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages from these 5 companies because there is no progress in preparing the business plan. Subsequently, the Company has gradually received the refunds insurance for damage from 3 companies, amount of Baht 147.00 million and other insurance amount of Baht 3.00 million, totaling amount of Baht 150.00 million in February 2024 and according to the Board of management Director's meeting No. 3/2024, held on February 14, 2024 C.I. GROUP PUBLIC COMPANY LIMITED, has the resolution to loan to subsidiary with aforementioned amount, which pay for the entire business transfer of Good Ventures Co., Ltd as entire business transfer agreement as mentioned in the note to financial statement No.16.2

2) Advance payment

2.1)As mentioned in the note to financial statements No. 16. 1, advance payment of share subscription, a subsidiary company has invested in the ordinary shares of Impact Green Utilities Holding Co., Ltd. (IGU) from HALCYONASIA ADVISORS (SINGAPORE) PTE. LTD. (HCYA) which has entered into a share purchase agreement on February 15, 2023 and the Company has payment for shares amount of Baht 225.00 million on February 28, 2023. Subsidiary has postponed the transfer of ordinary shares for research the possibility to purchase the ordinary shares. Later, the subsidiary adjust the investment model from invest in the ordinary shares of Impact Green Utilities Holding Co., Ltd. (IGU) to invest in ordinary shares of HALCYONASIA ADVISORS (SINGAPORE) PTE. LTD. (HCYA). Therefore, the HCYA is registered under the laws of Singapore and engaged in holding business, which investing in IGU's ordinary shares. Later, the Subsidiary received information regarding the financial statements of HCYA, which expressed disclaimer of opinion on the financial statements of HCYA by the Certified Public Accountant of Singapore . Therefore, the financial advisor advised to receive ordinary shares of IGU instead of purchasing in the ordinary shares of HCYA. Currently, the Subsidiary has received the ordinary shares of IGU totaling shares 9.00 million, representing 22.68% of the total ordinary share on January 5, 2024, and the status of IGU is change to associate of Company after the ordinary shares transferred. The management expects to process of evaluating fair value of the associate company completed within the 3rd – 4th quarter of 2024.

2.2) As mentioned in the note to financial statements No.16.2, advance payment of purchase assets, a subsidiary entering into the entire business transfer transaction of Good Ventures Co., Ltd amount of Baht 450.00 million. Good Ventures Co., Ltd. is a newly established company which the main asset is logistics services platform under the name “VE Logistics Platform”. The Company has entered agreement to entire business transfer on June 21, 2023, and already paid for the transfer of business amount of Baht 290.00 million. Later, according to the Board of Management Director’s meeting No. 3/2024, held on February 14, 2024, has the resolution to loan to subsidiary by cash from gradually received from insurance for damage as mentioned in the note to financial statements No.7.3 to pay for an entire business transfer in the amount of Baht 150.00 million, which the subsidiary has already paid in February 2024, remaining an amount of Baht 10.00 million has not been paid yet. The management expects that the payment will be completed in the first quarter of 2024.

3) Revenue from service

As mentioned in the note to financial statements No. 37.2, the Company has revenue from structural design services with a company that the company is on the due diligence process with 2 contracts amount of Baht 48.00 million, cost of service amount of Baht 4.38 million and recognized as gross profit amount of Baht 43.62 million, which representing for a gross margin of 90.87 %.

Hereby, my opinion is not modified in respect of these matters.

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, 2023, the Group’s recognition of revenue from construction services in amount of Baht 79.98 million and disclosed their policies on recognition of revenue from construction services and estimation of construction project costs in Note 4.15.2 and 4.16.1 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, 2024.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-----------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 27,560,592.82 | 30,354,225.75 | 19,761,378.19 | 5,600,438.36 |
| Trade and other receivable | 5.1 and 7 | 278,946,049.86 | 200,064,524.15 | 279,698,123.64 | 155,682,690.97 |
| Current contractual assets | 8.1 | 3,425,129.98 | 2,195,107.89 | 3,425,129.98 | 1,990,138.31 |
| Short-term loans to related parties | 5.1 | - | - | 515,000,000.00 | - |
| Default payment of loan to other person | 9 | - | - | - | - |
| Short-term loans to other persons and parties | 10 | 1,250,000.00 | 1,200,000.00 | - | - |
| Inventories | 11 | 64,461,657.96 | 125,608,569.12 | 46,858,400.21 | 125,380,797.43 |
| Other current financial assets | 12 | - | - | - | - |
| Other current assets | | 34,253,816.01 | 20,508,403.92 | 10,779,454.17 | 10,403,039.87 |
| Total current assets | | 409,897,246.63 | 379,930,830.83 | 875,522,486.19 | 299,057,104.94 |
| Non-current assets | | | | | |
| Other non-current financial assets | 13 | 747,976.75 | 10,103,385.86 | 644,312.96 | 10,000,105.50 |
| Investments in subsidiaries | 14 | - | - | 2,312,367.50 | 2,437,367.50 |
| Investments in associate and joint venture | 15.1 | - | - | - | - |
| Long-term loan to related parties | 5.1 | - | - | - | - |
| Non-current contract assets | 8.1 | 24,078,679.13 | 27,199,110.48 | 23,841,779.13 | 26,962,210.48 |
| Advance payment | 16 | 515,000,000.00 | - | - | - |
| Investment property | 17 | 100,805,388.64 | 42,176,192.22 | 38,062,827.75 | 42,176,192.22 |
| Property, plant and equipment | 18 | 171,184,969.64 | 268,692,186.06 | 171,311,467.48 | 196,081,458.04 |
| Right-of-use assets | 19 | 13,481,159.69 | 12,313,938.73 | 5,366,685.75 | 2,600,484.92 |
| Intangible assets | 20 | 1,225,344.65 | 2,637,092.06 | 1,225,340.65 | 2,616,378.03 |
| Deferred tax assets | 21 | 27,643,086.38 | 30,614,266.05 | 27,745,533.33 | 30,716,991.12 |
| Other non-current assets | | 8,810,161.70 | 4,859,451.88 | 8,523,513.51 | 3,905,097.99 |
| Total non-current assets | | 862,976,766.58 | 398,595,623.34 | 279,033,828.06 | 317,496,285.80 |
| Total assets | | 1,272,874,013.21 | 778,526,454.17 | 1,154,556,314.25 | 616,553,390.74 |

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, 2023

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 22 | 61,078,896.84 | 105,213,776.51 | 41,350,964.53 | 105,213,776.51 |
| Short-term loans from related persons and parties | 5.1 | - | 15,833,885.00 | 1,249,992.50 | 520,000.00 |
| Short-term loans from other persons and parties | 23 | 145,462,271.21 | 215,094,687.35 | 129,620,860.91 | 135,571,256.97 |
| Trade and other payable | 5.1 and 24 | 129,485,070.85 | 228,149,359.45 | 98,791,658.88 | 175,586,697.60 |
| Contractual liabilities | 8.1 | 2,777,996.24 | 3,860,279.85 | 2,777,996.24 | 3,860,279.85 |
| Provision in maintenance cost | | 2,913,773.85 | 3,175,812.77 | 2,837,273.29 | 2,747,494.73 |
| Unbilled work costs | | 638,615.36 | 491,872.21 | 638,615.36 | 491,872.21 |
| Estimate debt from equity of the investment in joint venture agreement | 15.2 | - | 21,929,320.69 | - | - |
| Current portion of long-term liabilities | | | | | |
| Long-term loans from financial institution | 25 | 349,029.97 | 333,611.37 | - | - |
| Lease liabilities | 26 | 2,137,582.08 | 1,630,973.11 | 956,239.24 | 387,401.27 |
| Current portion of deferred rental income | 28 | 1,800,000.00 | - | - | - |
| Other current liabilities | | 5,715,191.97 | 10,057,086.97 | 2,011,081.28 | 4,183,019.07 |
| Total current liabilities | | 352,358,428.37 | 605,770,665.28 | 280,234,682.23 | 428,561,798.21 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institution | 25 | 1,736,863.93 | 2,139,587.28 | - | - |
| Lease liabilities | 26 | 4,495,707.35 | 3,850,271.93 | 4,230,130.32 | 2,639,675.44 |
| Employee benefit obligations | 27 | 44,186,215.04 | 55,940,689.76 | 43,294,820.00 | 54,084,084.39 |
| Deferred rental income | 28 | 11,700,000.00 | - | - | - |
| Convertible debentures | 29 | 16,099,211.39 | - | 16,099,211.39 | - |
| Convertible options | 29 | 2,500,788.61 | - | 2,500,788.61 | - |
| Other non-current liabilities | | - | - | 3,000.00 | 3,000.00 |
| Total non-current liabilities | | 80,718,786.32 | 61,930,548.97 | 66,127,950.32 | 56,726,759.83 |
| Total liabilities | | 433,077,214.69 | 667,701,214.25 | 346,362,632.55 | 485,288,558.04 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Authorized share capital | | | | | |
| 3,122,556,881 ordinary shares @ Baht 0.50 | 30 | 1,561,278,440.50 | - | 1,561,278,440.50 | - |
| 3,459,154,046 ordinary shares @ Baht 0.50 | | - | 1,729,577,023.00 | - | 1,729,577,023.00 |
| Issued and paid-up share capital | | | | | |
| 2,746,762,885 ordinary shares @ Baht 0.50 | | 1,373,381,442.50 | - | 1,373,381,442.50 | - |
| 864,788,682 ordinary shares @ Baht 0.50 | | - | 432,394,341.00 | - | 432,394,341.00 |
| Premium on ordinary shares | | 565,028,101.00 | 565,028,101.00 | 565,028,101.00 | 565,028,101.00 |
| Premium on sale treasury stock | | 15,534,581.42 | 15,534,581.42 | 15,534,581.42 | 15,534,581.42 |
| Discount on ordinary shares | | (230,873,016.00) | - | (230,873,016.00) | - |
| Advance receipt of share subscription | | - | 590.00 | - | 590.00 |
| Retained earnings (deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 12,707,000.00 | 12,707,000.00 | 12,707,000.00 | 12,707,000.00 |
| Unappropriated | | | | | |
| | | (896,774,911.57) | (913,318,048.60) | (927,584,427.22) | (894,399,780.72) |
| Other components of shareholders' equity | | | | | |
| | | (27,156.98) | (27,156.98) | - | - |
| Total shareholders' equity of company | | 838,976,040.37 | 112,319,407.84 | 808,193,681.70 | 131,264,832.70 |
| Non-controlling interests | | 820,758.15 | (1,494,167.92) | - | - |
| Total shareholders' equity | | 839,796,798.52 | 110,825,239.92 | 808,193,681.70 | 131,264,832.70 |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME

AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Revenue from operation | | | | | |
| Revenue from sales | | 523,120,237.18 | 998,760,613.86 | 485,347,462.36 | 982,487,159.24 |
| Revenue from services | | 79,976,426.04 | 28,414,220.94 | 70,816,519.60 | 18,809,015.23 |
| Total revenues from operation | | 603,096,663.22 | 1,027,174,834.80 | 556,163,981.96 | 1,001,296,174.47 |
| Cost from operation | | | | | |
| Cost of sales | | (481,114,778.09) | (838,806,238.01) | (465,553,754.13) | (837,704,951.29) |
| Cost of services | | (41,967,136.57) | (47,038,668.60) | (23,039,179.85) | (23,050,162.49) |
| Total cost from operation | | (523,081,914.66) | (885,844,906.61) | (488,592,933.98) | (860,755,113.78) |
| Gross profit | | 80,014,748.56 | 141,329,928.19 | 67,571,047.98 | 140,541,060.69 |
| Other income | | 20,533,824.54 | 5,969,894.39 | 11,529,758.16 | 6,453,648.38 |
| Selling and distribution expenses | | (44,762,101.38) | (66,980,452.84) | (29,005,047.61) | (60,885,181.37) |
| Administrative expenses | | (111,319,696.57) | (162,714,214.38) | (106,515,724.22) | (114,675,761.84) |
| (Increase) reversal expected credit loss | | 12,176,516.14 | 1,879,085.20 | 44,462,434.18 | (836,044.93) |
| (Increase) reversal loss on impairment of investment in subsidiaries | 14 | - | - | 108,484,700.00 | (2,470,000.00) |
| Profit (loss) on sales of investment in subsidiaries | | 68,266,123.99 | (440,891.59) | (108,609,697.00) | - |
| Profit (loss) from operating activities | | 24,909,415.28 | (80,956,651.03) | (12,082,528.51) | (31,872,279.07) |
| Finance costs | | (36,896,810.77) | (34,843,544.70) | (31,191,251.35) | (22,602,020.00) |
| Loss before share of loss on investment in associate and income tax | | (11,987,395.49) | (115,800,195.73) | (43,273,779.86) | (54,474,299.07) |
| Share of loss on investment in associate | | - | (24,593.10) | - | - |
| Reverse estimated debt from equity of the investment in joint ventures agre | 15.2 | 21,929,320.69 | - | - | - |
| Loss from equity of the investment in joint venture | 15.2 | - | (1,588,925.18) | - | - |
| Profit (loss) before income tax | | 9,941,925.20 | (117,413,714.01) | (43,273,779.86) | (54,474,299.07) |
| Income tax expenses | 34 | (1,682,472.72) | (7,152,984.85) | (359,339.56) | (75,961,451.73) |
| Profit (loss) for the year | | 8,259,452.48 | (124,566,698.86) | (43,633,119.42) | (130,435,750.80) |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|------------------|-------------------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Other comprehensive income | | | | | |
| Item that will not be reclassified to profit or loss | | | | | |
| Actuarial gain arising from defined benefit plan | 27 | 13,293,069.52 | - | 13,060,591.15 | - |
| Income tax relevance with other comprehensive income | 34.2 | (2,658,613.90) | - | (2,612,118.23) | - |
| Other comprehensive income for the year-net of income tax | | 10,634,455.62 | - | 10,448,472.92 | - |
| Total comprehensive income for the year | | 18,893,908.10 | (124,566,698.86) | (33,184,646.50) | (130,435,750.80) |
| Profit (loss) for the year attributable to : | | | | | |
| Equity holders of the Company | | 5,862,185.74 | (122,535,424.21) | (43,633,119.42) | (130,435,750.80) |
| Non-controlling interests | | 2,397,266.74 | (2,031,274.65) | - | - |
| Profit (loss) for the year | | 8,259,452.48 | (124,566,698.86) | (43,633,119.42) | (130,435,750.80) |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 16,543,137.03 | (122,535,424.21) | (33,184,646.50) | (130,435,750.80) |
| Non-controlling interests | | 2,350,771.07 | (2,031,274.65) | - | - |
| Total comprehensive income for the year | | 18,893,908.10 | (124,566,698.86) | (33,184,646.50) | (130,435,750.80) |
| Basic Profit (loss) per share | | | | | |
| Equity holders of the Company (Unit : Baht) | 35 | 0.0031 | (0.1417) | (0.0233) | (0.1508) |

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

AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Note | Other components of shareholders' equity | | | | | | | | | | Total | | |
|---|-----------|--|----------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|---------------------------------------|------------------|----------------|------------------|
| | | Retained earnings (deficit) | | Other components of shareholders' equity | | Other components of shareholders' equity | | Other components of shareholders' equity | | Other components of shareholders' equity | | | | |
| | | Appropriated | Unappropriated | Discount from change in shareholding in the subsidiary | Discount on ordinary shares | Advance receipt of share subscription | Premiums on ordinary shares | Premiums on share treasury stock | Premiums on ordinary shares | Discount on ordinary shares | Advance receipt of share subscription | | | |
| Balance as at January 1, 2022 | | 432,394,341.00 | 565,028,101.00 | 15,534,581.42 | - | - | - | - | - | - | - | 234,854,242.05 | 4,915,498.33 | 239,769,740.38 |
| Loss for the year | | - | - | - | - | - | - | - | - | - | - | (122,535,424.21) | (2,031,274.65) | (124,566,698.86) |
| Advance receipt of share subscription | | - | - | 590.00 | - | - | - | 590.00 | - | - | - | 590.00 | - | 590.00 |
| Other comprehensive income for the year | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | 590.00 | - | - | - | 590.00 | - | - | - | (122,534,834.21) | (2,031,274.65) | (124,566,108.86) |
| Increase in non-controlling interests of the subsidiaries | | - | - | - | - | - | - | - | - | - | - | - | 3,662,500.00 | 3,662,500.00 |
| Change in shareholding in the subsidiary | | - | - | - | - | - | - | - | - | - | - | - | (8,040,891.60) | (8,040,891.60) |
| Balance as at December 31, 2022 | | 432,394,341.00 | 565,028,101.00 | 15,534,581.42 | - | 590.00 | - | 12,707,000.00 | (913,318,048.60) | (27,156.98) | 112,319,407.84 | (27,156.98) | (1,494,167.92) | 110,825,239.92 |
| Increase ordinary shares | 30 | 675,114,085.50 | - | - | - | (590.00) | - | - | - | - | 675,113,495.50 | - | - | 675,113,495.50 |
| Convertible debentures | 29 and 30 | 265,873,016.00 | - | - | (230,873,016.00) | - | - | - | - | - | 35,000,000.00 | - | - | 35,000,000.00 |
| Profit for the year | | - | - | - | - | - | - | - | 5,862,185.74 | - | 5,862,185.74 | - | 2,397,266.74 | 8,259,452.48 |
| Other comprehensive income for the year | | - | - | - | - | - | - | - | 10,680,951.29 | - | 10,680,951.29 | - | (46,495.67) | 10,634,455.62 |
| Total comprehensive income for the year | | - | - | - | - | 16,543,137.03 | - | - | - | - | 16,543,137.03 | - | 2,350,771.07 | 18,893,908.10 |
| Increase in non-controlling interests of subsidiaries | | - | - | - | - | - | - | - | - | - | - | - | (35,845.00) | (35,845.00) |
| Balance as at December 31, 2023 | | 1,373,381,442.50 | 565,028,101.00 | 15,534,581.42 | (230,873,016.00) | - | 12,707,000.00 | (896,774,911.57) | (27,156.98) | 838,976,040.37 | (27,156.98) | 820,758.15 | 839,796,798.52 | |

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 AS AT DECEMBER 31, 2023

(Unit : Baht)

| Note | Issued and paid-up share capital | Premiums on ordinary shares | Premiums on sales treasury stock | Discount on ordinary shares | Advance receipt of share subscription | Retained earnings (deficit) | | Total |
|---|----------------------------------|-----------------------------|----------------------------------|-----------------------------|---------------------------------------|-----------------------------|------------------|------------------|
| | | | | | | Appropriated legal reserve | Unappropriated | |
| Balance as at January 1, 2022 | 432,394,341.00 | 565,028,101.00 | 15,534,581.42 | - | - | 12,707,000.00 | (763,964,029.92) | 261,699,993.50 |
| Advance receipt of share subscription | - | - | - | - | 590.00 | - | - | 590.00 |
| Loss for the year | - | - | - | - | - | - | (130,435,750.80) | (130,435,750.80) |
| Other comprehensive income for the year | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 590.00 | - | (130,435,750.80) | (130,435,160.80) |
| Balance as at December 31, 2022 | 432,394,341.00 | 565,028,101.00 | 15,534,581.42 | - | 590.00 | 12,707,000.00 | (894,399,780.72) | 131,264,832.70 |
| Increase ordinary shares | 675,114,085.50 | - | - | - | (590.00) | - | - | 675,113,495.50 |
| Convertible debentures | 265,873,016.00 | - | - | (230,873,016.00) | - | - | - | 35,000,000.00 |
| Loss for the year | - | - | - | - | - | - | (43,633,119.42) | (43,633,119.42) |
| Other comprehensive income for the year | - | - | - | - | - | - | 10,448,472.92 | 10,448,472.92 |
| Total comprehensive income for the year | - | - | - | - | - | - | (33,184,646.50) | (33,184,646.50) |
| Balance as at December 31, 2023 | 1,373,381,442.50 | 565,028,101.00 | 15,534,581.42 | (230,873,016.00) | - | 12,707,000.00 | (927,584,427.22) | 808,193,681.70 |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash flows from operating activities | | | | |
| Profit (loss) for the year | 8,259,452.48 | (124,566,698.86) | (43,633,119.42) | (130,435,750.80) |
| Adjustment to loss for the year for cash received (payment) from operation | | | | |
| Depreciation | 40,156,881.74 | 42,338,032.98 | 29,393,924.56 | 30,389,052.36 |
| Depreciation of right-of-use assets | 2,267,037.67 | 4,202,175.83 | 668,057.80 | 519,524.85 |
| Amortization of intangible assets | 1,411,747.41 | 1,799,156.25 | 1,391,037.38 | 1,714,221.85 |
| Loss from disposal/written-off property | - | 150,937.74 | - | - |
| (Profit) loss from disposal/written-off assets | (524,188.58) | 4,414,984.09 | (524,189.18) | 107,751.43 |
| Loss from paying off the loan by mortgaged land | - | 16,525,700.00 | - | - |
| Gain from financial liabilities canceled | - | (1,916,966.51) | - | - |
| (Profit) loss on sales of investment | (68,266,123.99) | - | 108,609,697.00 | - |
| Allowance for expected credit loss-trade and other receivables (reversal) | 5,770,623.61 | (5,297,873.35) | 5,790,987.81 | (321,955.07) |
| Allowance for expected credit loss-other non-current assets | 525,809.22 | - | - | - |
| Allowance for expected credit loss-short-term loans to related parties (reversal) | - | 47,805.76 | (31,253,425.99) | 1,158,000.00 |
| Reversal allowance for expected credit loss - long-term loans to related parties | - | - | (14,999,996.00) | - |
| Reversal allowance for expected credit loss - short-term loans to other parties | (18,541,778.64) | - | (4,000,000.00) | - |
| Loss from declining in value of inventories (reversal) | 109,018.89 | (1,514,015.86) | (23,186.01) | (1,518,511.07) |
| Increase in provision in maintenance cost (reversal) | (115,735.37) | 2,189,015.23 | 89,778.56 | 2,077,325.46 |
| (Profit) loss from unrealized on exchange rate | 365,716.28 | 6,506.26 | 26,871.96 | (596,721.50) |
| Impairment loss on investment in subsidiaries (reversal) | - | - | (108,484,700.00) | 2,470,000.00 |
| Impairment loss on investment in associate | - | (1,792,883.35) | - | - |
| Share of loss on investment in associate | - | 24,593.10 | - | - |
| Reversal estimate debit from equity of the investment in joint venture agreement | (21,929,320.69) | - | - | - |
| Loss from equity of the investment in joint venture | - | 1,588,925.18 | - | - |
| Loss from liquidation in associate | - | 59,699.50 | - | 60,000.00 |
| Employee benefit expenses | 4,177,326.80 | 5,335,491.98 | 4,000,096.76 | 4,381,670.59 |
| Reversal employee benefit obligation | (848,962.00) | - | - | - |
| Deferred rental income recognized as revenues | (1,500,000.00) | - | - | - |
| Interest income | (10,731,772.23) | (467,771.62) | (5,442,074.93) | (348,646.62) |
| Interest expenses from lease liabilities | 385,662.18 | 536,147.51 | 336,475.13 | 353,581.28 |
| Interest expenses | 34,061,148.59 | 34,307,397.19 | 28,404,776.22 | 22,248,438.72 |
| Direct expenses in issuing convertible debentures | 2,450,000.00 | - | 2,450,000.00 | - |
| Income tax expense | 1,682,472.72 | 7,152,984.85 | 359,339.56 | 75,961,451.73 |
| (Profit) loss from operating activities before changes in operating assets and liabilities | (20,834,983.91) | (14,876,656.10) | (26,839,648.79) | 8,219,433.21 |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Change in operating assets and liabilities | | | | |
| Trade and other receivables | (85,913,839.09) | (17,350,677.22) | (124,749,714.00) | 13,554,372.30 |
| Contractual assets | 1,890,409.26 | 20,202,239.63 | 1,685,439.68 | 17,913,660.65 |
| Inventories | 61,030,608.17 | 6,461,888.99 | 78,538,299.13 | 6,817,047.49 |
| Other current assets | (15,362,975.32) | (8,247,538.17) | (378,574.78) | (4,062,110.73) |
| Other non-current assets | (2,281,829.35) | 1,247,765.83 | (2,465,059.02) | 3,121,389.55 |
| Trade and other payables | (58,687,480.41) | (40,543,150.97) | (82,006,159.21) | (58,268,628.04) |
| Contractual liabilities | (1,082,283.61) | 1,558,476.00 | (1,082,283.61) | 1,558,476.00 |
| Unbilled work costs | 146,743.15 | (6,763,142.55) | 146,743.15 | (6,763,142.55) |
| Other current liabilities | (1,469,880.98) | 2,992,822.63 | (2,171,937.79) | 2,938,002.10 |
| Employee benefit obligations | (1,789,770.00) | (5,002,231.00) | (1,728,770.00) | (4,881,431.00) |
| Deferred rental income | 15,000,000.00 | - | - | - |
| Other non-current liabilities | - | (889,012.53) | - | - |
| Cash paid from operation activities | (109,355,282.09) | (61,209,215.46) | (161,051,665.24) | (19,852,931.02) |
| Income tax received (paid) | (3,756,167.03) | 15,229,313.20 | (2,151,196.02) | 15,349,995.14 |
| Net cash used in operating activities | (113,111,449.12) | (45,979,902.26) | (163,202,861.26) | (4,502,935.88) |
| Cash flow from investing activities | | | | |
| (Increase) Decrease in other non-current financial assets | 9,355,409.11 | (382.38) | 9,355,792.54 | (0.37) |
| Cash received for short-term loans to related parties | - | - | 31,253,425.99 | - |
| Cash payment for short-term loans to related parties | - | (47,805.76) | (515,000,000.00) | (1,158,000.00) |
| Cash received for short-term loans to other parties | 19,741,778.64 | - | 4,000,000.00 | - |
| Cash payment for short-term loans to other parties | (1,250,000.00) | - | - | - |
| Cash received for long-term loans to related parties | - | - | 14,999,996.00 | - |
| Cash received from interest income | 9,628,906.21 | 985,021.94 | 374,434.32 | 981,352.92 |
| Cash payment for share subscription | (515,000,000.00) | - | - | - |
| Cash payment in purchase of investment property | (618,000.00) | (282,022.65) | - | (282,022.65) |
| Cash received from sales of investment property | - | 119,500.00 | - | 119,500.00 |
| Cash received from sales of investments in subsidiaries | 3.00 | - | 3.00 | - |
| Cash payment in purchase of property, plant and equipment | (524,201.11) | (7,425,200.18) | (524,201.11) | (6,419,370.87) |
| Cash received from sales of property, plant and equipment | 554,644.86 | 1,609,791.08 | 554,644.86 | 135,000.00 |
| Cash payment in purchase of right-of-use assets | (688,379.52) | (382,172.42) | (679,098.91) | - |
| Cash payment in purchase of intangible assets | - | (224,911.20) | - | (224,911.20) |
| Net cash used in investing activities | (478,799,838.81) | (5,648,181.57) | (455,665,003.31) | (6,848,452.17) |

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOW
AS AT DECEMBER 31, 2023

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash flows from financing activities | | | | |
| Increase(decrease) in short-term loans from financial institutions | (44,134,879.67) | 858,895.78 | (63,862,811.98) | 858,895.78 |
| Cash received from short-term loans from other person | 52,445,776.01 | 112,655,670.01 | 37,063,360.91 | 104,200,000.00 |
| Cash payment for short-term loans from other person | (46,901,428.41) | (13,231,823.25) | (43,500,000.00) | (13,600,000.00) |
| Cash received from short-term loans from related parties | - | - | 1,249,992.50 | - |
| Cash payment for short-term loans from other parties | (59,308,340.59) | (541,292.70) | (33,756.97) | (60,335,876.32) |
| Cash received from short-term loans from related person and parties | - | 428,885.00 | - | - |
| Cash payment for short-term loans from related person and parties | - | (502,882.00) | - | - |
| Cash payment for long-term loans from financial institution | (387,304.75) | (414,301.35) | - | - |
| Cash payment for liabilities under finance lease agreement | (1,979,496.90) | (3,544,474.84) | (932,342.00) | (789,276.00) |
| Cash received from ordinary shares increased | 675,113,495.50 | - | 675,113,495.50 | - |
| Cash received from convertible bonds | 55,000,000.00 | - | 55,000,000.00 | - |
| Advanced receipt of share subscription | - | 590.00 | - | 590.00 |
| Cash paid for issuing convertible bonds expense | (3,850,000.00) | - | (3,850,000.00) | - |
| Cash payment in interest expenses | (36,384,320.71) | (23,288,117.61) | (23,198,950.78) | (20,936,116.73) |
| Cash received proceeds from on non-controlling interests | - | 3,600,000.00 | - | - |
| Net cash received from financing activities | 589,613,500.48 | 76,021,149.04 | 633,048,987.18 | 9,398,216.73 |
| Effects of exchange rates in cash and cash equivalents | (161,588.54) | 104,459.06 | - | 4,548.96 |
| Effects of Sales of investment in subsidiary in Cash and cash equivalents | (334,256.94) | (3,815,212.37) | (20,182.78) | - |
| Net increase (decrease) in cash and cash equivalents | (2,793,632.93) | 20,682,311.90 | 14,160,939.83 | (1,948,622.36) |
| Cash and cash equivalents at the beginning of the year | 30,354,225.75 | 9,671,913.85 | 5,600,438.36 | 7,549,060.72 |
| Cash and cash equivalents at the ending of the year | 27,560,592.82 | 30,354,225.75 | 19,761,378.19 | 5,600,438.36 |
| Additional disclosure : | | | | |
| Items not affecting cash flow are as follows :- | | | | |
| - Purchases of assets which had not yet been paid | 9,540.00 | 2,565,707.22 | 9,540.00 | 2,565,707.22 |
| - Investment in subsidiary which had not yet been paid | - | - | - | 1,249,992.50 |
| - Sales of investment in associate which had not yet been received | - | - | - | 62,500.00 |
| - Decrease in account payables from sale investment | - | 4,000,000.00 | - | 4,000,000.00 |
| - Decrease in short term loan from sale investment in subsidiaries | - | - | - | 62,500.00 |
| - Transfer of inventory to property, plant and equipment | 7,284.10 | 241,287.41 | 7,284.10 | 279,876.20 |
| - Transfer of property, plant and equipment to investment property | 71,139,644.87 | - | - | - |
| - Increase in non-controlling interests from debt reduction | - | 62,500.00 | - | - |
| - Acquisition right-of-use assets under lease | 3,434,258.63 | 2,560,723.60 | 3,434,258.63 | - |
| - Decrease short-term loan from payment by land mortgage | - | 13,000,000.00 | - | - |
| - Decrease in accrued interest expense from payment by land mortgage | - | 2,112,500.00 | - | - |
| - Transfer of short-term loans to related parties to short-term loan to other parties | - | - | 65,200,000.00 | - |
| - Transfer of short-term loans from related parties of short-term loans from other parties | - | - | 520,000.00 | - |
| - Exercise of convertible bonds to ordinary shares | 35,000,000.00 | - | 35,000,000.00 | - |

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, 2023

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 and subsidiary companies (“The Group”), its main business activity is manufacturing and distributing air conditioning products and refrigeration parts including maintenance and inspection services. Hotel and construction service, design, test and construction production system. and high voltage powerd distribution and manufacturing and distribution water supply and electric power generation and transmission.

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 the 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 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 if any change.

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 that 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.

Estimating costs of rectification in the period of guarantee work

Management applies judgement in estimating the costs of rectification in the period of guarantee work which they expect to be realised on each construction project, based on estimates of anticipated costs, with reference to past experience.

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>2023</u> | <u>2022</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 |
| CIG Development Co., Ltd. | Thailand | Hotel and construction | 99.97 | 99.97 |
| Siam Railway Development Co., Ltd.* | Thailand | Locomotive Maintenance and construction | - | 99.99 |
| Ilustro Co., Ltd. | Thailand | Construction of electricity production and distribution system | 99.40 | 99.40 |
| CIG Blusolutions Co., Ltd. | Thailand | Air conditioning and refrigeration parts manufacturing and distribution | 74.97 | 74.97 |
| CIG Waterworks Co., Ltd. | Thailand | Water supply for consumption manufacturing and distribution | 70.00 | 70.00 |
| CIG Operation Co., Ltd.* | Thailand | Manage of manufacturing and distribution water supply | - | 50.00 |
| CIG Utilities And Infrastructure Co., Ltd. | Thailand | Electric power generation and transmission | 99.99 | 99.99 |

* The Company has disposed its investment in subsidiary on May 8, 2023.

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 99.00% onwards are prepare the consolidated financial statements. The Company calculated the investment in the subsidiary as 100%.

4. Summary of significant accounting policies

4.1 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.

4.2 Trade and other receivables

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 of the consideration. However, the consideration of the impairment of trade and other receivables has shown in Note 4.3.

4.3 Financial instruments

Classification and measurement of financial assets

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Financial assets - debt securities are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets - equity investments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVTPL.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Dividends on investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating an allowance for expected credit losses (“ECLs”). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative

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

- 4.4 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.

- 4.5 Investments

Investments in subsidiaries

According to the separate financial statements, investments in subsidiaries are recorded at cost method deducted by allowance for impairment loss.

Investments in associates

According to the separate financial statements, investments in associates are recorded at cost method deducted by allowance for impairment loss and according to the consolidated financial statements are recorded at equity method.

4.6 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 |
| Structural system | 5 Years |
| Hotel equipment and Furniture | 5 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.

4.7 Land and land improvement, 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.

- 4.8 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 |

4.9 Leases agreement

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 is the lessee

The Group applies a single accounting method for the recognition and measurement of all lease contracts. Except for short-term leases and leases where the underlying asset is of low value at the commencement date of the lease. Right-of-use assets representing the right to use the underlying asset and lease liabilities are recorded as lease payments.

Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation. Accumulated impairment loss and adjusted with a new measurement of the lease liability. The cost of a right-of-use asset comprises the amount of the lease liability on initial recognition. Initial direct costs incurred. The amount paid under the lease agreement on or before the effective date of the lease and deducted by the lease incentive received.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease period, as follows:-

| | |
|------------------------|--|
| Land | 3-26 years, plus renewal option reasonably certain to be exercised |
| Machinery and vehicles | 5 years |

If ownership of an underlying asset is transferred to the Group at the end of the lease term or its cost includes the exercise of a purchase option. Depreciation is calculated based on the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments made over the lease term. The lease payments consist of fixed rent less lease incentives, variable rent based on index or rate, the amount expected to be paid under the residual value guarantee including the exercise price of the option, which is reasonably certain that the Group will exercise the option and payment of fines for the termination of the lease if the terms of a lease demonstrate that the Group exercises its right to terminate the lease. The Group recognizes variable rents that are not independent of an index or rate as an expense in the period in which the event or condition relating to the payment occurs.

The Group discounts the present value of the lease payments at the interest rate implied by the lease or the Group's incremental borrowing rate. After the effective date of the lease agreement, the book value of the lease liabilities will increase from the interest on the lease liabilities and decrease from the payment of the lease liabilities. In addition, the carrying amount of the lease liabilities is remeasured whenever there is a change in the lease term, changes in lease payments, or changes in the assessment of options to purchase the underlying assets.

Short-term leases and leases of low-value assets

Leases with a lease term of 12 months or less from the effective date of the lease or leases on which the underlying asset is low value, it will be recorded as expenses on a straight-line basis over the lease term.

The Group is the lessor

Operating lease

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. The Group recognizes the amount received under operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred on an acquisition of an operating lease are included in the carrying amount of the underlying asset and recognized as an expense over the lease term on a basis consistent with the lease income.

Finance lease

Leases that transfer to the lessee all or most of the risks and rewards of ownership of an underlying asset are finance leases. The Group recognizes finance lease receivables by the net investment amount of the lease. It comprises the present value of the lease and its unguaranteed residual value, discounted at the interest rate implied by the lease. Interest income on finance leases is allocated each accounting period to reflect the Group's fixed periodic rate of return on the remaining net investment in the lease.

4.10 Impairment-non financial assets

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.

The recoverable amount is the asset's fair value less costs to sell and its value in use in assessing the value in use of assets. The Group estimates the future cash flows expected to be generated by the asset and is discounted to their present value using a before tax discount rate that reflects current market assessments of the time value of cash and cash flows. The risks that are characteristic of the asset under consideration to determine fair value less costs to sell. The Group uses the best valuation model that is appropriate for the assets. It reflects the amount that the entity can obtain from the disposal of the asset less the cost of disposal by selling, buyers and sellers are knowledgeable and willing to exchange and can freely negotiate prices as those who are not related to each other.

The Group recognizes impairment losses in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Group estimates the assets recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

4.11 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.

4.12 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.

4.13 Change in shareholding ratio in subsidiary companies under common control is the difference between the investment for the change in proportion in subsidiary companies and book value of the subsidiary companies resulted from the change in proportion of investment in that subsidiary. The difference is shown as a separate item in the consolidated statements of financial position under the shareholders' equity and will be written off when the investment is disposed.

4.14 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.

4.15 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:-

4.15.1 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.

4.15.2 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.

4.15.3 Rental income recognized on a straight line basis over the term of the lease.

4.15.4 Interest is recognized on an accrual basis based on the effective interest rate.

4.15.5 Dividend are recognized when the right to receive the dividends is established.

4.15.6 Other income are recognized on an accrual basis.

4.16 Recognition of expenses

- 4.16.1 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.
- 4.16.2 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.
- 4.16.3 Other expenses are recognized on an accrual basis.

4.17 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.

4.18 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.

4.19 Foreign currencies

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

4.20 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.

4.21 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.

4.22 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.

5. 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:-

5.1 Inter-assets and liabilities

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|----------------|--------------------------------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Trade receivable</u> | | | | |
| CIG Development Co., Ltd. | - | - | 474,277.50 | 474,277.50 |
| Ilustro Co., Ltd. | - | - | 4,415,289.25 | 4,361,789.25 |
| CIG Blusolutions Co., Ltd. | - | - | 28,344,147.81 | 99,872,903.12 |
| Fakwantip Co., Ltd. | - | 4,679,650.00 | - | 636,650.00 |
| Total | - | 4,679,650.00 | 33,233,714.56 | 105,345,619.87 |
| <u>Less</u> Allowance for expected credit loss | - | (4,679,650.00) | (4,990,541.50) | (5,615,254.53) |
| Trade receivable-net | - | - | 28,243,173.06 | 99,730,365.34 |
| <u>Other receivable</u> | | | | |
| Siam Railway Development Co., Ltd. | - | - | - | 111,250.00 |
| Fakwantip Co., Ltd. | - | 150,000.00 | - | 150,000.00 |
| Joint venture S.S. Engineering Group | - | 8,621,010.39 | - | - |
| Total | - | 8,771,010.39 | - | 261,250.00 |
| <u>Less</u> Allowance for expected credit loss | - | (8,771,010.39) | - | (261,250.00) |
| Other receivable net | - | - | - | - |
| <u>Accrued income</u> | | | | |
| Siam Railway Development Co., Ltd. | - | - | - | 12,000.00 |
| <u>Deposits for purchase of goods</u> | | | | |
| Ilustro Co., Ltd. | - | - | 186,000.00 | 390,000.00 |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|----------------|--------------------------------------|-----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Accrued interest receivable</u> | | | | |
| C.I.G. (Thailand) Co., Ltd. | - | - | - | 759,123.31 |
| CIG Development Co., Ltd. | - | - | 7,918,662.54 | 7,918,662.54 |
| Siam Railway Development Co., Ltd. | - | - | - | 601,441.16 |
| CIG Utility And Infrastructure Co., Ltd. | - | - | 5,228,553.31 | - |
| Fakwantip Co., Ltd. | - | 2,915,522.49 | - | 2,847,232.36 |
| Total | - | 2,915,522.49 | 13,147,215.85 | 12,126,459.37 |
| <u>Less</u> Allowance for expected credit loss | - | (2,915,522.49) | (7,918,662.54) | (12,126,459.37) |
| Accrued interest receivable-net | - | - | 5,228,553.31 | - |
| <u>Advance payment</u> | | | | |
| CIG Development Co., Ltd. | - | - | 395,179.00 | 100,000.00 |
| Siam Railway Development Co., Ltd. | - | - | - | 53,910.00 |
| Ilustro Co., Ltd. | - | - | 62,422.00 | - |
| CIG Utilities And Infrastructure Co., Ltd. | - | - | 9,000.00 | 9,000.00 |
| CIG Operation Co., Ltd. | - | - | - | 34,000.00 |
| CIG Waterworks Co., Ltd. | - | - | 102,000.00 | 34,000.00 |
| Fakwantip Co., Ltd. | - | 424,646.00 | - | 424,646.00 |
| Total | - | 424,646.00 | 568,601.00 | 655,556.00 |
| <u>Less</u> Allowance for expected credit loss | - | (424,646.00) | (395,179.00) | (578,556.00) |
| Advance payment-net | - | - | 173,422.00 | 77,000.00 |

For the year ended December 31, 2023 and 2022, there is movement of the allowance for expected credit loss for trade and other receivable to related parties are as follow:-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-----------------|--------------------------------------|-----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Beginning balance | (16,790,828.88) | (17,364,622.71) | (18,581,519.90) | (14,984,598.39) |
| (Increase) reversal during the year | - | 573,793.83 | (307,115.97) | (3,596,921.51) |
| Decreased from sales of investments in subsidiary | 16,790,828.88 | - | 5,584,252.83 | - |
| Ending balance | - | (16,790,828.88) | (13,304,383.04) | (18,581,519.90) |

(Unit : Baht)

Consolidated financial statements

| | <u>January 1, 2023</u> | <u>Addition</u> | <u>Repayment</u> | <u>Decrease from sales of investment in subsidiary</u> | <u>December 31, 2023</u> |
|--|------------------------|-----------------|------------------|--|--------------------------|
| <u>Short-term loan</u> | | | | | |
| Fakwantip Co., Ltd. | 19,800,000.00 | - | - | 19,800,000.00 | - |
| Joint venture S.S. Engineering Group | 47,805.76 | - | - | 47,805.76 | - |
| Total | 19,847,805.76 | - | - | 19,847,805.76 | - |
| <u>Less</u> Allowance for expected credit loss | (19,847,805.76) | - | - | (19,847,805.76) | - |
| Net | - | - | - | - | - |

(Unit : Baht)

Separate financial statements

| | <u>January 1, 2023</u> | <u>Addition</u> | <u>Repayment</u> | <u>Decrease from sales of investment in subsidiary</u> | <u>December 31, 2023</u> |
|--|------------------------|-----------------------|------------------------|--|--------------------------|
| <u>Short-term loan</u> | | | | | |
| C.I.G. (Thailand) Co., Ltd. | 35,500,000.00 | - | - | (35,500,000.00) | - |
| CIG Development Co., Ltd. | 42,240,432.87 | - | (31,253,425.99) | - | 10,987,006.88 |
| Siam Railway Development Co., Ltd. | 10,700,000.00 | - | - | (10,700,000.00) | - |
| CIG Utility And Infrastructure Co., Ltd. | - | 515,000,000.00 | - | - | 515,000,000.00 |
| Fakwantip Co., Ltd. | 19,000,000.00 | - | - | (19,000,000.00) | - |
| Total | 107,440,432.87 | 515,000,000.00 | (31,253,425.99) | (65,200,000.00) | 525,987,006.88 |
| <u>Less</u> Allowance for expected credit loss | (107,440,432.87) | - | 31,253,425.99 | 65,200,000.00 | (10,987,006.88) |
| Net | - | 515,000,000.00 | - | - | 515,000,000.00 |

(Unit : Baht)

Consolidated financial statements

| | <u>January 1, 2022</u> | <u>Addition</u> | <u>Repayment</u> | <u>December 31, 2022</u> |
|--|------------------------|------------------|------------------|--------------------------|
| <u>Short-term loan</u> | | | | |
| Fakwantip Co., Ltd. | 19,800,000.00 | - | - | 19,800,000.00 |
| Joint venture S.S. Engineering Group | - | 47,805.76 | - | 47,805.76 |
| Total | 19,800,000.00 | 47,805.76 | - | 19,847,805.76 |
| <u>Less</u> Allowance for expected credit loss | (19,800,000.00) | (47,805.76) | - | (19,847,805.76) |
| Net | - | - | - | - |

(Unit : Baht)

| | <u>Separate financial statements</u> | | | |
|--|--------------------------------------|-----------------|------------------|--------------------------|
| | <u>January 1, 2022</u> | <u>Addition</u> | <u>Repayment</u> | <u>December 31, 2022</u> |
| <u>Short-term loan</u> | | | | |
| C.I.G. (Thailand) Co., Ltd. | 35,500,000.00 | - | - | 35,500,000.00 |
| CIG Development Co., Ltd. | 41,082,432.87 | 1,158,000.00 | - | 42,240,432.87 |
| Siam Railway Development Co., Ltd. | 10,700,000.00 | - | - | 10,700,000.00 |
| Fakwantip Co., Ltd | 19,000,000.00 | - | - | 19,000,000.00 |
| Total | 106,282,432.87 | 1,158,000.00 | - | 107,440,432.87 |
| <u>Less</u> Allowance for expected credit loss | (106,282,432.87) | (1,158,000.00) | - | (107,440,432.87) |
| Net | - | - | - | - |

(Unit : Baht)

| | <u>Separate financial statements</u> | | | |
|--|--------------------------------------|-----------------|------------------|--------------------------|
| | <u>January 1, 2023</u> | <u>Addition</u> | <u>Repayment</u> | <u>December 31, 2023</u> |
| <u>Long-term loans</u> | | | | |
| CIG Development Co., Ltd. | 182,500,000.00 | - | (14,999,996.00) | 167,500,004.00 |
| <u>Less</u> Allowance for expected credit loss | (182,500,000.00) | - | 14,999,996.00 | (167,500,004.00) |
| Net | - | - | - | - |

| | <u>January 1, 2022</u> | <u>Addition</u> | <u>Repayment</u> | <u>December 31, 2022</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 | (182,500,000.00) | - | - | (182,500,000.00) |
| Net | - | - | - | - |

As at December 31, 2023 and 2022, the short-term loans to related parties which have an allowance for expected credit loss is in promissory notes form, 12 months and interest is carried by the rate of 1.50% per annum and 1.50%-15.00% per annum respectively. 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. Leter 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. During the year, the Company received payment for the loan amount of Baht 15.00 million and the Company reversal loss on impairment of loans amount of Baht 15.00 million.

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | | | |
|-------------------------|--|-----------------|------------------|--|--------------------------|
| | <u>January 1, 2023</u> | <u>Addition</u> | <u>Repayment</u> | <u>Decrease from sales of investment in subsidiary</u> | <u>December 31, 2023</u> |
| <u>Short-term loans</u> | | | | | |
| Related person | 15,833,855.00 | - | - | (15,833,885.00) | - |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | | | |
|--------------------------------------|--|-----------------|------------------|--|--------------------------|
| | <u>January 1, 2022</u> | <u>Addition</u> | <u>Repayment</u> | <u>Decrease from sales of investment in subsidiary</u> | <u>December 31, 2022</u> |
| <u>Short-term loans</u> | | | | | |
| Joint venture S.S. Engineering Group | 202,882.00 | - | (202,882.00) | - | - |
| Related person | 19,105,000.00 | 428,885.00 | (300,000.00) | (3,400,000.00) | 15,833,885.00 |
| Total | 19,307,882.00 | 428,885.00 | (502,882.00) | (3,400,000.00) | 15,833,885.00 |

As at December 31, 2022 the short-term loans from related person for the amount of Baht 15.83 million within 4-6 months which due within 2023, interest rate of 15.00% per annum.

(Unit : Baht)

| | <u>Separate financial statements</u> | | | | |
|--|--------------------------------------|-----------------|------------------|--|--------------------------|
| | <u>January 1, 2023</u> | <u>Addition</u> | <u>Repayment</u> | <u>Decrease from sales of investment in subsidiary</u> | <u>December 31, 2023</u> |
| <u>Short-term loans</u> | | | | | |
| Siam Railway Development Co., Ltd. | 520,000.00 | - | - | (520,000.00) | - |
| CIG Utility And Infrastructure Co.,Ltd | - | 1,249,992.50 | - | - | 1,249,992.50 |
| Total | 520,000.00 | 1,249,992.50 | - | (520,000.00) | 1,249,992.50 |

(Unit : Baht)

Separate financial statements

(Unit : Baht)

Separate financial statements

| | <u>January 1, 2022</u> | <u>Addition</u> | <u>Repayment</u> | <u>December 31, 2022</u> |
|------------------------------------|------------------------|-----------------|------------------|--------------------------|
| <u>Short-term loans</u> | | | | |
| Siam Railway Development Co., Ltd. | 520,000.00 | - | - | 520,000.00 |

As at December 31, 2023 and 2022, the short-term loans from related parties for the whole amount, maturity within 12 month which due within 2023, interest rate of 1.50% per annum for the both years.

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|--------------|--------------------------------------|--------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Trade payables</u> | | | | |
| Ilustro Co., Ltd. | - | - | 205,440.00 | - |
| <u>Other payables</u> | | | | |
| CIG Development Co., Ltd. | - | - | 356,000.00 | 356,000.00 |
| CIG Utilities And Infrastructure Co., Ltd. | - | - | - | 1,249,992.50 |
| Joint venture S.S. Engineering Group | - | 4,482.00 | - | - |
| Related person | 125,000.00 | 999,950.00 | 125,000.00 | 999,950.00 |
| Total | 125,000.00 | 1,004,432.00 | 481,000.00 | 2,605,942.50 |
| <u>Accrued expenses</u> | | | | |
| Related person | 3,095,034.18 | 3,095,034.18 | 3,095,034.18 | 3,095,034.18 |
| <u>Accrued interest expenses</u> | | | | |
| Siam Railway Development Co., Ltd. | - | - | - | 89,375.00 |
| CIG Utilities And Infrastructure Co., Ltd. | - | - | 15,410.90 | - |
| Related person | - | 4,371,007.59 | - | - |
| Total | - | 4,371,007.59 | 15,410.90 | 89,375.00 |
| <u>Advances payment</u> | | | | |
| Related person | 2,419,300.00 | 3,417,700.00 | - | - |
| <u>Advances received</u> | | | | |
| Joint venture S.S. Engineering Group | - | 3,000,000.00 | - | - |
| <u>Non-current liabilities</u> | | | | |
| CIG Development Co., Ltd. | - | - | 3,000.00 | 3,000.00 |

5.2 Inter-revenues and expenses

(Unit : Baht)

| | | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|---------------------------------|--|--------------|--------------------------------------|----------------|
| | | <u>For the year ended December 31,</u> | | | |
| <u>Pricing policy</u> | | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Inter-transaction with subsidiaries | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Revenue from sales | Agreed upon agreements | - | - | 460,051,172.66 | 231,385,034.20 |
| Rental income | Contract price | - | - | 17,000.00 | 24,000.00 |
| Other income | Agreed upon agreements | - | - | 486,793.92 | 126,393.60 |
| Interest income | The rate to the promissory note | - | - | 5,228,553.31 | - |
| Interest expenses | The rate to the promissory note | - | - | 18,146.24 | 7,800.05 |
| Loss from expected credit loss–trade and other receivable | | - | - | 307,115.97 | 3,440,581.51 |
| Loss from expected credit loss–short-term loan (reversal) | | - | - | (31,253,425.99) | 1,158,000.00 |
| Reversal of loss from expected credit loss–long-term loan | | - | - | (14,999,996.00) | - |
| Cost of sale | Agreed upon agreements | - | - | 204,000.00 | - |
| Repair and maintenance costs | Agreed upon agreements | - | - | - | 220,000.00 |
| Service Charge | Agreed upon agreements | - | - | 2,841,000.00 | 1,242,000.00 |
| Inter-transaction with related persons and parties | | | | | |
| Interest expense | The rate to the promissory note | 830,959.42 | 2,366,771.32 | - | - |
| Loss from expected credit loss (reversal) | | - | (525,988.07) | - | 156,340.00 |

5.3 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>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Short-term benefits | 17,084,689.62 | 27,513,112.00 | 17,084,689.62 | 27,513,112.00 |
| Post-employment benefits | 468,304.31 | 1,106,399.35 | 468,304.31 | 1,106,399.35 |
| Total | 17,552,993.93 | 28,619,511.35 | 17,552,993.93 | 28,619,511.35 |

5.4 Relationship among the companies

| <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 |
| CIG Waterworks Co., Ltd. | Subsidiary company by shareholding and common management |
| CIG Operation Co., Ltd. | Subsidiary company by shareholding and common management* |
| CIG Utilities And Infrastructure Co., Ltd. | Subsidiary company by shareholding and common management |
| Fakwantip Co., Ltd. | Associate company of the subsidiary* |
| Joint venture S.S. Engineering Group | Joint venture of the subsidiary * |
| Related person | Chief Executive Officer Director |
| | Director of the Company company |
| | Shareholder of the Company |

* The Company have disposed its investment in Subsidiary on May 8, 2023.

6. Cash and cash equivalent items

| | (Unit : Baht) | | | |
|----------------|--|----------------------|--------------------------------------|---------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Cash | 326,574.49 | 641,867.85 | 286,974.25 | 339,610.05 |
| Bank deposit | 27,179,234.33 | 29,554,598.38 | 19,474,403.94 | 5,260,828.31 |
| Cheque on hand | 54,784.00 | 157,759.52 | - | - |
| Total | 27,560,592.82 | 30,354,225.75 | 19,761,378.19 | 5,600,438.36 |

7. Trade and other receivable

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Trade receivable-related parties | - | 4,679,650.00 | 33,233,714.56 | 105,345,619.87 |
| Trade receivable-other parties | 74,437,056.83 | 195,360,934.64 | 30,829,132.94 | 38,198,592.77 |
| Notes receivable | 1,089,516.40 | 3,173,727.00 | - | - |
| Total trade and notes receivable | 75,526,573.23 | 203,214,311.64 | 64,062,847.50 | 143,544,212.64 |
| <u>Less</u> Allowance for expected credit loss | (41,445,226.39) | (50,201,769.75) | (34,129,517.90) | (34,871,031.84) |
| Total trade and notes receivable-net | 34,081,346.84 | 153,012,541.89 | 29,933,329.60 | 108,673,180.80 |
| Other receivable-related parties | - | 8,771,010.39 | - | 261,250.00 |
| Other receivable-other parties | 1,017,698.61 | 1,258,701.55 | 609,808.85 | 311,479.63 |
| Accrued income-related parties | - | - | - | 12,000.00 |
| Accrued income-other parties | 17,000.00 | - | 17,000.00 | - |
| Accrued interest receivable-related parties | - | 2,915,522.49 | 13,147,215.85 | 12,126,459.37 |
| Accrued interest receivable-other parties | 4,970,443.53 | 952,055.02 | 4,960,558.42 | 913,674.29 |
| Advance payment-related parties | - | 424,646.00 | 568,601.00 | 655,556.00 |
| Advance payment-other parties | 2,726,919.01 | 1,669,191.99 | 2,363,271.29 | 1,049,501.24 |
| Insurance damages for due diligence | 239,000,000.00 | - | 239,000,000.00 | - |
| Prepaid expenses | 2,240,173.69 | 36,144,810.19 | 1,897,152.86 | 36,054,938.18 |
| Deposits for purchase of goods-related parties | - | - | 186,000.00 | 390,000.00 |
| Deposits for purchase of goods-other parties | 3,107,978.03 | 4,713,766.97 | 3,107,978.03 | 4,713,766.97 |
| Other | 3,468,074.86 | 3,684,879.44 | 3,405,974.86 | 3,487,149.86 |
| Total other receivable | 256,548,287.73 | 60,534,584.04 | 269,263,561.16 | 59,975,775.54 |
| <u>Less</u> Allowance for expected credit loss | (11,683,584.71) | (13,482,601.78) | (19,498,767.12) | (12,966,265.37) |
| Total other receivable-net | 244,864,703.02 | 47,051,982.26 | 249,764,794.04 | 47,009,510.17 |
| Total trade and other receivable | 278,946,049.86 | 200,064,524.15 | 279,698,123.64 | 155,682,690.97 |

As at December 31, 2022, according to the consolidated and separate financial statements the trade account receivables, value amount of Baht 67.02 million and amount of Baht 0.04 million respectively, were transfer the right of collection to a company in the note to financial statements No.23. 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 :-

7.1 Trade receivables-related parties

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|----------------|--------------------------------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Trade receivables | | | | |
| Within credit term | - | - | 28,344,147.81 | 99,861,230.01 |
| Overdue | | | | |
| - Not over 3 months | - | - | - | 75,873.11 |
| - Over 3 months but not over 6 months | - | - | 53,500.00 | 208,650.00 |
| - Over 6 months but not over 12 months | - | - | - | 54,784.00 |
| - Over 12 months | - | 4,679,650.00 | 4,836,066.75 | 5,145,082.75 |
| Total | - | 4,679,650.00 | 33,233,714.56 | 105,345,619.87 |
| <u>Less</u> Allowance for expected credit loss | - | (4,679,650.00) | (4,990,541.50) | (5,615,254.53) |
| Net | - | - | 28,243,173.06 | 99,730,365.34 |

The normal credit term granted to customers of the Group is 30-180 days.

7.2 Trade receivables-other parties

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------|--------------------------------------|-----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Notes receivables | 1,089,516.40 | 3,173,727.00 | - | - |
| Trade receivables | | | | |
| Within credit term | 18,162,206.20 | 117,542,580.33 | 1,174,952.14 | 2,777,444.90 |
| Overdue | | | | |
| - Not over 3 months | 14,119,797.69 | 32,090,601.92 | 530,585.81 | 6,072,301.92 |
| - Over 3 months but not over 6 months | 725,207.95 | 264,170.84 | - | 247,906.84 |
| - Over 6 months but not over 12 months | - | 7,059,926.30 | - | 8,626.30 |
| - Over 12 months | 41,429,844.99 | 38,403,655.25 | 29,123,594.99 | 29,092,312.81 |
| Total | 75,526,573.23 | 198,534,661.64 | 30,829,132.94 | 38,198,592.77 |
| <u>Less</u> Allowance for expected credit loss | (41,445,226.39) | (45,522,119.75) | (29,138,976.40) | (29,255,777.31) |
| Net | 34,081,346.84 | 153,012,541.89 | 1,690,156.54 | 8,942,815.46 |

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, 2023 and 2022 as follow:-

| | (Unit : Baht) | | | |
|---|--|-----------------|--------------------------------------|-----------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Beginning balance | (63,684,371.53) | (68,982,244.88) | (47,837,297.21) | (48,159,252.28) |
| Increase during the year | (6,571,063.61) | (2,644,422.53) | (6,391,427.81) | (2,066,231.43) |
| Collect during the year | 800,440.00 | 7,942,295.88 | 600,440.00 | 2,388,186.50 |
| Reversal from sales of investment in subsidiary | 16,326,184.04 | - | - | - |
| Ending balance | (53,128,811.10) | (63,684,371.53) | (53,628,285.02) | (47,837,297.21) |

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

7.3 As at December 31, 2023, insurance for damages and expenses for due diligence of the target company, value amount of Baht 239.00 million. Which is in the process of verifying the status of the target company as follows:

7.3.1 According to the Board of management Director's meeting No. 17/2022, held on October 29, 2022, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution approval to due diligence with J LING SOLUTION CO., LTD. (JLS). Therefore, has the resolution approval to the Company to sign a Memorandum of Understanding and business valuation of the target group and pay insurance for damages amount of Baht 50.00 million. the Company has paid the insurance amount of Baht 42.00 million.

According to the Board of Management Director's meeting No.14/2023, held on July 24, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, which independent financial advisor's opinion on acquisition on assets that C.I. GROUP PUBLIC COMPANY LIMITED. has loss on operating for the year ended December 31, 2022, resulting in the acquisition of ordinary share in JLS that the Transaction over 100 percent of the total asset, the calculation criteria given the maximum scale, that criteria risk of the back-door listing transaction. Independent financial advisory advised to postpone the acquisition of ordinary share in JLS. Subsequently, according to the Board of Audit Committee's meeting No. 7/2023, held on December 20, 2023, has resolved to acknowledge the progress of due diligence, the financial advisor and audit committee provide approval and develop business plans to jointly operate the business by establishing a subsidiary company and/or joint venture between JLS and CIGU (subsidiary) within the January of 2024. The Company will transfer some or all of the projects to the newly established joint venture with a 50:50 profit sharing in order to recognize revenue as soon as possible.

Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages because there is no progress in preparing the business plan.

7.3.2 According to the Board of management Director's meeting No. 3/2023, held on February 10, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution approval to due diligence with Solar Southern Express Co., Ltd. (SSS). Therefore, has the resolution approval to the Company to sign a Memorandum of Understanding and business valuation of the target group and pay insurance for damages amount of Baht 50.00 million. the Company has paid the insurance amount of Baht 50.00 million.

According to the Board of Management Director's meeting No.14/2023, held on July 24, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, have accounting issues arising from the previous management. Legal advisor proposed that SSS should doing the business transfer to Good Venture Co., Ltd. (GV) and call a insurance back from Express (2023) Holding Co., Ltd. (seller). Currently, the Company processing of refund from seller.

Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages because there is no progress in preparing the business plan.

7.3.3 According to the Board of management Director's meeting No. 4/2023, held on February 15, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution approval to due diligence with EASY MANAGE CO., LTD. (EASYM). Therefore, has the resolution approval to the Company to sign a Memorandum of Understanding and business valuation of the target group and pay insurance for damages amount of Baht 50.00 million. the Company has paid the insurance amount of Baht 47.00 million.

According to the Board of Management Director's meeting No.14/2023, held on July 24, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, Currently, EASYM is under the study of the Cold Room Design Program and is expected to joint with CIG Utility And Infrastructure Co., Ltd. (subsidiary) and Express (2023) Holding Co. Ltd. in the future, As a result, the form of investment and the size of items may change, it is necessary to get additional opinions from the legal advisors and financial advisors to propose for invest in the company.

Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages because there is no progress in preparing the business plan.

7.3.4 According to the Board of management Director's meeting No. 4/2023, held on February 15, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution approval to due diligence with S.SUSOM CO., LTD., Therefore, has the resolution approval to the Company to sign a Memorandum of Understanding and business valuation of the target group and pay insurance for damages amount of Baht 50.00 million. the Company has paid the insurance amount of Baht 50.00 million.

According to the Board of management Director's meeting No. 14/2023, held on July 24, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, The main business of company was investing in basic utility, focusing on investing in the Industrial Estate, which has a large amount of raw water demand. So that, the Company waiting for the establishment of a new government and the clarity of government policies. This project must therefore have to wait for completion for another period of time. Subsequently, according to the Board of Audit Committee's meeting No. 5/2023, held on October 20, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, which expected the due diligence can be completed within the first quarter of 2024.

Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages because there is no progress in preparing the business plan.

7.3.5 According to the Board of management Director's meeting No. 5/2023, held on February 20, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution approval to due diligence with The Winner Associate Company Limited. (TWA). Therefore, has the resolution approval to the Company to sign a Memorandum of Understanding and business valuation of the target group and pay insurance for damages amount of Baht 50.00 million. the Company has paid the insurance amount of Baht 50.00 million.

According to the Board of management Director's meeting No.14/2023, held on July 24, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, Which TWA operating on selling of pharmaceutical and medical goods that support each other with J Ling Solutions Co., Ltd, (JLS). The acquisition of TWA is also postponed as JLS's situation. Subsequently, according to the Board of Audit Committee's meeting No. 5/2023, held on October 5, 2023, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence, which the seller of the target company has confirmed their intention to refund insurance for damages to the Company within the fourth quarter of 2023 and/or adjust the investment structure to establish a subsidiary and/or joint venture in certain businesses where both parties want to operate together.

Subsequently, according to the Board of Audit Committee's meeting No. 1/2024, held on February 6, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to refund the insurance for damages because there is no progress in preparing the business plan.

According to the Board of Management Director's meeting No. 3/2024, held on February 14, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has resolved to acknowledge the progress of due diligence as follow:-

- Acknowledged the notification for refund of insurance for damages from the 3 targets group as follow:-

| | |
|---------------------------------------|------------------------------|
| Solar Southern Express Co., Ltd. | amount of 50.00 million Baht |
| EASY MANAGE CO., LTD. | amount of 47.00 million Baht |
| The Winner Associate Company Limited. | amount of 50.00 million Baht |

Including following up on the refund of insurance for damages from J Ling Solutions Co., Ltd, (JLS). in the amount of Baht 42.00 million and S. Susom Co., Ltd in the amount of Baht 50.00 million baht as soon as possible.

In February 2024, the Company has gradually received the refunds insurance for damage from 3 companies amount of Baht 147.00 million and other insurance amount of Baht 3.00 million, totaling amount of Baht 150.00 million.

- According to the Board of Management Director's meeting No. 3/2024, held on February 14, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to loan to subsidiary aforementioned amount to pay for an entire business transfer of Good Ventures Co., Ltd as entire business transfer agreement as mentioned in the note to financial statement No.16.2.

8. Contractual assets/Contractual liabilities

8.1 Contract balance

| | (Unit : Baht) | | | |
|---|--|----------------------|--------------------------------------|----------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Contractual assets | | | | |
| Retentions receivables under construction contracts | 25,841,135.30 | 28,323,197.88 | 25,604,235.30 | 27,115,575.55 |
| Value of construction unbilled | 1,662,673.81 | 1,836,773.24 | 1,662,673.81 | 1,836,773.24 |
| Total | 27,503,809.11 | 30,159,971.12 | 27,266,909.11 | 28,952,348.79 |
| <u>Less</u> Allowance for expected credit loss | - | (765,752.75) | - | - |
| Net | 27,503,809.11 | 29,394,218.37 | 27,266,909.11 | 28,952,348.79 |
| Current | 3,425,129.98 | 2,195,107.89 | 3,425,129.98 | 1,990,138.31 |
| Non-current | 24,078,679.13 | 27,199,110.48 | 23,841,779.13 | 26,962,210.48 |
| Total contract assets | 27,503,809.11 | 29,394,218.37 | 27,266,909.11 | 28,952,348.79 |
| Contractual liabilities | | | | |
| Advances received from construction | 2,777,996.24 | 3,860,279.85 | 2,777,996.24 | 3,860,279.85 |
| Current | 2,777,996.24 | 3,860,279.85 | 2,777,996.24 | 3,860,279.85 |
| Non-current | - | - | - | - |
| Total contract liabilities | 2,777,996.24 | 3,860,279.85 | 2,777,996.24 | 3,860,279.85 |

8.2 Retentions receivables under construction contracts

| | (Unit : Baht) | | | |
|---|--|----------------------|--------------------------------------|----------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Retentions receivables under construction contracts | 25,841,135.30 | 28,323,197.88 | 25,604,235.30 | 27,115,575.55 |
| <u>Less</u> Allowance for expected credit loss | - | (765,752.75) | - | - |
| Net | 25,841,135.30 | 27,557,445.13 | 25,604,235.30 | 27,115,575.55 |
| Current | 1,762,456.17 | 358,334.65 | 1,762,456.17 | 153,365.07 |
| Non-current | 24,078,679.13 | 27,964,863.23 | 23,841,779.13 | 26,962,210.48 |
| Total | 25,841,135.30 | 28,323,197.88 | 25,604,235.30 | 27,115,575.55 |

8.3 Value of construction unbilled

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------|--------------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Value of work according the contract | 115,668,041.12 | 115,881,930.12 | 115,668,041.12 | 115,881,930.12 |
| Retentions receivables under construction contracts | 115,575,919.12 | 115,185,306.28 | 115,575,919.12 | 115,185,306.28 |
| <u>Less</u> Value of total billed (Invoice) | (113,913,245.31) | (113,348,533.04) | (113,913,245.31) | (113,348,533.04) |
| Value of construction unbilled | 1,662,673.81 | 1,836,773.24 | 1,662,673.81 | 1,836,773.24 |

8.4 Advances received from construction

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|------------------|--------------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Value of work according the contract | 480,277,284.08 | 481,545,385.08 | 480,277,284.08 | 481,545,385.08 |
| Value of total billed (Invoice) | 476,599,409.37 | 478,270,252.98 | 476,599,409.37 | 478,270,252.98 |
| <u>Less</u> Recognized of revenues on percentage of completion basis | (473,821,413.13) | (474,409,973.13) | (473,821,413.13) | (474,409,973.13) |
| Advances received from construction | 2,777,996.24 | 3,860,279.85 | 2,777,996.24 | 3,860,279.85 |

8.5 Information about construction contracts which are in the process

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|------------------|--------------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Recognized of revenues on percentage of completion basis | 589,397,332.25 | 589,595,279.41 | 589,397,332.25 | 589,595,279.41 |
| <u>Less</u> Value of total billed (Invoice) | (590,512,654.68) | (591,618,786.02) | (590,512,654.68) | (591,618,786.02) |
| Net | (1,115,322.43) | (2,023,506.61) | (1,115,322.43) | (2,023,506.61) |
| Amount recognized as assets / liabilities in the statement of financial position | | | | |
| - Contractual assets | 27,503,809.11 | 29,394,218.37 | 27,266,909.11 | 28,952,348.79 |
| - Contractual liabilities | (2,777,996.24) | (3,860,279.85) | (2,777,996.24) | (3,860,279.85) |
| Net | 24,725,812.87 | 25,533,938.52 | 24,488,912.87 | 25,092,068.94 |

9. Default payment of loan to other person

(Unit : Baht)

| | <u>Consolidated/Separate financial statements</u> | |
|--|---|-----------------|
| | <u>2023</u> | <u>2022</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 | - | - |

For the years ended December 31, 2023 and 2022, no movement of allowance for expected credit loss for default payment of loan to other person.

10. Short-term loans from other persons and parties

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-----------------|--------------------------------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Beginning balance | 37,261,470.43 | 46,061,470.43 | 4,000,000.00 | 4,000,000.00 |
| Increased during the year | 1,250,000.00 | - | - | - |
| Collect during the year | (19,741,778.64) | - | (4,000,000.00) | - |
| Increase from loss of control in subsidiary | 65,200,000.00 | - | 65,200,000.00 | - |
| Decrease from sales of investment in subsidiary | (17,519,691.79) | (8,800,000.00) | - | - |
| Ending balance | 66,450,000.00 | 37,261,470.43 | 65,200,000.00 | 4,000,000.00 |
| <u>Less</u> Allowance for expected credit loss | (65,200,000.00) | (36,061,470.43) | (65,200,000.00) | (4,000,000.00) |
| Net | 1,250,000.00 | 1,200,000.00 | - | - |

As at December 31, 2023 and 2022, the consolidated financial statements short-term loans to other person amount of Baht 1.25 million and amount of Baht 1.20 million respectively, is loan from other person with type at call, interest rates of 1.00% per annum for the both year.

For the year ended December 31, 2023 and 2022, movements of Allowance for expected credit loss short-term loans from other persons and parties are as follow:-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-----------------|--------------------------------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Beginning balance | (36,061,470.43) | (36,061,470.43) | (4,000,000.00) | (4,000,000.00) |
| Increase from loss of control in subsidiary | (47,680,308.21) | - | (65,200,000.00) | - |
| Reversal during the year | 18,541,778.64 | - | 4,000,000.00 | - |
| Ending balance | (65,200,000.00) | (36,061,470.43) | (65,200,000.00) | (4,000,000.00) |

As at May 8, 2023, the Group has disposed of investments in a subsidiary. Cause, short-term loans to other parties decreased amount of Baht 17.52 million.

As at May 8, 2023, the Group has disposed of the investment in subsidiary. Cause, short-term loans to amount of Baht 65.20 million changing a status from short-term loans to related parties to short-term loans to other parties, which in promissory notes form, 12 months and interest is carried by the rate of 1.50% -15.00% per annum for the both year. 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, that company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is received.

11. Inventories

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Raw materials | 52,936,410.93 | 99,617,636.16 | 49,444,327.76 | 99,574,628.90 |
| Raw materials for production | 405,480.95 | - | - | - |
| Goods in process | 3,026,604.01 | 4,246,707.48 | 3,026,604.01 | 4,246,707.48 |
| Finished goods | 9,427,520.10 | 19,770,038.09 | 8,682,841.58 | 19,675,616.37 |
| Goods in transit | 13,097,715.22 | 15,919,220.70 | - | 15,871,881.91 |
| Supplies | 2,938,362.30 | 3,316,383.35 | 2,938,362.30 | 3,268,884.22 |
| Total | 81,832,093.51 | 142,869,985.78 | 64,092,135.65 | 142,637,718.88 |
| <u>Less</u> Allowance for decline in value of inventories | (17,370,435.55) | (17,261,416.66) | (17,233,735.44) | (17,256,921.45) |
| Net | 64,461,657.96 | 125,608,569.12 | 46,858,400.21 | 125,380,797.43 |

For the year ended December 31, 2023 and 2022, movements of allowance for decline in value of inventories are as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|------------------------|--------------------------------------|------------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Allowance for declining in value of inventories beginning balance | (17,261,416.66) | (18,775,432.52) | (17,256,921.45) | (18,775,432.52) |
| (Increase) reversal during the year | (109,018.89) | 1,514,015.86 | 23,186.01 | 1,518,511.07 |
| Allowance for declining in value of inventories ending balance | (17,370,435.55) | (17,261,416.66) | (17,233,735.44) | (17,256,921.45) |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Cost of inventories recognized as an expense and is included in cost of goods sold account | | | | |
| - Cost of sales and services | 522,972,895.77 | 887,358,922.47 | 488,616,119.99 | 862,273,624.85 |
| - Decline in value of inventories (reversal) | 109,018.89 | (1,514,015.86) | (23,186.01) | (1,518,511.07) |
| Net | 523,081,914.66 | 885,844,906.61 | 488,592,933.98 | 860,755,113.78 |

12. Other current financial assets

(Unit: Baht)

| | <u>Consolidated/Separate financial statements</u> | |
|--|---|----------------|
| | <u>2023</u> | <u>2022</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, 2023 and 2022, 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, 2023, 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.

13. Other non-current financial assets

As at December 31, 2023 and 2022, 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.40.1

14. Investments in subsidiaries

As at December 31, 2023 and 2022, the Company had investments in subsidiaries were as follows :-

(Unit : Baht)

| <u>Name of company</u> | <u>Paid-up</u> | | <u>% Share-</u> | | <u>Separate financial statements</u> | | <u>Dividend</u> | |
|--|-------------------------------|-------------|-----------------|-------------|--------------------------------------|------------------|---------------------------|-------------|
| | <u>share capital</u> | | <u>holding</u> | | <u>Cost method</u> | | <u>For the year ended</u> | |
| | <u>(Unit : Thousand Baht)</u> | | | | | | <u>December 31,</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| C.I.G. (Thailand) Co., Ltd. | - | 58,500 | - | 99.98 | - | 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 | - | 99.99 | - | 49,999,700.00 | - | - |
| Ilustro Co., Ltd. | 2,500 | 2,500 | 99.40 | 99.40 | 2,470,000.00 | 2,470,000.00 | - | - |
| CIG Blusolutions Co., Ltd. | 250 | 250 | 74.97 | 74.97 | 187,425.00 | 187,425.00 | - | - |
| CIG Waterworks Co., Ltd. | 875 | 875 | 70.00 | 70.00 | 874,950.00 | 874,950.00 | - | - |
| CIG Operation Co., Ltd. | - | 125 | - | 50.00 | - | 125,000.00 | - | - |
| CIG Utilities And Infrastructure Co., Ltd. | 1,250 | 1,250 | 99.99 | 99.99 | 1,249,992.50 | 1,249,992.50 | - | - |
| Total | | | | | 151,330,208.50 | 259,939,908.50 | - | - |
| <u>Less</u> Allowance for impairment loss | | | | | (149,017,841.00) | (257,502,541.00) | | |
| Net | | | | | 2,312,367.50 | 2,437,367.50 | | |

CIG Blusolutions Co., Ltd.

The Board of management Director's meeting No. 15/2022 held on October 7, 2022, it is approved Sirakorn Public Co., Ltd. share investment in the CIG Blusolutions Co., Ltd. (subsidiary) which percentage of Shareholding 25.00% or 2,500 shares par 100.00 per share amount of Baht 250,000.00

The movement of allowance for impairment loss for the year ended December 31, 2023 and 2022 are as follows :-

(Unit : Baht)

| | Separate financial statements | |
|--|-------------------------------|------------------|
| | 2023 | 2022 |
| Beginning balance | (257,502,541.00) | (255,032,541.00) |
| Increase during the year | - | (5,578,350.00) |
| Reversal on impairment of investment is subsidiary | - | 3,108,350.00 |
| Decrease from sales of investment in subsidiary | 108,484,700.00 | - |
| Ending balance | (149,017,841.00) | (257,502,541.00) |

The Board of Management Director's meeting No. 9/2023 held on March 31, 2023, it is approved to disposal of 4 subsidiaries as follows :

- (1) CIG Development Co., Ltd. amount of 999,680 shares.
- (2) C.I.G. (Thailand) Co., Ltd. amount of 599,850 shares.
- (3) Siam Railway Development Co., Ltd. amount of 499,997 shares.
- (4) CIG Operation Co., Ltd. amount of 5,000 shares.

The Company has disposed a subsidiary with a company which not related parties transaction. The Company has entered into a share purchase agreement and transfers the shares of 3 companies such as C.I.G. (Thailand) Co., Ltd., Siam Railway Development Co., Ltd. and CIG Operation Co., Ltd. completely on May 8, 2023, causing that company to the extent that a subsidiary no longer viable since May 8, 2023. Therefore, does not include the statements of financial position of the subsidiary company in the consolidated statement of financial position as at December 31, 2023, but include its financial performance and cash flows from January 1, 2023 to May 8, 2023.

Net asset of CIG (Thailand) Co., Ltd., Siam Railway Development Co., Ltd and CIG Operation Co., Ltd at that a subsidiary no longer viable were as follows:-

| | (Unit : Baht) | | | |
|---|--------------------------------|---------------------------------------|----------------------------|------------------|
| | C.I.G. (Thailand) Co., Ltd. | Siam Railway Development Co., Ltd. | CIG Operation Co., Ltd. | Total |
| Cash and cash equivalents | 90,558.42 | 33,468.52 | 210,230.00 | 334,256.94 |
| Trade and other receivable | 87,950.00 | 334,692.15 | 1,020.00 | 423,662.15 |
| Short-term loans to related parties | - | 520,000.00 | - | 520,000.00 |
| Other current assets | 473,593.66 | 1,308,539.96 | - | 1,782,133.62 |
| Other non-current assets | - | 27,000.00 | - | 27,000.00 |
| Total assets | 652,102.08 | 2,223,700.63 | 211,250.00 | 3,087,052.71 |
| Short-term loans from related persons and parties | (35,831,885.00) | (26,202,000.00) | - | (62,033,885.00) |
| Short-term loans from other persons | (6,618,423.15) | (9,770,000.00) | - | (16,388,423.15) |
| Trade and other payable | (8,896,149.04) | (35,050,707.05) | (138,000.00) | (44,084,856.09) |
| Provision in maintenance cost | (97,286.69) | (49,016.86) | - | (146,303.55) |
| Other current liabilities | - | (2,870,454.02) | (1,560.00) | (2,872,014.02) |
| Total liabilities | (51,443,743.88) | (73,942,177.93) | (139,560.00) | (125,525,487.81) |
| Net assets | (50,791,641.80) | (71,718,477.30) | 71,690.00 | (122,438,429.10) |

15. Investments in associate and joint venture

15.1 Investment in associate

As at December 31, 2023 and 2022, the Group's investments in associates were as follows :-

(Unit : Thousand Baht)

| <u>Name of companies</u> | <u>Percentage of</u> | | <u>Consolidated</u> | |
|---|------------------------|-------------|-----------------------------|---|
| | <u>Shareholding(%)</u> | | <u>financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>Equity method</u> | |
| | | <u>2023</u> | <u>2022</u> | |
| Fakwantip Co., Ltd. | - | 40.20 | - | - |
| <u>Less</u> Allowance for impairment loss | | | - | - |
| Net | | | - | - |

The Company has disposed its investment in C.I.G. (Thailand) Co., Ltd, which is subsidiary of the Company in the whole amount on May 8, 2023. Subsidiary has investments in Fakwantip Co., Ltd. (the associated) causing Fakwantip Co., Ltd. to the extent that an associated no longer viable since May 8, 2023.

The movement of allowance for impairment loss for the years ended December 31, 2023 and 2022 were as follows :-

(Unit : Thousand Baht)

| | <u>Separate financial statements</u> | |
|--|--------------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Beginning balance | - | - |
| Increase during the year | - | (58) |
| Reversal on impairment of investment is subsidiary | - | 58 |
| Ending balance | - | - |

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>8 May, 2023</u> | <u>31 December, 2022</u> | <u>November 1, 2022</u> |
| Current assets | 1,241 | 1,097 | 137 |
| Non-current assets | 405,349 | 407,042 | - |
| Total assets | 406,590 | 408,139 | 137 |
| Current liabilities | (557,077) | (534,126) | (15) |
| Non-current liabilities | - | - | - |
| Total liabilities | (557,077) | (534,126) | (15) |
| Net assets | (150,487) | (125,987) | 122 |

(Unit : Thousand Baht)

| | <u>Fakwantip Co., Ltd.</u> | | <u>Golden Ax Thai Waterworks Co., Ltd.</u> |
|---|----------------------------|---------------------------|--|
| | <u>For the period</u> | <u>For the year ended</u> | <u>For the periods January 1 to</u> |
| | <u>January 1 to May 8,</u> | <u>December 31,</u> | <u>November 1,</u> |
| | <u>2023</u> | <u>2022</u> | <u>2022</u> |
| Revenue | - | 1,487 | - |
| Loss for the year | (20,071) | (44,245) | (50) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | (20,071) | (44,245) | (50) |
| Dividend received | - | - | - |

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>May 8, 2023</u> | <u>December 31, 2022</u> |
|---|--------------------|--------------------------|
| Net assets of the associate | (150,487) | (125,987) |
| <u>Less</u> Advance payment for shares-other person | (26,025) | (26,025) |
| Net | (176,512) | (152,012) |
| Shareholding of the company (%) | 40.20 | 40.20 |
| Book value of the Company in associate | (70,958) | (61,109) |
| Share of loss exceed equity in associate | 70,958 | 61,109 |
| Book value of the Investments in associate | - | - |

According the resolution of the Extraordinary General Meeting of Shareholders No. 1/2020 held on March 19, 2020, the director approved to decrease of the registered capital which approved in the Extraordinary General Meeting of Shareholders No. 2/2018 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 share 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 assoiate. The Company perform beginning equity method from originally record cost method. As at May 8, 2023 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>Fair value</u> | <u>Profit</u> | <u>Percentage of</u> | <u>Recognize in</u> |
|-------------------------------|---------------------------|---|---------------|------------------------|--------------------------|
| | <u>As at July 8, 2019</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 | | | | |

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 machinery during installation in the process of requesting permission to enter the area with the Legal Execution Department. The Company in the process of evaluating fair value of the machinery during installation.

On June 11, 2021, Fakwantip Co.,Ltd. has bankruptcy case with the Central Bankruptcy Court by 2 creditors, and on August 23, 2021, the Central Bankruptcy Court has ordered receivership to Fakwantip Co., Ltd. and creditors has filed the request for repayment amount 88 creditors, totaling amount of Baht 1,154.54 million, the first meeting of creditors on July 21, 2022.

On July 21, 2022, the director management of the Fakwantip Co.,Ltd. has filled a petition to creditors because the installment in the payment term are not beneficiary to creditors. So the Official Receiver has reschedule a meeting of creditors on August 25, 2022.

On August 25, 2022, the Official Receiver has called a meeting to sign the creditors and request for considering the composition procedure from debtor. The creditors not accept the composition procedure and not accept requests for additional payments from C.I. GROUP PUBLIC COMPANY LIMITED.

Later on September 8, 2022, The authorized of the Company Fakwantip Co., Ltd. has filled a petition to The Central Bankruptcy Court. Cause its case are not beneficiary and disqualify the composition procedure to the creditors. Because of most assets are all mortgaged and owned by secured creditors, as a result to C.I. GROUP PUBLIC COMPANY LIMITED, are not have occasion to receive debts repayment from debtor. The director management of Fakwantip Co.,Ltd. has filled the petition to The Central Bankruptcy Court for reverse or amend the result. held on August 25, 2022, The Central Bankruptcy Court accepted and on considering.

Later on November 22, 2022, Petitioner's lawyer filed a motion to postpone the consideration and the Court has postponed the case and set a date for examination of witnesses of the petitioner and protester on March 15, 2023.

Later on March 15, 2023, the creditor's attorney brought the petitioner's witness to investigate the petition to revoke the order of the resolution of the creditors' meeting and the Official Receiver's order not to accept the pre-bankruptcy compromise request on August 25, 2022, and the request to amend the compromise request on the court date The court scheduled to hear the order on April 18, 2023.

Later on April 18, 2023, the Central Bankruptcy Court an order dismissing the petitioner's petition, considered the resolution of the creditor and the order of the Official Receiver according to the meeting of creditors on August 25, 2022. Currently, pending the order of the Official Receiver to search for assets to share with creditors.

Later on May 8, 2023, The Company has disposed its investment in C.I.G. (Thailand) Co., Ltd, which is subsidiary of the Company in whole amount. Subsidiary has investments in Fakwantip Co., Ltd. (the associated) causing significant influence in the associated are ceases.

According to the minutes of the Board of Directors meeting of the Company No.13/2022 held on September 16, 2022, has resolution offer the dissolution and liquidation of Golden Ax Thai Waterworks Co., Ltd. Registered its business closure on 1 November 2022. Currently, the complete of liquidation on February 2, 2024.

15.2 Investments in joint venture

As at December 31, 2023 and 2022, the Group's percentage of Shareholding in joint venture were as follows :-

(Unit : Thousand Baht)

| Name of companies | Consolidated financial statements | | | |
|--|-----------------------------------|-------------------|---------------|-------------------|
| | Percentage of Shareholding(%) | | Equity method | |
| | May 8, 2023 | December 31, 2022 | May 8, 2023 | December 31, 2022 |
| Joint venture S.S. Engineering Group | - | 95.00 | - | - |
| Estimate debt from equity of the investment in joint venture agreement | | | - | 21,929 |

The movement of estimate debt from equity of the investment in joint venture agreement were as follows :-

(Unit : Thousand Baht)

| | Consolidated financial statements | |
|---|-----------------------------------|--------------------|
| | For the period | For the year ended |
| | January 1 – May 8, | December 31, |
| | 2023 | 2022 |
| Beginning balance | 21,929 | 20,340 |
| Increase during the year | - | 1,589 |
| Reversal estimate debt from equity of the investment in joint venture agreement | (21,929) | - |
| Ending balance | - | 21,929 |

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)

| | May 8, 2023 | December 31, 2022 |
|-------------------------|-------------|-------------------|
| Current assets | 149 | 149 |
| Non-current assets | - | - |
| Total assets | 149 | 149 |
| Current liabilities | (22,488) | (23,233) |
| Non-current liabilities | - | - |
| Total liabilities | (22,488) | (23,233) |
| Net assets | (22,339) | (23,084) |

(Unit : Thousand Baht)

| | <u>For the period January</u> <u>1, - May 8,</u> <u>2023</u> | <u>For the year ended</u> <u>December 31</u> <u>2022</u> |
|---|--|--|
| Revenue | 789 | 210,720 |
| Profit (loss) for the year | 744 | (2,751) |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 744 | (2,751) |
| Dividend received from joint venture for the year | - | - |

On July 20, 2020, a Subsidiary commits to Joint-venture agreement with a company set up Joint venture S.S. Engineering Group was registered as a corporate entity on September 30, 2020 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. On March 5, 2021, the subsidiary has agreement to transfer rights to a counterparty with to be a operate in construction, and sharing benefits is divided as stipulated in the joint venture contract.

Later on May 8, 2023, The Company has disposed its investment in Siam Railway Development Co., Ltd. which is subsidiary of the Company in whole amount. Subsidiary has percentage of shareholding in Joint-venture is 95.00% causing significant influence in Joint-venture is ceases. Thus, the consolidated financial statements has reversal the share of loss in Joint-venture that recognized an estimate debt from equity of the investment in Joint-venture agreement during the period amount of Baht 21.93 million.

16. Advance payment

16.1 Advance payment of share subscription

According to the Board of management Director's meeting No.4/2023, held on February 15, 2023 has the resolution to approval CIG Utilities And Infrastructure Co., Ltd (subsidiary) invest in the ordinary shares of Impact Green Utilities Holding Co., Ltd.(IGU) from HALCYONASIA ADVISORS (SINGAPORE) PTE.LTD. amount of 9,000,000 shares is Baht 25.00 per share, amount of Baht 225.00 million, which has entered into a share purchase agreement on February 15, 2023 and the Company receive for shares amount of Baht 225.00 million on February 28, 2023.

According to the Board of management Director's meeting No.9/2023, held on March 31, 2023 has the resolution to approval the Company to postpone transfer of ordinary shares of Impact Green Utilities Holding Co., Ltd. (IGU) from HALCYONASIA ADVISORS (SINGAPORE) PTE.LTD. for research the possibility to purchase the ordinary shares.

According to the Board of management Director's meeting No.13/2023, held on June 19, 2023 has the resolution to approval CIG Utilities And Infrastructure Co., Ltd (subsidiary) adjust the investment model from invest in the ordinary shares of Impact Green Utilities Holding Co., Ltd. (IGU) to invest in ordinary shares of HALCYONASIA ADVISORS (SINGAPORE) PTE. LTD. (HCYA). Therefore, the HCYA it is a limited company established under the laws of Singapore and main business is holding on company and the HCYA's assets an ordinary shares of IGU. Currently, it is in the process of negotiating with the seller of HCYA shares.

According to the Board of Audit Committee's meeting No. 7/2023, held on December 20, 2023, has resolve to acknowledged the financial advisor's advised to receive ordinary shares IGU instead of purchasing in the ordinary shares of HCYA because subsidiary received information regarding the financial statement of HCYA, which expressed disclaimer of opinion on the financial statements of HCYA by the Certified Public Accountant of Singapore. Currently, the Subsidiary has received the ordinary shares of IGU totaling ordinary shares 9.00 million, representing 22.68% of the total ordinary share on January 5, 2024, and the status of IGU is change to associate of Company after the ordinary shares transferred. The management expect to process of evaluating fair value of the associate company within the 3rd – 4th quarter of 2024.

16.2 Advance payment of purchase assets

According to the Board of Director's meeting No. 13/2023, held on June 20, 2023, has the resolution to approval CIG Utilities And Infrastructure Co., Ltd (subsidiary) entering into the entire business transfer transaction of Good Ventures Co., Ltd amount of Baht 450.00 million, which has entered agreement entire business transfer on June 21, 2023, There is an agreement to pay for the transfer of rights in installments as follow :-

1st installment on June 21, 2023 amount of Baht 70.00 million.

2nd installment on June 30, 2023 amount of Baht 190.00 million.

3rd installment amount of Baht 190.00 million, payable within the date of the entire business transfer is completed.

(Due within June 30, 2024 or another date mutually agreed upon.)

As at December 31, 2023, the subsidiary company paid for the transfer of business installment 1 and 2 amount of Baht 260.00 million, after that pay additional for payment 30.00 million totaling transfer business amount of Baht 290.00 million and recognize an "Advance payment".

Later, according to the Board of Management Director's meeting. No. 3/2024, held on February 14, 2024, of the C.I. GROUP PUBLIC COMPANY LIMITED has the resolution to use the money gradually received as payment from insurance for damage as mentioned in the note to financial statements No.7.3 provide loan a subsidiary to pay additional compensation in the amount of Baht 150.00 million, which the subsidiary has already paid in February 2024, remaining an amount of Baht 10.00 million has not been paid yet. The management expects that the payment will be completed in the first quarter of 2024.

17. Investment property

(Unit : Baht)

| | Consolidated financial statements | | | | |
|--|-----------------------------------|-----------------------------|----------------|----------------------|------------------|
| | Land and Land improvement | Building and improvement | Equipment | Structural system | Total |
| Cost :- | | | | | |
| As at January 1, 2022 | 20,317,788.42 | 42,557,425.08 | - | - | 62,875,213.50 |
| Purchase | - | - | 282,022.65 | - | 282,022.65 |
| Disposal/write off | - | - | (282,022.65) | - | (282,022.65) |
| As at December 31, 2022 | 20,317,788.42 | 42,557,425.08 | - | - | 62,875,213.50 |
| Purchase | - | 618,000.00 | - | - | 618,000.00 |
| Transfer in property, plant and equipment | 123,755.00 | 361,102,499.62 | 6,462,885.89 | 793,329.55 | 368,482,470.06 |
| As at December 31, 2023 | 20,441,543.42 | 404,277,924.70 | 6,462,885.89 | 793,329.55 | 431,975,683.56 |
| Accumulated depreciation :- | | | | | |
| As at January 1, 2022 | - | (16,582,657.13) | - | - | (16,582,657.13) |
| Depreciation for the year | - | (4,116,364.15) | (11,584.91) | - | (4,127,949.06) |
| Disposal/write off | - | - | 11,584.91 | - | 11,584.91 |
| As at December 31, 2022 | - | (20,699,021.28) | - | - | (20,699,021.28) |
| Depreciation for the year | (6,920.07) | (12,897,912.35) | (150,472.22) | (73,143.81) | (13,128,448.45) |
| Transfer in property, plant and equipment | (59,114.49) | (193,705,759.42) | (5,861,636.23) | (647,085.05) | (200,273,595.19) |
| As at December 31, 2023 | (66,034.56) | (227,302,693.05) | (6,012,108.45) | (720,228.86) | (234,101,064.92) |
| Allowance for impairment | | | | | |
| As at December 31, 2022 | - | - | - | - | - |
| Transfer in property, plant and equipment | - | (97,069,230.00) | - | - | (97,069,230.00) |
| As at December 31, 2023 | - | (97,069,230.00) | - | - | (97,069,230.00) |
| Net book value :- | | | | | |
| As at December 31, 2022 | 20,317,788.42 | 21,858,403.80 | - | - | 42,176,192.22 |
| As at December 31, 2023 | 20,375,508.86 | 79,906,001.65 | 450,777.44 | 73,100.69 | 100,805,388.64 |
| Depreciation in the statements of income for the year | | | | | |
| Ended December 31, 2022 | | | | | 4,127,949.06 |
| Ended December 31, 2023 | | | | | 13,128,448.45 |

(Unit : Baht)

| | Separate financial statement | | | Total |
|---|------------------------------|--------------------------|--------------|-----------------|
| | Land and Land improvement | Building and improvement | Equipment | |
| Cost :- | | | | |
| As at January 1, 2022 | 20,317,788.42 | 42,557,425.08 | - | 62,875,213.50 |
| Purchase | - | - | 282,022.65 | 282,022.65 |
| Disposal/write off | - | - | (282,022.65) | (282,022.65) |
| As at December 31, 2022 | 20,317,788.42 | 42,557,425.08 | - | 62,875,213.50 |
| As at December 31, 2023 | 20,317,788.42 | 42,557,425.08 | - | 62,875,213.50 |
| Accumulated depreciation :- | | | | |
| As at January 1, 2022 | - | (16,582,657.13) | - | (16,582,657.13) |
| Depreciation for the year | - | (4,116,364.15) | (11,584.91) | (4,127,949.06) |
| Disposal / written-off | - | - | 11,584.91 | 11,584.91 |
| As at December 31, 2022 | - | (20,699,021.28) | - | (20,699,021.28) |
| Depreciation for the year | - | (4,113,364.47) | - | (4,113,364.47) |
| As at December 31, 2023 | - | (24,812,385.75) | - | (24,812,385.75) |
| Net book value :- | | | | |
| As at December 31, 2022 | 20,317,788.42 | 21,858,403.80 | - | 42,176,192.22 |
| As at December 31, 2023 | 20,317,788.42 | 17,745,039.33 | - | 38,062,827.75 |
| Depreciation in the statements of income for the year | | | | |
| Ended December 31, 2022 | | | | 4,127,949.06 |
| Ended December 31, 2023 | | | | 4,113,364.47 |

As at December 31, 2023 and 2022, the the Separate financial financial statement, 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.

As at December 31, 2023, the Group and the Company had the assets which had not the depreciation but they still used. The cost price was Baht 10.41 million, the book value was Baht 1,219.00 and the cost price was Baht 0.08 million, the book value was Baht 1.00 respectively.

According to the Board of management Director's meeting No.4/2023, held on February 15, 2023, has the resolution to approval the Diamond and Rust Management Co., Ltd. to sublease agreement land and equipment with Structure of the hotel segment from CIG Development Co., Ltd.(subsidiary) amount of Baht 15.00 million, within period 8 years 4 month. The sublease agreement starts from March 1, 2023 to June 30, 2031. The Group have been transferred properties, property, plant and equipment to investment properties amount of Baht 71.14 million. However, the Group is processing of evaluation fair value.

For the year ended December 31, 2023, the consolidated financial statements, investment property contributed rental income which recognized in comprehensive income amount of Baht 1.50 million in the note to financial statements No.28.

18. Property, plant and equipment

(Unit : Baht)

| | Consolidated financial statements | | | | | | | |
|---|-----------------------------------|--------------------------|-------------------------|---|------------------|-----------------|--------------------------|--------------------|
| | Land and land improvement | Building and improvement | Machinery and equipment | Furniture fixtures and office equipment | Structure system | Vehicles | Construction in progress | Total |
| Cost :- | | | | | | | | |
| As at January 1, 2022 | 126,445,941.00 | 527,088,150.62 | 709,792,928.26 | 27,217,615.42 | 787,357.59 | 30,817,904.64 | 8,251,399.30 | 1,430,401,296.83 |
| Purchase | 38,588.79 | - | 2,829,202.08 | 1,200,473.12 | 5,971.96 | - | 5,916,671.45 | 9,990,907.40 |
| Transfer in | - | 1,600,212.13 | 7,892,003.60 | 56,208.26 | - | - | 279,876.20 | 9,828,300.19 |
| Transfer out | - | - | - | - | - | - | (9,587,012.78) | (9,587,012.78) |
| Disposal/write off | - | (475,000.00) | (7,392,085.62) | (2,122,834.35) | - | (1,471,396.19) | - | (11,461,316.16) |
| Decrease from breach of loan term | (31,638,200.00) | - | - | - | - | - | - | (31,638,200.00) |
| Decrease from sales of investment in subsidiary | - | - | - | (5,140.19) | - | - | (3,162,240.00) | (3,167,380.19) |
| As at December 31, 2022 | 94,846,329.79 | 528,213,362.75 | 713,122,048.32 | 26,346,322.26 | 793,329.55 | 29,346,508.45 | 1,698,694.17 | 1,394,366,595.29 |
| Purchase | - | - | 342,373.05 | 107,067.98 | - | - | 84,300.08 | 533,741.11 |
| Transfer in | - | 26,173.00 | 417,677.75 | - | - | - | 7,284.10 | 451,134.85 |
| Transfer out | - | - | - | - | - | - | (443,850.75) | (443,850.75) |
| Disposal/write off | - | (608,000.00) | (7,936,604.06) | (75,130.91) | - | (3,768,498.49) | - | (12,388,233.46) |
| Transferred out to investment property | (123,755.00) | (361,102,499.62) | - | (6,462,885.89) | (793,329.55) | - | - | (368,482,470.06) |
| As at December 31, 2023 | 94,722,574.79 | 166,529,036.13 | 705,945,495.06 | 19,915,373.44 | - | 25,578,009.96 | 1,346,427.60 | 1,014,036,916.98 |
| Accumulated depreciation :- | | | | | | | | |
| As at January 1, 2022 | (49,525.92) | (322,754,811.07) | (622,400,500.78) | (20,804,860.27) | (539,101.03) | (28,992,768.01) | - | (995,541,567.08) |
| Depreciation for the year | (8,254.32) | (16,178,870.59) | (19,346,350.65) | (1,822,859.61) | (93,843.65) | (759,905.10) | - | (38,210,083.92) |
| Disposal/write off | - | 228,343.95 | 2,849,556.67 | 887,245.18 | - | 1,471,395.19 | - | 5,436,540.99 |
| Decrease from sales of investment | - | - | - | 171.78 | - | - | - | 171.78 |
| As at December 31, 2022 | (57,780.24) | (338,705,337.71) | (638,897,294.76) | (21,740,302.92) | (632,944.68) | (28,281,277.92) | - | (1,028,314,938.23) |
| Depreciation for the year | (1,334.25) | (7,261,737.67) | (17,961,762.68) | (1,108,036.80) | (14,140.37) | (681,421.52) | - | (27,028,433.29) |
| Disposal/write off | - | 643,283.24 | 8,049,649.51 | 46,640.75 | - | 3,768,496.49 | - | 12,508,069.99 |
| Transferred out to investment property | 59,114.49 | 193,705,759.42 | - | 5,861,636.23 | 647,085.05 | - | - | 200,273,595.19 |
| As at December 31, 2023 | - | (151,618,032.72) | (648,809,407.93) | (16,940,062.74) | - | (25,194,202.95) | - | (842,561,706.34) |
| Allowance for impairment :- | | | | | | | | |
| As at December 31, 2022 | - | (97,069,230.00) | (290,241.00) | - | - | - | - | (97,359,471.00) |
| Transferred out to investment property | - | 97,069,230.00 | - | - | - | - | - | 97,069,230.00 |
| As at December 31, 2023 | - | - | (290,241.00) | - | - | - | - | (290,241.00) |
| Net book value :- | | | | | | | | |
| As at December 31, 2022 | 94,788,549.55 | 92,438,795.04 | 73,934,512.56 | 4,606,019.34 | 160,384.87 | 1,065,230.53 | 1,698,694.17 | 268,692,186.06 |
| As at December 31, 2023 | 94,722,574.79 | 14,911,003.41 | 56,845,846.13 | 2,975,310.70 | - | 383,807.01 | 1,346,427.60 | 171,184,969.64 |
| Depreciation in the statements of income for the year | | | | | | | | |
| Ended December 31, 2022 | | | | | | | | 38,210,083.92 |
| Ended December 31, 2023 | | | | | | | | 27,028,433.29 |

(Unit : Baht)

Separate financial statement

| | Land and land improvement | Building and improvement | Machine and equipment | Furniture and office-equipment | Vehicles | Construction in progress | Total |
|-----------------------------|------------------------------|-----------------------------|--------------------------|-----------------------------------|-----------------|-----------------------------|------------------|
| Cost :- | | | | | | | |
| As at January 1, 2022 | 94,683,985.10 | 165,580,651.08 | 702,917,774.36 | 20,251,590.18 | 28,732,129.84 | 5,089,157.81 | 1,017,255,288.37 |
| Purchase | - | - | 2,829,202.08 | 239,204.56 | - | 5,916,671.45 | 8,985,078.09 |
| Transfer in | 38,588.79 | 1,600,212.13 | 7,892,003.60 | 56,208.26 | - | 279,876.20 | 9,866,888.98 |
| Transfer out | - | - | - | - | - | (9,587,012.78) | (9,587,012.78) |
| Disposal/write off | - | (70,000.00) | (516,931.69) | (323,116.59) | - | - | (910,048.28) |
| As at December 31, 2022 | 94,722,573.89 | 167,110,863.21 | 713,122,048.35 | 20,223,886.41 | 28,732,129.84 | 1,698,692.68 | 1,025,610,194.38 |
| Purchase | - | - | 342,373.05 | 107,067.98 | - | 84,300.08 | 533,741.11 |
| Transfer in | - | 26,173.00 | 417,677.75 | - | - | 7,284.10 | 451,134.85 |
| Transfer out | - | - | - | - | - | (443,850.75) | (443,850.75) |
| Disposal/write off | - | (608,000.00) | (7,936,604.06) | (75,130.91) | (3,768,498.49) | - | (12,388,233.46) |
| As at December 31, 2023 | 94,722,573.89 | 166,529,036.21 | 705,945,495.09 | 20,255,823.48 | 24,963,631.35 | 1,346,426.11 | 1,013,762,986.13 |
| Accumulated depreciation :- | | | | | | | |
| As at January 1, 2022 | - | (141,023,352.84) | (618,651,973.27) | (17,210,715.19) | (26,909,585.33) | - | (803,795,626.63) |
| Depreciation for the year | - | (5,650,597.35) | (18,442,117.18) | (1,389,559.07) | (778,829.70) | - | (26,261,103.30) |
| Disposal/write off | - | 15,968.61 | 480,932.53 | 321,333.45 | - | - | 818,234.59 |
| As at December 31, 2022 | - | (146,657,981.58) | (636,613,157.92) | (18,278,940.81) | (27,688,415.03) | - | (829,238,495.34) |
| Depreciation for the year | - | (5,568,050.22) | (17,961,762.68) | (1,050,401.48) | (700,345.71) | - | (25,280,560.09) |
| Disposal/write off | - | 607,999.00 | 7,914,815.68 | 66,466.61 | 3,768,496.49 | - | 12,357,777.78 |
| As at December 31, 2023 | - | (151,618,032.80) | (646,660,104.92) | (19,262,875.68) | (24,620,264.25) | - | (842,161,277.65) |
| Allowance for impairment :- | | | | | | | |
| As at December 31, 2022 | - | - | (290,241.00) | - | - | - | (290,241.00) |
| As at December 31, 2023 | - | - | (290,241.00) | - | - | - | (290,241.00) |
| Net book value :- | | | | | | | |
| As at December 31, 2022 | 94,722,573.89 | 20,452,881.63 | 76,218,649.43 | 1,944,945.60 | 1,043,714.81 | 1,698,692.68 | 196,081,458.04 |
| As at December 31, 2023 | 94,722,573.89 | 14,911,003.41 | 58,995,149.17 | 992,947.80 | 343,367.10 | 1,346,426.11 | 171,311,467.48 |

Depreciation in the statements of income for the year

| | |
|-------------------------|---------------|
| Ended December 31, 2022 | 26,261,103.30 |
| Ended December 31, 2023 | 25,280,560.09 |

As at December 31, 2023 and 2022, the Company had property, plant and machinery in the cost price was amount of Baht 554.28 million and amount of Baht 558.34 million respectively. The book value amount of Baht 160.69 million and amount of Baht 187.17 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.22 and 40.1.

As at December 31, 2023 and 2022, the Group had the assets which had not the depreciation but they still used. The cost price was Baht 630.09 million, the book value was Baht 4,732.99 and the cost price was Baht 640.33 million, the book value was Baht 5,446.00 respectively.

As at December 31, 2023 and 2022, the Company had the assets which had not the depreciation but they still used. The cost price was Baht 629.47 million, the book value was Baht 4,731.00 and the cost price was Baht 629.69 million, the book value was Baht 4,296.00 respectively.

19. Right-of-use assets

For the year ended December 31, 2023, the movement was as follows:-

(Unit : Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|--------------------------|----------------|----------------|
| | Land and land improvement | Machine And equipment | Vehicles | Total |
| Cost :- | | | | |
| As at January 1, 2022 | 16,407,253.63 | 3,531,427.17 | 2,420,507.66 | 22,359,188.46 |
| Purchase | 2,560,723.60 | - | - | 2,560,723.60 |
| Adjustment from terminated of lease contract | (6,183,043.71) | - | (808,920.56) | (6,991,964.27) |
| As at December 31, 2022 | 12,784,933.52 | 3,531,427.17 | 1,611,587.10 | 17,927,947.79 |
| Purchase | - | - | 3,434,258.63 | 3,434,258.63 |
| As at December 31, 2023 | 12,784,933.52 | 3,531,427.17 | 5,045,845.73 | 21,362,206.42 |
| Accumulated depreciation :- | | | | |
| As at January 1, 2022 | (4,057,041.61) | (647,428.32) | (1,310,910.96) | (6,015,380.89) |
| Depreciation for the year | (3,039,761.37) | (706,285.43) | (456,129.03) | (4,202,175.83) |
| Adjustment from terminated of lease contract | 3,826,727.10 | - | 776,820.56 | 4,603,547.66 |
| As at December 31, 2022 | (3,270,075.88) | (1,353,713.75) | (990,219.43) | (5,614,009.06) |
| Depreciation for the year | (1,090,025.01) | (706,285.43) | (470,727.23) | (2,267,037.67) |
| As at December 31, 2023 | (4,360,100.89) | (2,059,999.18) | (1,460,947.66) | (7,881,046.73) |
| Net book value :- | | | | |
| As at December 31, 2022 | 9,514,857.64 | 2,177,713.42 | 621,367.67 | 12,313,938.73 |
| As at December 31, 2023 | 8,424,832.63 | 1,471,427.99 | 3,584,899.07 | 13,481,159.69 |
| Depreciation in the statements of income for the year | | | | |
| Ended December 31, 2022 | | | | 4,202,175.83 |
| Ended December 31, 2023 | | | | 2,267,037.67 |

(Unit : Baht)

| | Separate financial statement | | |
|---|------------------------------|----------------|----------------|
| | Land and land improvement | Vehicles | Total |
| Cost :- | | | |
| As at January 1, 2022 | 3,249,041.81 | 1,121,402.08 | 4,370,443.89 |
| As at December 31, 2022 | 3,249,041.81 | 1,121,402.08 | 4,370,443.89 |
| Purchase | - | 3,434,258.63 | 3,434,258.63 |
| As at December 31, 2023 | 3,249,041.81 | 4,555,660.71 | 7,804,702.52 |
| Accumulated depreciation :- | | | |
| As at January 1, 2022 | (590,734.88) | (659,699.24) | (1,250,434.12) |
| Depreciation for the year | (295,367.44) | (224,157.41) | (519,524.85) |
| As at December 31, 2022 | (886,102.32) | (883,856.65) | (1,769,958.97) |
| Depreciation for the year | (295,367.37) | (372,690.43) | (668,057.80) |
| As at December 31, 2023 | (1,181,469.69) | (1,256,547.08) | (2,438,016.77) |
| Net book value :- | | | |
| As at December 31, 2022 | 2,362,939.49 | 237,545.43 | 2,600,484.92 |
| As at December 31, 2023 | 2,067,572.12 | 3,299,113.63 | 5,366,685.75 |
| Depreciation in the statements of income for the year | | | |
| Ended December 31, 2022 | | | 519,524.85 |
| Ended December 31, 2023 | | | 668,057.80 |

20. Intangible assets

(Unit : Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|-------------------|-----------------|
| | Computer program | Deferred expenses | Total |
| Cost :- | | | |
| As at January 1, 2022 | 33,943,712.93 | 451,000.00 | 34,394,712.93 |
| Purchase | 224,911.20 | - | 224,911.20 |
| As at December 31, 2022 | 34,168,624.13 | 451,000.00 | 34,619,624.13 |
| As at December 31, 2023 | 34,168,624.13 | 451,000.00 | 34,619,624.13 |
| Accumulated amortization :- | | | |
| As at January 1, 2022 | (29,732,375.82) | (451,000.00) | (30,183,375.82) |
| Amortization expenses | (1,799,156.25) | - | (1,799,156.25) |
| As at December 31, 2022 | (31,531,532.07) | (451,000.00) | (31,982,532.07) |
| Amortization expenses | (1,411,747.41) | - | (1,411,747.41) |
| As at December 31, 2023 | (32,943,279.48) | (451,000.00) | (33,394,279.48) |
| Book value net :- | | | |
| As at December 31, 2022 | 2,637,092.06 | - | 2,637,092.06 |
| As at December 31, 2023 | 1,225,344.65 | - | 1,225,344.65 |
| Amortization in the statement of income for the year | | | |
| Ended December 31, 2022 | | | 1,799,156.25 |
| Ended December 31, 2023 | | | 1,411,747.41 |

| | (Unit : Baht) |
|--|-------------------------------------|
| | <u>Separate financial statement</u> |
| | <u>Computer program</u> |
| Cost :- | |
| As at January 1, 2022 | 33,486,057.93 |
| Purchase | 224,911.20 |
| As at December 31, 2022 | 33,710,969.13 |
| As at December 31, 2023 | 33,710,969.13 |
| Accumulated amortization :- | |
| As at January 1, 2022 | (29,380,369.25) |
| Amortization expenses | (1,714,221.85) |
| As at December 31, 2022 | (31,094,591.10) |
| Amortization expenses | (1,391,037.38) |
| As at December 31, 2023 | (32,485,628.48) |
| Book value net :- | |
| As at December 31, 2022 | 2,616,378.03 |
| As at December 31, 2023 | 1,225,340.65 |
| Amortization in the statement of income for the year | |
| Ended December 31, 2022 | 1,714,221.85 |
| Ended December 31, 2023 | 1,391,037.38 |

21. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2023 and 2022, were as follows :-

| | (Unit : Baht) | | | |
|--------------------------|--|----------------|--------------------------------------|---------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Deferred tax assets | 29,440,074.84 | 31,774,383.02 | 28,701,052.11 | 31,237,088.10 |
| Deferred tax liabilities | (1,796,988.46) | (1,160,116.97) | (955,518.78) | (520,096.98) |
| Net | 27,643,086.38 | 30,614,266.05 | 27,745,533.33 | 30,716,991.12 |

Movements in total deferred tax assets and liabilities for the year ended December 31, 2023 and 2022, was as follows :-

(Unit : Baht)

| <u>Consolidated financial statement</u> | | | | |
|---|-----------------------------|--|--|-------------------------------|
| | As at January 1, 2023 | (Charged)/credited to profit or loss (Note 34.1) | (Charged)/credited to other comprehensive profit or loss (Note 34.2) | As at December 31, 2023 |
| Deferred tax assets | | | | |
| Temporary investments | 392,000.00 | - | - | 392,000.00 |
| Trade and other receivables | 5,851,155.47 | 46,889.82 | - | 5,898,045.29 |
| Short-term loan | 8,582,057.86 | (800,000.00) | - | 7,782,057.86 |
| Inventories | 3,452,283.33 | 17,844.08 | - | 3,470,127.41 |
| Property, plant and equipment | 58,048.15 | - | - | 58,048.15 |
| Provisions in maintenance cost | 531,221.10 | 17,955.71 | - | 549,176.81 |
| Lease liabilities | 1,096,248.99 | 582,423.77 | - | 1,678,672.76 |
| Employee benefit obligations | 11,811,368.12 | 459,192.34 | (2,658,613.90) | 9,611,946.56 |
| Total | 31,774,383.02 | 324,305.72 | (2,658,613.90) | 29,440,074.84 |
| Deferred tax liabilities | | | | |
| Right-of-use assets | (1,160,116.97) | (636,871.49) | - | (1,796,988.46) |
| Total | (1,160,116.97) | (636,871.49) | - | (1,796,988.46) |
| Net | 30,614,266.05 | (312,565.77) | (2,658,613.90) | 27,643,086.38 |

(Unit : Baht)

| <u>Consolidated financial statement</u> | | | |
|---|-----------------------------|--|-------------------------------|
| | As at January 1, 2022 | (Charged)/credited to profit or loss (Note 34.1) | As at December 31, 2022 |
| Deferred tax assets | | | |
| Temporary investments | 392,000.00 | - | 392,000.00 |
| Trade and other receivables | 7,361,707.25 | (1,510,551.78) | 5,851,155.47 |
| Short-term loan | 13,542,057.85 | (4,959,999.99) | 8,582,057.86 |
| Inventories | 3,755,086.50 | (302,803.17) | 3,452,283.33 |
| Property, plant and equipment | 58,048.15 | - | 58,048.15 |
| Provisions in maintenance cost | 115,756.00 | 415,465.10 | 531,221.10 |
| Lease liabilities | 2,123,280.87 | (1,027,031.88) | 1,096,248.99 |
| Employee benefit obligations | 11,797,426.53 | 13,941.59 | 11,811,368.12 |
| Total | 39,145,363.15 | (7,370,980.13) | 31,774,383.02 |
| Deferred tax liabilities | | | |
| Right-of-use assets | (1,775,880.87) | 615,763.90 | (1,160,116.97) |
| Total | (1,775,880.87) | 615,763.90 | (1,160,116.97) |
| Net | 37,369,482.28 | (6,755,216.23) | 30,614,266.05 |

(Unit : Baht)

Separate financial statements

| | As at January 1, 2023 | (Charged)/credited to profit or loss (Note 34.1) | (Charged)/credited to other comprehensive profit or loss (Note 34.2) | As at December 31, 2023 |
|---------------------------------|-----------------------------|--|--|-------------------------------|
| Deferred tax assets | | | | |
| Temporary investments | 392,000.00 | - | - | 392,000.00 |
| Trade and other receivables | 5,851,155.47 | (23,360.18) | - | 5,827,795.29 |
| Short-term loan | 8,582,057.85 | (800,000.00) | - | 7,782,057.85 |
| Inventories | 3,451,384.30 | (4,637.20) | - | 3,446,747.10 |
| Property, plant and equipment | 58,048.15 | - | - | 58,048.15 |
| Provisions in maintenance cost | 549,498.95 | 17,955.71 | - | 567,454.66 |
| Lease liabilities | 605,415.33 | 431,858.57 | - | 1,037,273.90 |
| Employee benefit obligations | 11,747,528.05 | 454,265.34 | (2,612,118.23) | 9,589,675.16 |
| Total | 31,237,088.10 | 76,082.24 | (2,612,118.23) | 28,701,052.11 |
| Deferred tax liabilities | | | | |
| Right-of-use assets | (520,096.98) | (435,421.80) | - | (955,518.78) |
| Total | (520,096.98) | (435,421.80) | - | (955,518.78) |
| Net | 30,716,991.12 | (359,339.56) | (2,612,118.23) | 27,745,533.33 |

(Unit : Baht)

Separate financial statements

| | As at January 1, 2022 | (Charged)/credited to profit or loss (Note 34.1) | As at December 31, 2022 |
|------------------------------------|-----------------------------|--|-------------------------------|
| Deferred tax assets | | | |
| Temporary investments | 392,000.00 | - | 392,000.00 |
| Trade and other receivables | 9,578,189.25 | (3,727,033.78) | 5,851,155.47 |
| Short-term loan | 29,838,544.42 | (21,256,486.57) | 8,582,057.85 |
| Inventories | 3,755,086.51 | (303,702.21) | 3,451,384.30 |
| Investment in subsidiary companies | 51,006,508.20 | (51,006,508.20) | - |
| Property, plant and equipment | 58,048.15 | - | 58,048.15 |
| Provisions in maintenance cost | 134,033.85 | 415,465.10 | 549,498.95 |
| Lease liabilities | 692,554.29 | (87,138.96) | 605,415.33 |
| Employee benefit obligations | 11,847,480.13 | (99,952.08) | 11,747,528.05 |
| Total | 107,302,444.80 | (76,065,356.70) | 31,237,088.10 |
| Deferred tax liabilities | | | |
| Right-of-use assets | (624,001.95) | 103,904.97 | (520,096.98) |
| Total | (624,001.95) | 103,904.97 | (520,096.98) |
| Net | 106,678,442.85 | (75,961,451.73) | 30,716,991.12 |

As at December 31, 2023 and 2022, the consolidated financial statement, the Group had temporary difference mainly arising from the unutilized tax losses with consolidate financial statements amount of Baht 459.65 million and amount of Baht 372.78 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).

22. Short-term loans from financial institutions

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|------------------|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Bank overdraft | - | 19,502,740.18 | - | 19,502,740.18 |
| Promissory note | - | 9,000,000.00 | - | 9,000,000.00 |
| Trust receipt | 24,934,087.48 | 51,095,038.68 | 5,206,155.17 | 51,095,038.68 |
| Short-term loans | 36,144,809.36 | 25,615,997.65 | 36,144,809.36 | 25,615,997.65 |
| Total | 61,078,896.84 | 105,213,776.51 | 41,350,964.53 | 105,213,776.51 |

As at December 31, 2023 and 2022, 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. 40.1 which bearing the interest rates at MOR, MOR-1, 6.02%-6.85% per annum and MOR, MOR-1, 4.82%-5.32% per annum respectively.

As at December 31, 2023, and 2022 the Company has short-term loans from debt restructuring agreements from financial institution amount of Baht 13.43 million. Due within November 2024, with the right to call all debt under the debt restructuring agreement immediately when the Company has defaults on payment and interest rate at MLR per annum. (As at December 31, 2023, the interest rates at 7.10%)

As at December 31, 2023, the Company has short-term loans amount of Baht 12.43 million from memorandum of agreement amending the additional credit contract with financial institution, with the right to call all debt the memorandum of agreement amending the additional credit contract. For the first installment amount of Baht 0.60 million on November 2023, and amount of Baht 1.20 million per installment since December, interest rate at MOR and MOR-1 per annum. (As at December 31, 2023, the interest rates at 7.52%)

As at December 31, 2023, the Company has short-term loans amount of Baht 10.28 million from financial institution, interest rate at MLR-1.825% per annum.

Such credit facility line is pledged by the mortgage register of land, property and machinery as mentioned in the note to financial statements no. 18 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.

23. Short-term loans from other person and parties

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------------|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Factoring payables-other parties | - | 60,317,036.29 | - | 33,785.90 |
| Short-term loans-other persons | 145,462,271.21 | 155,266,346.76 | 129,920,860.91 | 135,537,500.00 |
| Deferred interest | - | (488,695.70) | - | (28.93) |
| Total | 145,462,271.21 | 215,094,687.35 | 129,920,860.91 | 135,571,256.97 |

As at December 31, 2022, factoring payables is loan from the transfer of claims in the account trade receivable according note to financial statements No.7 to a factoring company and interest is carried by the rate at 6.25%-6.85% per annum.

As at December 31, 2023 and 2022, the consolidate and separate financial statements, the whole amount of short-term loans from other person to short-term loan in the form loans agreements, maturity within 3-12 months and interest rates of 1.05%-15.00% per annum for the both years. As at December 31, 2023, short-term loans from other person amount of Baht 49.70 million. Pledged as collateral by the assets of the Director's Company.

As of December 31, 2023, the consolidated financial statements, a subsidiary company have the short-term loans from other person amount of Baht 15.00 million is loan under contracts duration 6 month without interest.

As at December 31, 2022, a subsidiary company have whole amount of short-term loans from other person is loan under contracts duration 3-6 months with bearing interest rate 15.00% per annum in the note to financial statement No. 18. The subsidiary was unable to made repayment the loan within the fixed term of the loan agreement, cause the mortgage land belong to the lender.

24. Trade and other payables

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------------|--------------------------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Trade payables-related parties | - | - | 205,440.00 | - |
| Trade payables-other parties | 88,671,372.68 | 158,759,517.35 | 75,555,981.17 | 152,741,933.27 |
| Other payables-related person and parties | 125,000.00 | 1,004,432.00 | 481,000.00 | 2,605,942.50 |
| Other payables-other parties | 4,384,215.30 | 1,999,689.54 | 3,742,692.01 | - |
| Accrued Interest expenses-related person and parties | - | 4,371,007.59 | 15,410.90 | 89,375.00 |
| Accrued Interest expenses-other parties | 7,040,608.82 | 4,992,773.35 | 6,972,495.38 | 1,692,705.84 |
| Accrued expenses-related parties | 3,095,034.18 | 3,095,034.18 | 3,095,034.18 | 3,095,034.18 |
| Accrued expenses-other parties | 7,995,730.51 | 28,523,977.89 | 3,336,870.99 | 7,273,644.90 |
| Advance payment-related person | 2,419,300.00 | 3,417,700.00 | - | - |
| Advance payment-other parties | 609,990.37 | 2,855,937.30 | - | - |
| Advance received-related parties | - | 3,000,000.00 | - | - |
| Advance received-other parties | 12,086,104.81 | 7,890,597.84 | 2,429,820.07 | 2,133,492.44 |
| Other | 3,057,714.18 | 8,238,692.41 | 2,956,914.18 | 5,954,569.47 |
| Total | 129,485,070.85 | 228,149,359.45 | 98,791,658.88 | 175,586,697.60 |

25. Long-term loans from financial institutions

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|--|--|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Long-term loans from financial institutions | 2,085,893.90 | 2,473,198.65 |
| <u>Less</u> Current portion of long-term loans | (349,029.97) | (333,611.37) |
| Net | <u>1,736,863.93</u> | <u>2,139,587.28</u> |

Movement in loans for the years ended December 31, 2023 and 2022, are as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|------------------------------------|--|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Beginning balance as at January 1, | 2,473,198.65 | 2,887,500.00 |
| Repaid in the years | (387,304.75) | (414,301.35) |
| Ending balance as at December 31, | <u>2,085,893.90</u> | <u>2,473,198.65</u> |

As at December 31, 2023, and 2022, a subsidiary company have amount of long-term loans from financial institutions amount of Baht 3.00 million. The principal must be repaid per installments amount of Baht 0.02 million for 120 installments with interest rate for the 1st – 5th at 2.00%-7.50% per annum, 6th at MLR + 2.00% per annum. Pledged as collateral by the Company, Director's Company, Director's subsidiary and State-owned enter prise.

26. Lease liabilities

Movements in lease liabilities for the years ended December 31, 2023 and 2022, were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|--|--|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Beginning book value | 5,481,245.04 | 10,616,404.31 |
| Increased during the years | 2,745,879.11 | 2,178,551.16 |
| Repayment during the years | (1,593,834.72) | (3,008,327.31) |
| Adjustment from terminated of lease contract | - | (4,305,383.12) |
| Ending book value | <u>6,633,289.43</u> | <u>5,481,245.04</u> |

(Unit : Baht)

| | <u>Separate financial statements</u> | |
|--------------------------------------|--------------------------------------|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Beginning book value | 3,027,076.71 | 3,462,771.43 |
| Additional contracts during the year | 2,755,159.72 | - |
| Repayment during the years | (595,866.87) | (435,694.72) |
| Ending book value | <u>5,186,369.56</u> | <u>3,027,076.71</u> |

A maturity analysis of lease payment are as follows :-

(Unit : Baht)

| | <u>2023</u> | | | <u>2023</u> | | |
|----------------------------------|--|--------------------------|---------------------|--------------------------------------|--------------------------|---------------------|
| | <u>Consolidated financial statements</u> | | | <u>Separate financial statements</u> | | |
| | <u>Lease liabilities</u> | <u>Deferred interest</u> | <u>Net</u> | <u>Lease liabilities</u> | <u>Deferred interest</u> | <u>Net</u> |
| | | <u>expenses</u> | | | <u>expenses</u> | |
| Within 1 year | 2,633,543.10 | (495,961.02) | 2,137,582.08 | 1,345,335.00 | (389,095.76) | 956,239.24 |
| Over 1 year but not over 5 years | 5,070,922.00 | (1,071,333.00) | 3,999,589.00 | 4,752,982.00 | (1,018,970.03) | 3,734,011.97 |
| Over 5 years | 528,000.00 | (31,881.65) | 496,118.35 | 528,000.00 | (31,881.65) | 496,118.35 |
| Total | <u>8,232,465.10</u> | <u>(1,599,175.67)</u> | <u>6,633,289.43</u> | <u>6,626,317.00</u> | <u>(1,439,947.44)</u> | <u>5,186,369.56</u> |

(Unit : Baht)

| | <u>2022</u> | | | <u>2022</u> | | |
|----------------------------------|--|--------------------------|---------------------|--------------------------------------|--------------------------|---------------------|
| | <u>Consolidated financial statements</u> | | | <u>Separate financial statements</u> | | |
| | <u>Lease liabilities</u> | <u>Deferred interest</u> | <u>Net</u> | <u>Lease liabilities</u> | <u>Deferred interest</u> | <u>Net</u> |
| | | <u>expenses</u> | | | <u>expenses</u> | |
| Within 1 year | 2,126,831.01 | (495,857.90) | 1,630,973.11 | 789,276.00 | (401,874.73) | 387,401.27 |
| Over 1 year but not over 5 years | 4,021,066.99 | (1,187,719.66) | 2,833,347.33 | 2,705,319.00 | (1,082,568.16) | 1,622,750.84 |
| Over 5 years | 1,056,000.00 | (39,075.40) | 1,016,924.60 | 1,056,000.00 | (39,075.40) | 1,016,924.60 |
| Total | <u>7,203,898.00</u> | <u>(1,722,652.96)</u> | <u>5,481,245.04</u> | <u>4,550,595.00</u> | <u>(1,523,518.29)</u> | <u>3,027,076.71</u> |

For the years ended December 31, 2023 and 2022, for transactions related to lease are as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------|--|--------------|--------------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | Finance cost relating to leases | 385,662.18 | 536,147.51 | 336,475.13 |
| Cash outflow for leases | 1,979,496.90 | 3,544,474.84 | 932,342.00 | 789,276.00 |

27. Employee benefit obligation

Movements in the employee benefit obligation for the year ended December 31, 2023 and 2022, are as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|---|----------------------|--------------------------------------|----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | Beginning present value of the obligation | 55,940,689.76 | 55,607,428.78 | 54,084,084.39 |
| Current service cost | 3,189,517.84 | 3,992,505.98 | 3,038,408.83 | 3,654,206.96 |
| Interest cost | 987,808.96 | 1,342,986.00 | 961,687.93 | 1,316,932.00 |
| <u>Less</u> Transfer employee benefit obligation | - | - | - | (589,468.37) |
| <u>Less</u> Repayment for the year | (1,789,770.00) | (5,002,231.00) | (1,728,770.00) | (4,881,431.00) |
| <u>Less</u> Reversal employee benefit obligations | (848,962.00) | - | - | - |
| Actuarial gain arising from defined benefit plan | (13,293,069.52) | - | (13,060,591.15) | - |
| Ending present value of the obligation | <u>44,186,215.04</u> | <u>55,940,689.76</u> | <u>43,294,820.00</u> | <u>54,084,084.39</u> |

Movement actuarial gain arising from defined benefit plan which recognized in statement of comprehensive income as an unappropriated retained earnings (deficit) are as follow :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|----------------|--------------------------------------|----------------|
| | <u>For the year ended December 31</u> | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Beginning book value | (8,837,489.12) | (8,837,489.12) | (8,587,221.12) | (8,587,221.12) |
| Recognized during the years | (13,293,069.52) | - | (13,060,591.15) | - |
| Ending book value | (22,130,558.64) | (8,837,489.12) | (21,647,812.27) | (8,587,221.12) |

Expenses recognized in statements of comprehensive income are shown collectively for the years ended December 31, 2023 and 2022 were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------------------|--|--------------|--------------------------------------|--------------|
| | <u>For the year ended December 31,</u> | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Recognized in profit or loss</u> | | | | |
| Cost of sales and services | 2,317,038.30 | 2,301,889.03 | 2,192,530.26 | 2,230,050.90 |
| Selling and distribution expenses | 671,956.32 | 751,125.04 | 671,956.32 | 161,656.67 |
| Administrative expenses | 720,027.87 | 1,176,078.56 | 667,305.87 | 883,563.67 |
| Directors | 468,304.31 | 1,106,399.35 | 468,304.31 | 1,106,399.35 |
| Total | 4,177,326.80 | 5,335,491.98 | 4,000,096.76 | 4,381,670.59 |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------|--------------------------------------|-------------|
| | <u>For the year ended December 31,</u> | | | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Recognized in other comprehensive income</u> | | | | |
| Actuarial gain arising from defined benefit plan | | | | |
| Financial assumptions changes | 4,290,442.00 | - | 4,290,442.00 | - |
| Demographic assumptions changes | 6,205,701.00 | - | 6,205,701.00 | - |
| Experience adjustments | 2,796,926.52 | - | 2,564,448.15 | - |
| Total | 13,293,069.52 | - | 13,060,591.15 | - |

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>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Discount rate | 2.24-2.87% | 2.24%-2.87% | 2.71-2.74% | 2.29%-2.83% |
| Average salary increase rate | 1.27-5.40% | 2.27%-5.40% | 1.27-2.00% | 2.27%-2.59% |
| Employee turnover rate | 0-76% | 0-74% | 0-76% | 0-74% |
| Retirement age | 55-60 years | 55-60 years | 60 year | 60 years |

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>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Discount increase rate (0.50% movement) | (1,168,543.00) | (1,947,655.00) | (1,109,006.00) | (1,885,630.00) |
| Discount decrease rate (0.50% movement) | 1,168,412.00 | 2,055,768.00 | 1,179,302.00 | 2,032,280.00 |
| Future salary growth increase (0.50% movement) | 1,229,955.00 | 2,250,536.00 | 1,160,010.00 | 2,174,027.00 |
| Future salary growth decrease (0.50% movement) | (1,164,838.00) | (2,100,049.00) | (1,100,775.00) | (2,029,530.00) |
| Employee turnover increase rate (0.50% movement) | (1,190,148.00) | (2,267,553.00) | (1,118,641.00) | (2,189,640.00) |
| Employee turnover decrease rate (0.50% movement) | 1,266,595.00 | 2,438,084.00 | 1,188,091.00 | 2,352,812.00 |

28. Deferred rental income

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|---|--|-------------|
| | <u>2023</u> | <u>2022</u> |
| Deferred rental income | 13,500,000.00 | - |
| <u>Less</u> Current portion of deferred rental income | (1,800,000.00) | - |
| Net | 11,700,000.00 | - |

The movement of deferred rental income for the year end December 31, 2023 and 2022, were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | |
|---|--|-------------|
| | <u>2023</u> | <u>2022</u> |
| Deferred rental income beginning | - | - |
| <u>Add</u> Increased during the year | 15,000,000.00 | - |
| <u>Less</u> Deferred rental income recognized as revenues in the year | (1,500,000.00) | - |
| Deferred rental income ending | 13,500,000.00 | - |

29. Convertible Debentures

On October 9, 2023, the Extraordinary General Meeting of Shareholders No. 2/2023 of the Company passed a resolution to approve on issuance which total offering amount of not exceeding Baht 400.00 million and offering of the convertible debentures on a private placement basis to Sycamore Capital SPC, a representative acting on behalf of for the account of/on behalf of/Sycamore Equity Fund SP, which is not related persons with the Company with terms and conditions below :

| | |
|--|--|
| Type of Convertible Debentures | - Senior Unsecured Convertible Debentures (“Convertible Debentures”) |
| Currency | -Baht |
| Total principal amount | -Not exceeding Baht 400.00 million as it can be broken down to 2 tranches, as follows: (1) Tranche 1 not exceeding Baht 200.00 million which is divided into 40 sets and Baht 5.00 million per set. (2) Tranche 2 not exceeding Baht 200.00 million which is divided into 40 sets and Baht 5.00 million per set. |
| Conditions of the issuance of convertible debentures | -The Company will gradually issue the convertible debentures by tranche, each tranche, respectively. In each issuance of the tranche of convertible debentures, the Company will gradually issue each set in each tranche according to the agreement between Company and Invertos. The issuance of convertible debentures is subject to the completion of the conditions precedent which are : Permission from the Securities and Exchange commission and other relevant agencies, including the terms and conditions of the convertible debentures. |
| Interest rate | - 0 % per annum. |
| Maturity period | - 3 years after the issuance of each Tranche. |
| Principal repayment condition | -Repay in lump sum after the maturity date of each Tranche according to the terms and conditions of each convertible debenture. In such, for each tranche the term is 3 years after issuance of the first tranche. However, the outstanding convertible debentures shall be converted on Maturity Date. |
| The right to redeem the convertible debentures before due date | -The convertible debentures holders may or may not have right to redeem the convertible debentures before due date and/or the Company may or may not have right to redeem the convertible debentures before due date either. The redemption has to be followed by the terms and conditions of each convertible debentures in accordance with the rules, regulations, law, and/or permissions from related authorized governmental agencies. |
| Conversion ratio | -Principle amount of the convertible debentures divided by the conversion price. |

| | |
|--|---|
| Conversion price | <p>-Not lower than 90% of the market price, therefore it is not considered an offer for sale of newly issued shares at a price lower than the market price as prescribed in the Notification of the Securities and Exchange Commission No. TorJor. 16/2022.</p> <p>The market price is calculated based on the weighted average price of the Company's shares trading on the Market for Alternative Investment (MAI) for not less than 7 consecutive business days, but not more than 15 consecutive business days (Floating Conversion Price) In the case that the accommodating shares are insufficient, the Company may register the increase in capital to accommodate the conversion by the resolution of shareholders' meeting or compensate in cash to the convertible debentures holder in regards with the terms and conditions of the convertible debentures.</p> |
| Conversion period | <p>-The convertible debentures holders may exercise their conversion rights of the convertible debentures every day until the close of business hours 1 week prior to the maturity date of the convertible debentures.</p> |
| Number of ordinary shares accommodated for conversion | <p>-538,372,419 shares to accommodate the exercise of the conversion rights of the aforementioned convertible debentures, representing 24.31% of the paid-up capital of the Company as of the Board of Directors' Meeting No.15/2023 held on August 29, 2023.</p> <p>When combined with the number of shares allocated to accommodate (1) The exercise of warrants to purchase ordinary shares of the Company No.9 (CIG-W9) and (2) The exercise of warrants to purchase ordinary shares of the Company NO.10 (CIG-W10), totaling 907,540,028 shares, representing 40.97% , which is not exceeding 50% of the paid-up capital of the Company as of that date.</p> |
| Secondary market for ordinary shares as a result of the conversion | <p>-The Company shall arrange to list the ordinary shares issued as a result of the conversion on the Market for Alternative Investment (MAI) or any exchange that the Company's securities are listed on.</p> |
| Other information | <p>-The details described above are the summary of the terms and conditions of the convertible debentures and are still subject to change. Further relevant details will be stipulated in the terms and conditions of the convertible debentures.</p> |

Presentation and disclosure of Financial Instruments is determined at the date of initial recognised. The entity classifies financial instrument or components of financial instrument based on substance and definitions of financial liability and equity instrument.

Such convertible debentures have floating conversion price and the number of shares arising from the conversion depends on the future market price (Fixed - for - variable convertible debentures). Consequently, the convertible options are classified as a financial liability.

The convertible debentures are presented at amortised cost until the conversion or maturity of the debentures. The convertible options are presented at fair value through profit or loss until there is an exercise of conversion right to ordinary shares. Expenses for issuance debentures were deducted from convertible debentures and amortised over the life of the convertible debentures.

Movements of convertible debentures and convertible options for the years ended December 31, 2023 are summarised below :

(Unit : Thousand Baht)

| | <u>Consolidated/Separate financial statements</u> | | | | |
|---|---|----------------|---|------------------------------------|--------------|
| | | | <u>Exercise of Convertible debentures</u> | | |
| | <u>Convertible debentures</u> | <u>Options</u> | <u>Issued in paid-up shares capital</u> | <u>Discount on ordinary shares</u> | <u>Total</u> |
| Beginning balance | - | - | - | - | - |
| Issuing during the year | 44,273 | 6,877 | - | - | - |
| <u>Add</u> amortization cost | 2,450 | - | - | - | - |
| <u>Less</u> Exercise of conversion rights | (30,624) | (4,376) | 265,873 | (230,873) | 35,000 |
| Ending balance | 16,099 | 2,501 | 265,873 | (230,873) | 35,000 |

As at December 31, 2023, the Company issued convertible debentures in amount of Baht 55.00 million net of issued convertible debentures fee amount of Baht 3.85 million, remaining net amount of Baht 51.15 million.

In year 2023, the convertible debentures exercise has convert into ordinary shares in amount of 531.75 million shares with a convertible share value of Baht 0.50, representing a total of Baht 265.87 million, and convert to discount on ordinary shares amount of Baht 230.87 million, which net increased from the exercise of convertible debentures amount of Baht 35.00 million. The Company has registered the capital increase with the Department of Business Development.

30. Share capital

The movement of share capital for the years ended December 31, 2023 and 2022 is as follows:-

| | Consolidated/Separate financial statements | | | | |
|---|--|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 2023 | | | 2022 | |
| | Par Value (Baht) | Number of share (Thousand Shares) | Amount (Thousand Baht) | Number of share (Thousand Shares) | Amount (Thousand Baht) |
| Registered share capital | | | | | |
| Ordinary shares the beginning of the year | 0.50 | 3,459,154 | 1,729,577 | 864,788 | 432,394 |
| <u>Add</u> Increase during the year | 0.50 | 2,703,799 | 1,351,890 | 2,594,366 | 1,297,183 |
| <u>Less</u> Reduce during the year | 0.50 | (3,040,396) | (1,520,198) | - | - |
| Ordinary shares the ending of the year | 0.50 | 3,122,557 | 1,561,279 | 3,459,154 | 1,729,577 |
| Issued and paid-up share capital | | | | | |
| Ordinary shares the beginning of the year | 0.50 | 864,788 | 432,394 | 864,788 | 432,394 |
| <u>Add</u> Increase during the year | 0.50 | 1,881,975 | 940,987 | - | - |
| Ordinary shares the ending of the year | 0.50 | 2,746,763 | 1,373,381 | 864,788 | 432,394 |

According to the minutes of the 2023 Annual General Meeting of Shareholders held on April 24, 2023, has the resolution are follow as :-

- Has the resolution to approval the date of issuance and allocation of the warrants of the Company No.9 (CIG-W9) for 289,030,750 units to offering to existing shareholders in proportion to their shareholding at an ration 6 ordinary shares : 1 warrant.
- Has the resolution to approval the date of issuance and allocation of the warrants of the Company No.10 (CIG-W10) for 144,515,375 units to offering to existing shareholders in proportion to their shareholding at an ration 6 ordinary shares : 1 warrant.
- Has the resolution to approve the decrease of authorized share capital amount of Baht 862,484,771.50 from the authorized share capital amount of Baht 1,729,577,023.00 by reducing unissued shares and disposing amount of 1,724,969,543 shares is Baht 0.50 per share.
- Has the resolution to approve the increase of authorized share capital amount of Baht 1,082,713,188.00 from the authorized share capital amount of Baht 867,092,251.50 to be amount of Baht 1,949,805,439.50 by issuance increase of ordinary share amount of 2,165,426,376 shares is Baht 0.50 per share.

- Has the resolution to approve the issuance increase of ordinary share of the Company amount of 2,165,426,376 shares is Baht 0.50 per share are follow as :-
 - (1) Allocate increase of ordinary share amount of 289,030,750 shares is Baht 0.50 per share for exercise of the warrants CIG-W9 to offering to existing shareholders in proportion to their shareholding at an ration 6 ordinary shares : 1 warrant.
 - (2) Allocate increase of ordinary share amount of 867,092,251 shares is Baht 0.50 per share to offering to existing shareholders in proportion to their shareholding at an ration 2 exist ordinary shares : 1 new ordinary shares.
 - (3) Allocate increase of ordinary share amount of 144,515,375 shares is Baht 0.50 per share for exercise of the warrants CIG-W10 to offering to existing shareholders in proportion to their shareholding at an ration 6 ordinary shares : 1 warrant.
 - (4) Allocate increase of ordinary share amount of 864,788,000 shares is Baht 0.50 per share for issuing of convertible bond totaling amount not exceed 864,788 units, the offering price 1,000.00 Baht per 1 unit totaling amount not exceed 864,788,000.00 Bath to offering to existing shareholders in proportion to their shareholding at an ration 1 unit :1,000 shares, exercise price 1.00 Baht per share.

According to the Board of Director's meeting No.9/2023 held on April 24, 2023 has the resolution record date and allocation for exercise of the warrants CIG-W9 change to May 10, 2023 and exercise of the warrants CIG-W10 change to June 12, 2023.

According to the Board of Director's meeting No.12/2023 held on June 6, 2023 has the resolution change date and allocation for exercise of the warrants CIG-W10 change to July 7, 2023.

In February untill and June 2023, The Company received proceeds registered the increase of authorized share capital amount of Baht 675.11 million. The Company registered the increase in share capital with the Ministry of Commerce in February and July 2023, This causes the issued and paid-up shares capital increase of Baht 675.11 million.

According to the minute of Extraordinary General meeting of shareholders No. 2/2023, held on October 9, 2023, has the acknowledged and resolution are follow as :-

- Has approve the cancellation of the resolution of the Extraordinary General Meeting of Shareholders No. 2/2022 held on 16 September 2022, regarding the issuance and offer of the convertible bonds to the existing shareholders in proportion to their shareholding (Right Offering) and cancellation of the resolution of the 2023 Annual General Meeting of Shareholders, held on 24 April 2023, for the certain matter regarding the allocation of the issued ordinary shares to accommodate the issuance and offer of the convertible bonds to the existing shareholders in proportion to their shareholding, because the mentioned convertible bonds will expire on September 16, 2023, but has not yet been issued and offered for sale.

- Has approval the decrease of authorized share capital amount of Baht 657,713,208.50 from the authorized share capital amount of Baht 1,949,805,439.50 by reducing unissued shares and disposing amount of 1,315,426,417 shares is Baht 0.50 per share, is authorized share capital to 2,584,184,462 shares is Baht 0.50 per share, totaling 1,292,092,231.00 Baht.
- Has approval to the issuance of convertible bond totaling amount not exceed totaling amount 400,000,000.00 Bath to specific investors, namely Sycamore Capital SPC, which such person is not a related person to the company.
- Has approval to increase of authorized share capital of the Company at amount of 538,372,419 shares is Baht 0.50 per share to amount of Baht 269,186,209.50 from the existing amount of 2,584,184,462 shares is Baht 0.50 per share amount of Baht 1,292,092,231.00 to be Baht amount of 3,122,556,881 share is Baht 0.50 per share is amount of Baht 1,561,278,440.50 for exercise of the for issuing of convertible bond.
- Has approval the allocation of the Company's newly-issued ordinary shares not exceed 538,372,419 shares, with a par value of Baht 0.50 per share to accommodate the exercise of the convertible debentures that issued and offered to specific investors, namely Sycamore Capital SPC.
- Has approved to change the minute of the Extraordinary General Meeting of Shareholders No. 2/2022 on September 16, 2022 from the original limit of 6,000.00 million Baht to create debts to support projects and/or working capital generate all forms of income. Including a guarantee for a credit line for subsidiaries and/or associates and/or project customers in the amount of Baht 6,000.00 million because the company has currently acquired businesses and raised funds to develop a variety of projects. In addition, the change in business operations from a factory producing and selling products to accepting customers in the form of project development.

According to the Board of Directors' meeting No. 19/2023 held on December 7, 2023, the resolutions are as follows as :-

- Has resolution offer to the minute of Extraordinary General Meeting of Shareholders No.1/2024, to approve to increase of authorized share capital of the Company at amount of 997,587,446 share is Baht 0.50 per share to amount of Baht 498,793,723.00 from the existing amount of 3,122,556,881 share is Baht 0.50 per share amount of Baht 1,561,278,440.50 to be share amount of 4,120,144,327 share is Baht 0.50 per share is amount of Baht 2,060,072,163.50 for exercise of the for issuing of convertible bond.
- Has resolution offer to the minute of Extraordinary General Meeting of Shareholders No. 1/2024, to approval the allocation of the Company's newly-issued ordinary shares not exceed 997,587,446 shares, with a par value of Baht 0.50 per share to accommodate the exercise of the convertible debentures that issued and offered to specific investors, namely Sycamore Capital SPC.

31. Warrants

CIG-W9 Warrants

| | | |
|---------------------|---|---|
| Type of warrants | : | Warrants No.9 appropriated for the former shareholders of the Company (Warrants No. 9 or “CIG-W9”) |
| Number of warrants | : | 289,030,750 units |
| Term of warrants | : | 5 Years from the issuance date (May 10, 2023) |
| Exercise Price | : | At Baht 0.50 per share |
| First exercise date | : | June 15, 2026 |
| Last exercise date | : | May 9, 2028 |

CIG-W10 Warrants

| | | |
|---------------------|---|--|
| Type of warrants | : | Warrants No.10 appropriated for the former shareholders of the Company (Warrants No. 10 or “CIG-W10”) |
| Number of warrants | : | 144,515,375 units |
| Term of warrants | : | 5 year from the issuance date (July 7, 2023) |
| Exercise Price | : | At Baht 0.50 per share |
| First exercise date | : | September 15, 2026 |
| Last exercise date | : | July 6 , 2028 |

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, 2023, and 2022, in the consolidated financial statements, the debt to equity ratio is 0.52 : 1 and 6.02 : 1, respectively, and separate financial statements debt to equity ratio is 0.43 : 1 and 3.70 : 1, respectively.

32. Premium on share and legal reserve

Premium on ordinary share

Premium on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary shares for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve (“Premium on ordinary shares”). This premium on ordinary shares cannot be paid out as dividend.

Legal reserve

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

33. Expenses by nature

| | (Unit : Baht) | | | |
|--|--|----------------|--------------------------------------|----------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Changes in inventories of finished goods and work in process | 14,384,126.94 | 3,599,141.36 | 28,084,760.17 | 3,740,901.87 |
| Raw materials and consumables used | 343,300,282.12 | 695,981,298.53 | 323,816,033.48 | 695,514,847.01 |
| Management benefit expenses | 17,552,993.93 | 28,619,511.35 | 17,552,993.93 | 28,619,511.35 |
| Employee benefit expenses | 129,872,068.54 | 168,284,046.00 | 122,844,622.49 | 153,135,722.55 |
| Depreciation and amortization expenses | 43,835,666.82 | 48,339,365.06 | 31,453,019.74 | 32,622,779.06 |
| Loss from impairment of investment (Reversal) | - | - | (108,484,700.00) | 2,470,000.00 |
| Allowance for expected credit loss (Reversal) | 12,176,516.14 | (5,250,067.59) | 44,462,434.18 | 836,044.93 |
| (Profit) Loss from sale of investments | (68,266,123.99) | 440,891.59 | 108,609,697.00 | - |
| Transportation expenses | 12,701,265.33 | 21,568,883.74 | 1,396,556.67 | 21,568,883.74 |
| Sale promotion expenses | 7,823,378.09 | 6,908,930.70 | 6,854,279.17 | 6,785,785.19 |
| Utility expenses | 10,968,601.65 | 15,019,322.57 | 10,770,035.72 | 14,040,516.49 |
| Finance costs | 36,896,810.77 | 34,843,544.70 | 31,191,251.35 | 22,602,020.00 |

34. Income tax expense (revenues)

34.1 Income tax is recognized in profit or loss

| | (Unit : Baht) | | | |
|------------------------------------|--|--------------|--------------------------------------|---------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Current tax expenses | 1,369,906.95 | 397,768.62 | - | - |
| Deferred tax expenses (Note 21) | | | | |
| Movements in temporary differences | 312,565.77 | 6,755,216.23 | 359,339.56 | 75,961,451.73 |
| Income tax expense | 1,682,472.72 | 7,152,984.85 | 359,339.56 | 75,961,451.73 |

34.2 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>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Income tax relevance with other comprehensive income (Note 21) | (2,658,613.90) | - | (2,612,118.23) | - |

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2023 and 2022, as follows:-

| | (Unit : Baht) | |
|---|-------------------------------------|-----------------|
| | <u>Separate financial statement</u> | |
| | <u>2023</u> | <u>2022</u> |
| Accounting loss before tax | (43,273,779.86) | (54,474,299.07) |
| Applicable tax rate | 20% | 20% |
| Accounting loss before tax multiplied by applicable tax rate | (8,654,755.97) | (10,894,859.81) |
| Tax effect of income and expenses that are not considered | | |
| As income tax expense as follows:- | | |
| (Reversal) loss on devaluation of inventories | (4,637.20) | (303,702.21) |
| (Reversal) loss from investments impairment | (21,696,940.00) | 494,000.00 |
| (Reversal) expected credit loss | (8,892,486.84) | 167,208.99 |
| Employee benefit obligations | 800,019.36 | 876,334.12 |
| Tax losses not yet used | 38,089,742.88 | 9,351,665.28 |
| Other | 359,057.77 | 309,353.63 |
| Total | - | - |
| Changes in temporary differences | 359,339.56 | 75,961,451.73 |
| Income tax expense reported in comprehensive income statement | 359,339.56 | 75,961,451.73 |

35. Profit (loss) per share

Basic Profit (loss) per share is calculated by dividing Profit (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>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Profit (loss) for the year (Unit : Baht) | 5,862,185.74 | (122,535,424.21) | (43,633,119.42) | (130,435,750.80) |
| Weighted average number of common shares (Shares) | 1,868,674,877 | 864,788,682 | 1,868,674,877 | 864,788,682 |
| Profit (loss) per share (Baht/Share) | 0.0031 | (0.1417) | (0.0233) | (0.1508) |

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 per share for the year ended December 31, 2023 and 2022 because the average fair price of the ordinary share is lower than the exercise price of the warrant.

36. 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 products and parts | | Construction services | | Design services | | Hotel services | | Other | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Local revenues from sales and services | 301,373 | 491,428 | 22,817 | 20,141 | 48,000 | - | 1,359 | 4,435 | 5,583 | 9,076 | 379,132 | 525,080 |
| Export revenues from sales and services | 223,965 | 502,095 | - | - | - | - | - | - | - | - | 223,965 | 502,095 |
| Total | 525,338 | 993,523 | 22,817 | 20,141 | 48,000 | - | 1,359 | 4,435 | 5,583 | 9,076 | 603,097 | 1,027,175 |
| Cost of sales and services | (480,023) | (837,648) | (18,655) | (24,160) | (4,384) | - | (2,215) | (15,818) | (17,805) | (8,219) | (523,082) | (885,845) |
| Gross profit (loss) by segment | 45,315 | 155,875 | 4,162 | (4,019) | 43,616 | - | (856) | (11,383) | (12,222) | 857 | 80,015 | 141,330 |
| Non-allocation expenses | | | | | | | | | | | (143,906) | (227,815) |
| Loss from operations | | | | | | | | | | | (63,891) | (86,458) |
| Other incomes | | | | | | | | | | | 20,534 | 5,970 |
| Finance costs | | | | | | | | | | | (36,897) | (34,844) |
| Profit (loss) on sale of investments in subsidiaries | | | | | | | | | | | 68,266 | (441) |
| Share of loss on investment in associate and joint venture | | | | | | | | | | | - | (25) |
| Reversal estimate debt from equity of the investment in joint venture agreement | | | | | | | | | | | 21,929 | - |
| Loss from equity of the investment in joint venture | | | | | | | | | | | - | (1,589) |
| Income tax revenue | | | | | | | | | | | (1,682) | (7,153) |
| Profit (loss) for the year | | | | | | | | | | | 8,259 | (124,567) |
| Fixed assets of business sector | | | | | | | | | | | 171,185 | 268,692 |
| Other assets | | | | | | | | | | | 1,101,689 | 509,834 |
| Total assets | | | | | | | | | | | 1,272,874 | 778,526 |

For the year ended December 31, 2023 and 2022, the Group has on major customer whose sale amount higher than 10% of the revenues from 2 customers for the both year, the amount of sales is amount of Baht 588.54 million and amount of Baht 612.54 million respectively.

37. Revenue

The relationship between the revenue information disclosed for each reportable segment and a point in time for the year ended on December 31, 2023 and 2022, are as follows:-

(Unit : Thousand Baht)

| | Consolidated financial statements | | | | | | | | | | | |
|--|-------------------------------------|---------|-----------------------|--------|-----------------|------|----------------|-------|-------|-------|---------|-----------|
| | For the year ended December 31, | | | | | | | | | | | |
| | Air-conditioning products and parts | | Construction services | | Design services | | Hotel services | | Other | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue recognized when a performance obligation | | | | | | | | | | | | |
| - satisfied at a point in time | 525,338 | 993,523 | - | - | - | - | 1,359 | 4,435 | 2,820 | 9,076 | 529,517 | 1,007,034 |
| - satisfied over time | - | - | 22,817 | 20,141 | 48,000 | - | - | - | 2,763 | - | 73,580 | 20,141 |
| Total | 525,338 | 993,523 | 22,817 | 20,141 | 48,000 | - | 1,359 | 4,435 | 5,583 | 9,076 | 603,097 | 1,027,175 |

37.1 Revenue from construction services

The amount of the transaction price allocated to the performance obligations that are unsatisfied as follows:-

(Unit : Thousand Baht)

| | Consolidated financial statements | |
|----------------------|-----------------------------------|-------|
| | 2023 | 2022 |
| Construction service | 2,688 | 6,382 |

For the year ended December 31, 2023, there is an amount of revenue recognized from the contract liability in the previous year amount of Baht 1.56 million.

For the year ended December 31, 2023 there is an amount of revenue recognized concerning the performance obligation satisfied in the previous year amount of Baht 0.20 million.

37.2 Revenue from design services

For the year ended December 31, 2023 the Company has revenue from structural design services with a company that the company is on the due diligence process with 2 contracts as follows :-

(Unit : Baht)

| | Consolidated/Separate financial statements | |
|-------------------------|--|--|
| | 2023 | |
| Revenue from services | 48,000,000.00 | |
| Cost of services | (4,384,000.00) | |
| Gross profit | 43,616,000.00 | |
| Gross Profit Margin (%) | 90.87 | |

38. Financial instruments

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans, long-term loans, trade and other payables, other financial assets and liabilities. The Group's financial risks associated with these financial instruments and how the Company managed is described below.

38.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

- Trade and other receivables, contract assets and loans

The Group manages the credit risk relates to trade receivables, contract assets and loans by most of the Group's construction contracts are with government agencies and large private companies that are creditworthy and have low credit risk. The Group considers other receivables and loans to related companies to be transactions with companies that have low credit risk and the ability to service debt. In addition, the Group regularly monitors their debt service capability; therefore, the Group does not expect to incur any significant losses in respect of these allowance for expected credit losses.

An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Company's policy, when appropriate.

- Deposits and other financial instruments with financial institutions

The Group manages the credit risks regarding deposits and other financial instruments with financial institutions by controlling in place to create an acceptable balance between the cost of risks and the cost of risk management. The credit risk on deposits and financial instrument with financial institutions are limited because the counterparties are banks with high credit-ratings.

38.2 Foreign currency risk

The Group is exposed to foreign currency risk mainly in respect of purchase and sales of goods, which are denominated in foreign currencies. The Group will consider to enter into forward exchange contracts to manage the risk as appropriate.

As at December 31, 2023 and 2022 the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

| Foreign currency | Consolidated financial statements | | | | | |
|------------------|-----------------------------------|------------|-----------------------|------------|------------------------------------|---------|
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| USD | 594 | 1,419 | 928 | 519 | 34.2233 | 34.5264 |
| AUD | - | 34 | - | - | - | 22.9645 |
| Foreign currency | Separate financial statements | | | | | |
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| USD | 68 | 124 | 24 | 519 | 34.2233 | 34.5624 |

Analysis of the impact of changes in exchange rates

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar and Australian dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including derivatives contracts that do not qualify as hedge accounting as at December 31, 2023 and 2022. The Company's exposure to foreign currency changes for all other currencies is not material.

| Currency | Change in FX rate | 2023 | |
|----------|-------------------|-------------------------------------|----------------------|
| | | Effect on profit or loss before tax | |
| | | increase (decrease) | |
| | | Consolidated | Separate |
| | | financial statements | financial statements |
| | (%) | (Thousand Baht) | (Thousand Baht) |
| USD | +2.00 | 1,073 | 65 |
| | -2.00 | (1,073) | (65) |

2022

| Currency | Change in FX rate (%) | Effect on profit or loss before tax increase (decrease) | |
|----------|--------------------------|--|---|
| | | Consolidated financial statements (Thousand Baht) | Separate financial statements (Thousand Baht) |
| USD | +2.00 | 1,302 | 434 |
| | -2.00 | (1,302) | (434) |
| AUD | +1.00 | 45 | - |
| | -1.00 | (45) | - |

38.3 Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash and cash equivalents, short-term loans, other non-current financial assets, short-term loans from financial institutions, short-term loans from related persons and parties, short-term loans from other person and parties and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at December 31, 2023 and 2022, significant financial assets and liabilities classified by type of interest rate, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date are summarized in the table below

(Unit : Baht)

| | Consolidated financial statements | | | | | | Effective interest rate (% per annum) |
|--|-----------------------------------|---------------------|-------------------|------------------------------|-------------------------|-----------------------|---|
| | As at December 31, 2023 | | | | | | |
| | Fixed interest rate | | Over 5 years | Floating interest bearing | Non interest bearing | Total | |
| Within 1 year | Interest rate 1 to 5 years | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 27,010,012.47 | 550,580.35 | 27,560,592.82 | 0.15-1.05 |
| Trade and other receivable | - | - | - | - | 278,946,049.86 | 278,946,049.86 | - |
| Short-term loans to other person and parties | 1,250,000.00 | - | - | - | - | 1,250,000.00 | 1.00 |
| Other non-current financial assets | - | - | - | 747,976.75 | - | 747,976.75 | - |
| Total | 1,250,000.00 | - | - | 27,757,989.22 | 279,496,630.21 | 308,504,619.43 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 61,078,896.84 | - | - | - | - | 61,078,896.84 | 6.02-7.52 |
| Short-term loans from other person and parties | 145,462,271.21 | - | - | - | - | 145,462,271.21 | 1.05-15.00 |
| Trade and other payable | - | - | - | - | 129,485,070.85 | 129,485,070.85 | - |
| Long-term loans from financial institutions | 349,029.97 | 1,736,863.93 | - | - | - | 2,085,893.90 | 2.00-7.50 |
| Lease liabilities | 2,137,582.08 | 3,999,589.00 | 496,118.35 | - | - | 6,633,289.43 | 0.13-12.00 |
| Total | 209,027,780.10 | 5,736,452.93 | 496,118.35 | - | 129,485,070.85 | 344,745,422.23 | |

(Unit : Baht)

Consolidated financial statements

As at December 31, 2022

| | Fixed interest rate | | | Floating interest bearing | Non interest bearing | Total | Effective interest rate (% per annum) |
|--|-----------------------|---------------------|----------------------|------------------------------|-------------------------|-----------------------|---|
| | Within | Interest rate | Over | | | | |
| | 1 year | 1 to 5 years | 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 29,454,987.99 | 899,237.76 | 30,354,225.75 | 0.125-0.85 |
| Trade and other receivable | - | - | - | - | 200,064,524.15 | 200,064,524.15 | - |
| Short-term loans to other person and parties | 1,200,000.00 | - | - | - | - | 1,200,000.00 | 1.00-2.00 |
| Other non-current financial assets | - | - | - | 10,103,003.48 | - | 10,103,003.48 | - |
| Total | 1,200,000.00 | - | - | 39,557,991.47 | 200,963,761.91 | 241,721,753.38 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 9,000,000.00 | - | 25,615,997.65 | 70,597,778.86 | - | 105,213,776.51 | 1.64-5.25 |
| Short-term loans from related person and parties | 15,833,885.00 | - | - | - | - | 15,833,885.00 | 1.50 |
| Short-term loans from other person and parties | 215,094,687.35 | - | - | - | - | 215,094,687.35 | 5.75-15.00 |
| Trade and other payable | - | - | - | - | 228,162,359.45 | 228,162,359.45 | - |
| Long-term loans from financial institutions | 333,611.37 | 1,742,275.99 | 397,311.29 | - | - | 2,473,198.65 | 2.00-7.50 |
| Lease liabilities | 1,630,973.11 | 2,833,347.33 | 1,016,924.60 | - | - | 5,481,245.04 | 0.33-15.00 |
| Total | 241,893,156.83 | 4,575,623.32 | 27,030,233.54 | 70,597,778.86 | 228,162,359.45 | 572,259,152.00 | |

(Unit : Baht)

Separate financial statements

As at December 31, 2023

| | Fixed interest rate | | | Floating interest bearing | Non interest bearing | Total | Effective interest rate (% per annum) |
|--|-----------------------|---------------------|-------------------|------------------------------|-------------------------|-----------------------|---|
| | Within | Interest rate | Over | | | | |
| | 1 year | 1 to 5 years | 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 19,395,162.08 | 366,216.11 | 19,761,378.19 | 0.15-1.05 |
| Trade and other receivable | - | - | - | - | 279,698,123.64 | 279,698,123.64 | - |
| Short-term loans to related parties | 515,000,000.00 | - | - | - | - | 515,000,000.00 | 1.50 |
| Other non-current financial assets | - | - | - | 644,312.96 | - | 644,312.96 | - |
| Total | 515,000,000.00 | - | - | 20,039,475.04 | 280,064,339.75 | 815,103,814.79 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 41,350,964.53 | - | - | - | - | 41,350,964.53 | 6.02-7.52 |
| Short-term loans from related parties | 1,249,992.50 | - | - | - | - | 1,249,992.50 | 1.50 |
| Short-term loans from other person and parties | 129,620,860.91 | - | - | - | - | 129,620,860.91 | 1.05-15.00 |
| Trade and other payable | - | - | - | - | 98,791,658.88 | 98,791,658.88 | - |
| Lease liabilities | 956,239.24 | 3,734,011.97 | 496,118.35 | - | - | 5,186,369.56 | 0.13-12.00 |
| Total | 173,178,057.18 | 3,734,011.97 | 496,118.35 | - | 98,791,658.88 | 276,199,846.38 | |

(Unit : Baht)

Separate financial statements

As at December 31, 2022

| | Fixed interest rate | | | Floating interest bearing | Non interest bearing | Total | Effective interest rate (% per annum) |
|---|-------------------------|-------------------------------|----------------------|------------------------------|-------------------------|-----------------------|---|
| | Within 1 year | Interest rate 1 to 5 years | Over 5 years | | | | |
| | Financial assets | | | | | | |
| Cash and cash equivalent | - | - | - | 5,202,248.42 | 398,189.94 | 5,600,438.36 | 0.125-0.85 |
| Trade and other receivable | - | - | - | - | 155,682,690.97 | 155,682,690.97 | - |
| Other non-current financial assets | - | - | - | 10,000,105.13 | - | 10,000,105.13 | - |
| Total | - | - | - | 15,202,353.55 | 156,080,880.91 | 171,283,234.46 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 9,000,000.00 | - | 25,615,997.65 | 70,597,778.86 | - | 105,213,776.51 | 1.64-5.25 |
| Short-term loans from related parties | 520,000.00 | - | - | - | - | 520,000.00 | 1.50 |
| Short-term loans from other persons and parties | 135,571,256.97 | - | - | - | - | 135,571,256.97 | 6.25-15.00 |
| Trade and other payable | - | - | - | - | 175,586,697.60 | 175,586,697.60 | - |
| Lease liabilities | 387,401.27 | 1,622,750.84 | 1,016,924.60 | - | - | 3,027,076.71 | 0.33-15.00 |
| Total | 145,478,658.24 | 1,622,750.84 | 26,633,922.25 | 70,597,778.86 | 175,586,697.60 | 419,919,807.79 | |

Interest rate sensitivity

The Group does not have any significant impact on profit before tax from changes in interest rates on contingent financial assets and liabilities.

38.4 Liquidity risk

The Group's monitors the risk of a shortage of liquidity through the use of short-term loans from financial institutions, long-term loans from related persons and lease liabilities. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a variety of sources of funding and sufficient available credit lines.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as at December 31, 2023 and 2022, based on contractual undiscounted cash flows:

(Unit : Baht)

Consolidated financial statements

As at December 31, 2023

| | On demand | Less than 1 year | 1 – 5 years | Over 5 years | Total |
|---|----------------------|-----------------------|---------------------|---------------------|-----------------------|
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | 24,934,087.48 | 36,144,809.36 | - | - | 61,078,896.84 |
| Short-term loans from other persons and parties | - | 145,462,271.21 | - | - | 145,462,271.21 |
| Trade and other payables | - | 129,485,070.85 | - | - | 129,485,070.85 |
| Long-term loans from financial institutions | - | 349,029.97 | - | 1,736,863.93 | 2,085,893.90 |
| Lease liabilities | - | 2,137,582.08 | 3,999,589.00 | 496,118.35 | 6,633,289.43 |
| Total non-derivatives | 24,934,087.48 | 313,578,763.47 | 3,999,589.00 | 2,232,982.28 | 344,745,422.23 |

(Unit : Baht)

Consolidated financial statements

As at December 31, 2022

| | On demand | Less than 1 year | 1 – 5 years | Over 5 years | Total |
|---|----------------------|-----------------------|---------------------|---------------------|-----------------------|
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | 25,615,997.65 | 79,597,778.86 | - | - | 105,213,776.51 |
| Short-term loans from related persons and parties | - | 15,833,885.00 | - | - | 15,833,885.00 |
| Short-term loans from other persons and parties | - | 215,094,687.35 | - | - | 215,094,687.35 |
| Trade and other payables | - | 228,162,359.45 | - | - | 228,162,359.45 |
| Long-term loans from financial institutions | - | 333,611.37 | - | 2,139,587.28 | 2,473,198.65 |
| Lease liabilities | - | 1,630,973.11 | 2,833,347.33 | 1,016,924.60 | 5,481,245.04 |
| Total non-derivatives | 25,615,997.65 | 540,653,295.14 | 2,833,347.33 | 3,156,511.88 | 572,259,152.00 |

(Unit : Baht)

Separate financial statements

As at December 31, 2023

| | On demand | Less than 1 year | 1 – 5 years | Over 5 years | Total |
|---|---------------------|-----------------------|---------------------|-------------------|-----------------------|
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | 5,206,155.17 | 36,144,809.36 | - | - | 41,350,964.53 |
| Short-term loans from related persons and parties | - | 1,249,992.50 | - | - | 1,249,992.50 |
| Short-term loans from other persons and parties | - | 129,920,860.91 | - | - | 129,920,860.91 |
| Trade and other payables | - | 98,791,658.88 | - | - | 98,791,658.88 |
| Lease liabilities | - | 956,239.24 | 3,734,011.97 | 496,118.35 | 5,186,369.56 |
| Total non-derivatives | 5,206,155.17 | 267,063,560.89 | 3,734,011.97 | 496,118.35 | 276,499,846.38 |

(Unit : Baht)

Separate financial statements

As at December 31, 2022

| | On demand | Less than 1 year | 1 – 5 years | Over 5 years | Total |
|---|---------------|------------------|--------------|--------------|----------------|
| <u>Non-derivatives</u> | | | | | |
| Short-term loans from financial institutions | 25,615,997.65 | 79,597,778.86 | - | - | 105,213,776.51 |
| Short-term loans from related persons and parties | - | 520,000.00 | - | - | 520,000.00 |
| Short-term loans from other persons and parties | - | 135,571,256.97 | - | - | 135,571,256.97 |
| Trade and other payables | - | 175,586,697.60 | - | - | 175,586,697.60 |
| Lease liabilities | - | 387,401.27 | 1,622,750.84 | 1,016,924.60 | 3,027,076.71 |
| Total non-derivatives | 25,615,997.65 | 391,663,134.70 | 1,622,750.84 | 1,016,924.60 | 419,918,807.79 |

38.5 Fair values of financial instruments

Given that some financial assets and financial liabilities are short-term and loans or bear interest at rates close to market rates, and Long-term loans denominated in Thai Baht carry interest at market rates, the Group's management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

39. Fair value measurement

As of December 31, 2023 and 2022, the Group had the assets which measured and disclosed fair value using different levels of inputs as follows:

(Unit : Million Baht)

Consolidated/Separate financial statementsAs at December 31, 2023As at December 31, 2022

| | <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> |
|--|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|
| <u>Assets for which fair value are disclosed</u> | | | | | | | | |
| Investment properties (Note 17) | - | - | 75.69 | 75.69 | - | - | 75.69 | 75.69 |

40. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2023 and 2022, the Group held other obligations as follows:-

40.1 Obligation of credit lines for loans from financial institutions were as follow :-

| | <u>Currencies</u> | <u>Consolidated / Separate financial statements</u> | | | | | |
|---|-------------------|---|--------------|-----------------|--------------------------------|--------------|-----------------|
| | | <u>As at December 31, 2023</u> | | | <u>As at December 31, 2022</u> | | |
| | | <u>(Unit : Million)</u> | <u>Total</u> | <u>Utilized</u> | <u>Available</u> | <u>Total</u> | <u>Utilized</u> |
| Letters of guarantee | Baht | 48.24 | 46.24 | 2.00 | 99.06 | 89.19 | 9.87 |
| Letters of credit and trust receipt, and forward foreign exchange contract (1) | Baht | 51.10 | 39.32 | 11.78 | 85.00 | 51.10 | 33.90 |
| Bank overdrafts | Baht | - | - | - | 20.00 | 19.50 | 0.50 |
| Long-term loans from financial institutions | Baht | 3.00 | 2.09 | 0.91 | 3.00 | 2.47 | 0.53 |
| Short-term loans | Baht | 89.80 | 81.36 | 8.44 | 40.40 | 40.40 | - |
| Letters of factoring (2) | Baht | 75.00 | - | 75.00 | 75.00 | 60.32 | 14.68 |
| Fleet cards | Baht | 0.80 | 0.05 | 0.75 | 0.80 | 0.18 | 0.62 |
| Short-term loan (Debt restructuring) | Baht | 59.01 | 36.14 | 22.87 | 25.62 | 25.62 | - |

(1) As at December 31, 2023, The Company received the credit with a subsidiaries in the form of letters of credit, trust receipts in amount of Baht 51.10 million. The above credit facility guaranteed by the property and machinery of the Company, including a subsidiary and the shareholders of the subsidiary to sign guarantees .

(2) As at December 31, 2023 and 2022, the Company received the credit with the subsidiaries in the form the transfer of claims in the account trade receivable according note to financial statements No.7 amount of Baht 75.00 million. The remaining limit that the Group can use amount of Baht 75.00 million.

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 13 and 18.

40.2 The Group has entered into hotel lease agreement as a lessor with a company which the term of agreements are 8 years and 4 months. The lease agreements have rental received in advance as mentioned in Note 28. However, future minimum lease receives required under these operating leases contracts were as follows :-

| | (Unit : Thousand Baht) |
|----------------------------------|------------------------|
| Within 1 year | 1,800 |
| Over 1 year but not over 5 years | 7,200 |
| Over 5 years | 4,500 |
| Total | 13,500 |

40.3 Litigation.

40.3.1 The Company is prosecuted in civil cases and criminal cases. The summary of total cases is as follows:-

| | <u>Number of cases</u> | |
|------------|--------------------------|--------------------------|
| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
| Civil case | 4 | 1 |

The above civil cases can be summarized as follows:-

| <u>Item</u> | <u>Case No.</u> | <u>Date</u> | <u>The accused</u> | <u>Faulty or</u> | <u>Sentence</u> | <u>Litigation</u> | <u>State value</u> |
|-------------|----------------------------------|--------------|--------------------|---------------------------|---|-----------------------|-----------------------|
| | | | <u>No</u> | <u>guilty</u> | | <u>(Million Baht)</u> | <u>(Million Baht)</u> |
| 1 | Decided case no.P.439/2021 | Jun 10, 2022 | 1 | Hire of work agreement | - The Court judges the lawsuit to be completed in accordance with the compromise agreement. Payment of principal and interest in amount of Baht 1.90 million. | 1.65 | 1.65 |
| 2 | undecided case no. P.E49/2023 | Mar 24, 2023 | 1 | Sales contract | - the court pending a judgment. | 1.33 | - |
| 3 | undecided case no. P317/2023 | May 23, 2023 | 1 | Sales contract | - the court pending a judgment. | 4.85 | 4.85 |
| 4 | undecided case no. 714/2023 | May 24, 2023 | 1 | Labor agreement | - the court pending a judgment. | 1.21 | - |

The Company has contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and believe that no contingent damage significant. Therefore do not provision at the end of each reporting period.

41. Significant contract

On June 30, 2022, a subsidiary has concession contracts totaling 5 contracts for Water supply, consumption manufacturing and distribution for the public. The contract has signed by the state agencies for 30 years contract term. Currently, the subsidiary has not yet operated.

On October 2, 2023, a subsidiary company entered into a contract for importing products and after-sales service to purchase products for the electric vehicle project and cold chain logistic project in credit limit of CNY 150.00 million with two companies from The Republic of China, which not a relatel to the Group. Additionally, the Company has entered guarrantee contract (call as “Maximum Guarantee Contract”) for subsidiaries, as guamran for with a credit limit not exceeding CNY 120.00 million.

42. Event after the reporting period

According to the to the minute of Extraordinary General Meeting of Shareholders No. 1/2024, held on January 17, 2024, has the acknowledged and resolution are follow as :-

- Has approval to increase of authorized share capital of the Company at amount of 997,587,446 shares is Baht 0.50 per share to amount of Baht 498,793,723.00 from the existing amount of 3,122,556,881 shares is Baht 0.50 per share amount of Baht 1,561,278,440.50 to be Baht amount of 4,120,144,327 share is Baht 0.50 per share is amount of Baht 2,060,072,163.50 for exercise of the for issuing of convertible bonds.
- Has approval the allocation of the Company's newly-issued ordinary shares not exceed 997,587,446 shares, with a par value of Baht 0.50 per share to accommodate the exercise of the convertible debentures that issued and offered to specific investors, namely Sycamore Capital SPC.

43. Approval of financial statements

These financial statements have been approved for issuance by C. I. GROUP PUBLIC COMPANY LIMITED authorized directors on February 28, 2024.



Part

4

Report of the Board of Directors' Responsibilities for Financial Statements

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

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

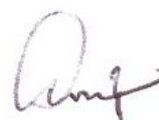
In the Board of Directors' opinion, the Company's internal control system is satisfactory and can assure the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its affiliated companies as of 31 December 2023.

Pol.Gen.



(Prung Boonpadung)

Chairman of the Board of Directors



(Aree Poomsanoh)

Chairman of the Executive Committee

ATTACHMENT 1

Details of directors, executives and Company Secretary

Pol.Gen. Prung Boonpadung (74 years)

Chairman of the Board of Directors /
Independent Director



(%) of Share Possession As of December 21st, 2023 :

-None-

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director :

May 13th, 2011

Education :

Doctor of Philosophy (Development Administration) (Ph.D.) Suan Sunandha Rajabhat University

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 90/2011
- Role of the Chairman Program(RCP) Class 27/2012
- Ethical Leadership Program (ELP) Class 2/2015
- Advanced Audit Committee Program (AAP) Class 21/2015
- Driving Company Success with IT Governance (ITG) Class 1/2016
- Family Business Governance (FBG) Class 5/2016
- Successful Formulation & Execution of Strategy (SFE) Class 27/2016
- Financial Statements for Directors (FSD) Class 32/2017
- Risk Management Program for Corporate Leaders (RCL) Class 6/2017
- Directors Certification Program (DCP) Class 240/2017

Working Experience

| Period | Position | Company | Business Type |
|--|---|--|---------------------------------|
| Past Experience | | | |
| 2011 – Sep.2022 | Chairman of the Audit Committee | C.I.Group Public Company Limited | Produce parts, coils |
| 2011 - 2014 | Board of University Council | Suan Sunandha Rajabhat University | Educational Institution |
| 2011 - 2014 | Chairman of the Board of Promotion Committee | Suan Sunandha Rajabhat University | Educational Institution |
| 2013 | Police Sub-committee | Human Resources Department House of Representatives | Royal Thai Police Parliament |
| 2013 | President of the Sub-Committee of Ethic | Royal Thai Police | Royal Thai Police |
| 2008 - 2009 | Chief of Royal Court Security Police | Royal Thai Police | Royal Thai Police |
| 2007 - 2008 | Deputy Commissioner General | Royal Thai Police | Royal Thai Police |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| 2011 - Present | Independent Director / Chairman of the Board of Directors | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| 2009 – Present | Advisor | The Foundation of Thai-Chinese International School | Educational Institution |
| 2016 - Present | President of the Parent and Teacher Association Of Demonstration School of Suan Sunandha | Suan Sunandha Rajabhat University | Educational Institution |

Mr. Aree Poosanoh (68 years)

Vice Chairman of the Board of Directors /
Chairman of the Executive Committee



(%) of Share Possession As of December 21st, 2023 :

3.98 Self hold 3.96; Spouse/Underage Child 0

Family Relationship Among Directors and Executives :

Brother of Mr. Theera Poomsanoh (Director) and Mrs.
Chankapaw Dissakul (Member of the Executive Committee)
Father of Miss Rattanakamol Poomsanoh (Deputy Managing
Director)

Date of the Appointment as Director :

February 16th, 2004

Education :

B.B.A. (Administration),
Sukhothai Thammathirat Open University

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004
- Role of the Chairman Program (RCP) Class 14/2006
- Role of the Compensation Committee (RCC) Class 8/2009
- Corporate Governance for Executives (CGE) Class 5/2015

Working Experience

| Period | Position | Company | Business Type |
|------------------------|-----------------------|------------------------------------|--|
| Past Experience | | | |
| Sep. 2021 – 2023 | Director | CI Power Co., Ltd. | Solar power generation |
| 2011 – May 2023 | Chairman of the Board | CIG (Thailand) Co., Ltd. | Produce and sell air-condition and all other refrigeration parts |
| 1990 – 2023 | Director | V&A High Tech Co., Ltd. | Distribution of spare parts and equipment for electrical calibration |
| 2021 – 2023 | Director | CDF Co., Ltd. | Hemp, produces food and drugs |
| 2008 – Apr.2022 | Chairman of the Board | CIG Development Co., Ltd. | Construction contractor and hotel |
| Jan.2017 – Apr.2022 | Director | Siam Railway Development Co., Ltd. | Railway repairing center |
| Nov.2020 – Oct.2022 | Director | Golden Ax Thai Waterworks Co. Ltd. | Produce and sell tap water |
| 2018 – 2021 | Director | Fah Kwan Thip Co., Ltd. | Energy business |
| 2013 – 2017 | Managing Director | C.I.Group Co., Ltd. | Produce parts, coils |
| 1996 – 2015 | Director | A.S.A. Karnchang Co., Ltd. | Construction |
| 2003 – 2011 | Director | A.S.A. Property Co., Ltd. | Real Estate |
| 2003 – 2011 | Director | A.S.A. Real Estate Co., Ltd. | Real Estate |
| 2003 – 2010 | Director | Sirakorn Co., Ltd. | Construction |
| 1983 – 2009 | Director | AC Square Energy Co., Ltd. | Produce and sell solar panel |

Working Experience of Mr. Aree Poosanoh

| Period | Position | Company | Business Type |
|--|---|--|--|
| Past Experience | | | |
| Sep.2006 – Aug.2007 | Chairman of the Board | C.I.Group Co., Ltd. | Produce parts, coils |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| Feb. 2004 - Present | Vice Chairman of the Board of Directors / Chairman of the Executive Committee | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| 19 Jan 2023-Present | Director | TRPE (Thailand) Co., Ltd. | Investment in other business |
| Sep.2022 – Present | Chairman of the Board | CIG Utilities and Infrastructure Co., Ltd. | Investment in other business |
| 2022 – Present | Director | CIG Waterworks Sakonnakorn Co., Ltd | Produce and sell tap water |
| Oct. 2021 – Present | Director | GO Social Co., Ltd. | Digital Service |
| Jul. 2021 – Present | Director | Wellwise Care Co., Ltd. | Medical rubber gloves manufacturer |
| Sep. 2021 – Present | Chairman of the Board | CIG Waterworks Co., Ltd. | To operate water concession business to produce and distribute |
| Sep. 2021 – Present | Director | CIG Operation Co., Ltd | To operate and manage water plants |
| Jan.2020 – Present | Chairman of the Board | Illustro Co., Ltd. | Testing service and install high voltage equipment |
| Aug. 2019 – Present | Director | Pathapi Resources Co., Ltd. | Iron ore export |

Mr. Taweesak Wangkorkiat (71 years)

Director /
Vice Chairman of the Executive Committee



(%) of Share Possession As of December 21st, 2023 :

1.20 Self hold 1.20; Spouse/Underage Child 0

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director :

February 16th, 2004

Education :

B.S., Faculty of Industrial Technology, King Mongkut's Institute of Technology North Bangkok

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004

Working Experience

| Period | Position | Company | Business Type |
|--|---|--|---|
| Past Experience | | | |
| 2008 – 2009 | Director and Member of the Executive Committee | De Lamai Co., Ltd. | Hotel |
| 2018 – Apr.2022 | Director and Member of the Executive Committee | CIG Development Co., Ltd | Construction contractor and hotel |
| Nov.2020 – Oct.2022 | Director | Golden Ax Thai Waterworks Co. Ltd. | Produce and sell tap water |
| Sep.2021 – Aug.2021 | Director | CI Power Co.,Ltd. | Solar power generation |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| 1983 - Present | Director / Vice Chairman of the Executive Committee | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| Aug. 2020 – Present | Chairman of the Board | CIG Blusolutions Co., Ltd. | Research, development, produce and sell air-condition and all other refrigeration parts |
| Sep.2022 – Present | Director | CIG Utilities and Infrastructure Co., Ltd. | Investment in other business |

Mr. Cherdpong Siriwit (76 years)

Independent Director /
Chairman of the Audit Committee



(%) of Share Possession As of December 21st, 2023 :

-None-

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director

September 16th, 2022

Education :

M.A. Economics, Georgetown University USA

Certified from Thai Institute of Directors (IOD) :

- Audit Committee Program (ACP) Class 27/2552
- Director Accreditation Program (DAP) Class 8/2547
- Director Certificate Program (DCP) Class 104/2551
- Role of Chairman Program (RCP) Class 10/2547
- Finance for Non-finance Directors (FND) Class 13/2547

Working Experience

| Period | Position | Company | Business Type |
|--|--|--|--|
| Past Experience | | | |
| 2009 - 2016 | Independent Director / Chairman of the Audit Committee | IRPC Public Company Limited | Petrochemical Business |
| 2009 – 2019 | Chairman of the Board | Advance Finance Public Company Limited | Funds |
| 2010 – 2022 | Chairman of the Board | Solartron Public Company Limited | Manufacture and sale of solar cells |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| Sep.2022 – Present | Independent Director / Chairman of the Audit Committee | C.I. Group Public Company Limited | Produce parts, coils |
| 2013 – Present | Independent Director / Audit Committee / Chairman of the Risk Management Committee | Thoresen Thai Agencies Public Company Limited | Invest by holding shares in other companies |
| Relevant Important Positions in Non-Listed Company | | | |
| Present | Member of the Council of State, Faculty 14 (Commerce and Business) | Office of the Council of State | State Legal Consulting Institute |

Mr. Theera Poomsanoh

(66 years)

Director / Member of the Executive Committee



(%) of Share Possession As of December 21st, 2023 :

0.44 Self hold 0.44; Spouse/Underage Child 0

Family Relationship Among Directors and Executives :

Younger brother of Mr. Aree Poomsanoh (Chairman of the Executive Committee) Brother of Mrs.Chankapaw Dissakul (Member of the Executive Committee)

Date of the Appointment as Director :

February 16th, 2004

Education :

M.B.A. (Marketing), National Institute of Development Administration

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004

Working Experience

| Period | Position | Company | Business Type |
|--|--|--|--|
| Past Experience | | | |
| 2016 – 2023 | Director | Greeneric co., Ltd. | Cleaning productions |
| 2011 – May 2023 | Director | CIG (Thailand) Co., Ltd. | Produce and sell air-condition and all other refrigeration parts |
| 2008 – Apr.2022 | Director | CIG Development Co., Ltd. | Construction contractor and hotel |
| Dec.2019 – Apr.2022 | Director | Siam Railway Development Co., Ltd. | Railway repairing center |
| 2000 - 2022 | Director and Secretary | Air-Conditioning & Refrigeration Group The Federation of Thai Industries | Independent organization |
| 1999 - 2017 | Director | North East Consultant Co., Ltd. | Consulting, design, testing and surveying services |
| 2003 - 2008 | Director | AC Square Energy Co., Ltd. | Produce and sell solar panel |
| 2006 - 2007 | Director | AVV Co., Ltd. | Produce parts, coils |
| 1992 - 2005 | Director /Managing Director | C.I. Group Public Company | Produce parts, coils |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| 2005 – Present | Director / Member of the Executive Committee | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| 2004 – Present | Director | MDICP Holding Co., Ltd | Intra-group business services |
| Apr. 2020 – Present | Honorary Director (Management) | The Golden Jubilee Museum of Agriculture Office | Public Organization or Agriculture |
| Sep.2022 – Present | Director | CIG Utilities and Infrastructure Co., Ltd. | Investment in other business |

Mr. Banjoed Jareyanukija (69 years)

Director



(%) of Share Possession As of December 21st, 2023 :

-None-

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director

September 16th, 2022

Education :

M.S. Master of Public Administration National Institute of Development Administration

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 17/2004

Working Experience

| Period | Position | Company | Business Type |
|--|--|-----------------------------------|----------------------------------|
| Past Experience | | | |
| - | Branch Manager | Kasikorn Bank | Bank |
| - | District Manager | Kasikorn Bank | Bank |
| - | Senior Director of Cash and Payment Operations | Kasikorn Bank | Bank |
| - | Director | Progress Gunpai Co.,Ltd. | Provide cash delivery service |
| - | Chief Executive Officer | Tamco Capital Co.,Ltd. | Leasing |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| Sep.2022 – Present | Director | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| Present | Chairman of the Board | K.B.Capital Co.,Ltd. | Distributor of medical equipment |

Mr. Pat Lapanan (59 years)

Director



(%) of Share Possession As of December 21st, 2023 :

0.0018 Self hold 0.0018; Spouse/Underage Child 0

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director

September 14th, 2022

Education :

MBA. (Finance), National Institute of Development Administration (NIDA)

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 213/2024

Working Experience

| Period | Position | Company | Business Type |
|--|--|--|---|
| Past Experience | | | |
| 1993 - 1995 | Branch Manager | Bank of TISCO | Procurement of investment/lending |
| 1991 - 1993 | Branch Manager | Bank M.C.C. | Procurement of investment/lending |
| 1989 - 1991 | Securities Officer | Bank of Phatharatharakit | Procurement of investment/lending |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| Nov.2022 - Present | Director | C.I. Group Public Company Limited | Produce parts, coils |
| 2021 - Present | Director | TWZ Corporation Public Company Limited | Telecommunication Equipment Distributor |
| Relevant Important Positions in Non-Listed Company | | | |
| 2019 - Present | Business and government relations consultant | Redone Network (Thailand) Co.,Ltd. | Mobile phone service |
| 2005 - Present | Member of the Executive Committee | Nakhonratchasima Honda Automobile Co.,Ltd. | Selling and repairing Honda cars |
| 1997 - Present | Manager | Ratchasima Reclaimed Rubber Co.,Ltd. | Manufacture of recycled rubber, compound rubber, rubber edge sealer |
| 1995 - Present | Manager | Muang Ngarm Rubber Co.,Ltd. | Truck tire retreading business |
| 1995 - Present | Consultant | Muang Ngarm Group | Tire retreading & Tire Recycle. |

Mr. Phongcharn Samphaongern (64 years)

Independent Director /
Member of Audit Committee



(%) of Share Possession As of December 21st, 2023 :

-None-

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director

May 30th, 2023

Education :

Master of Public Administration Program National Institute of Development Administration (NIDA)

Certified from Thai Institute of Directors (IOD) :

-

Working Experience

| Period | Position | Company | Business Type |
|--|---|--|---|
| Past Experience | | | |
| 2021 – 13 May 2022 | Independent Director / Audit Committee | TWZ Corporation Public Company Limited | Telecommunication Equipment Distributor |
| 2019 - 2019 | Acting Managing Director | Small and Medium Enterprise Development Bank of Thailand | Bank |
| 2017 - 2019 | Deputy Managing director | Small and Medium Enterprise Development Bank of Thailand | Bank |
| 2016 - 2017 | Assistant Managing Director (Credit analysis) | Small and Medium Enterprise Development Bank of Thailand | Bank |
| 2013 - 2016 | Assistant Managing Director (Supervising Branch 3) | Small and Medium Enterprise Development Bank of Thailand | Bank |
| 2011 - 2013 | Assistant Managing Director (Supervising Credit Department) | Small and Medium Enterprise Development Bank of Thailand | Bank |
| 2010 - 2010 | Senior Director (Credit Department 2) | Small and Medium Enterprise Development Bank of Thailand | Bank |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| 30 May 2023 - Present | Independent Director / Member of Audit Committee | C.I. Group Public Company Limited | Produce parts, coils |
| 19 Sep.2022 - Present | Acting Chairman | TWZ Corporation Public Company Limited | Telecommunication Equipment Distributor |
| 14 May 2022 -Present | Independent Director / Chairman of Audit Committee | TWZ Corporation Public Company Limited | Telecommunication Equipment Distributor |
| Relevant Important Positions in Non-Listed Company | | | |

Mr. Thammarong Suphakitcharak (75 years)

Independent Director /
Member of Audit Committee



(%) of Share Possession As of December 21st, 2023 :

-None-

Family Relationship Among Directors and Executives :

-None-

Date of the Appointment as Director

November 8th, 2023

Education :

Bachelor of Laws, Ramkhamhaeng University

Certified from Thai Institute of Directors (IOD) :

-

Working Experience

| Period | Position | Company | Business Type |
|--|---|---|--|
| Past Experience | | | |
| Mar. 2023, term expired Oct. 2023 | Chairman of the Subcommittee on Legal and Appeals | Rubber Authority of Thailand | State enterprises under the Ministry of Agriculture and Cooperatives |
| 2010 – 2018 | Consultant | Asia and Pacific Center for Development and Training for Persons with Disabilities (APCD) | Foundation |
| Relevant Important Positions in Listed Company (The Stock Exchange of Thailand) | | | |
| 8 Nov.2023 - Present | Independent Director / Member of Audit Committee | C.I. Group Public Company Limited | Produce parts, coils |
| Relevant Important Positions in Non-Listed Company | | | |
| 19 Sep. 1982 – Present | Senior Lawyer | Sermsakwet and Friends Law Company Limited | Legal |
| 2022 – Present | Director | Assoc. Prof. Suwat Saenkhatiyarat Foundation | Foundation |

Executive Management



Mr. Aree Poomsanoh

Position :

Chairman of the Executive Committee

Highest Education :

B.A. (Administration), Sukhothai Thammathirat Open University



Miss Rattanakamol Poomsanoh

Position :

Deputy Managing Director

Highest Education :

MBA, Quantic School of Business and Technology, USA



Dr. Wutthikorn Threevithayanon

Position :

Operations Director

Highest Education :

Doctor of Philosophy in Electrical Engineering (Ph.D.) Chulalongkorn University



Mr. Chiradul Pitaktham

Position :

Engineering Director

Highest Education :

MBA (Finance), NIDA

Details of the person assigned to take direct responsibility for accounting supervision

Mr. Chanat Samniang (54 years)

% of share :

0%

Education :

Master's Degree,
Accounting Thammasat University



Working Experience

| Period | Position | Company | Business Type |
|-----------------------|---------------------|--|------------------------------|
| May 2023 - Present | Accounting Director | C.I. Group Public Company Limited | Produce parts, coils |
| Dec. 2017 – Apr. 2023 | Financial Manager | Asset Management PCL. Bangkok Commercial Bank | Manage non-performing assets |

Remarks :

1. Including the share of spouse/underage child
2. % of sharholding held as of December 21st, 2023.

Details of the Company's Secretary

Miss. Wanphen Khaosuwan (49 years)

% of share :

0%

Education :

B.S. (Accounting),
Bangkok University



Certified from Thai Institute of Directors (IOD) :

- Company Report Program (CRP) Class 12/2015
- Anti-Corruption the Practical Guide (ACPG) Class 12/2014

Other training courses :

- Professional Development Program for Company Secretary of the Thai Listed Companies Association No.1/2021
- The Manager Class 118 of the MPI Management and Psychology Institute
- Social Responsibility Management for Sustainable Development by the Stock Exchange of Thailand
- Smart Disclosure Program (SDP) by the Stock Exchange of Thailand

Working Experience

| Period | Position | Company | Business Type |
|-----------------------|---------------------|-----------------------------------|----------------------|
| 1 Apr. 2023 - Present | Company's secretary | C.I. Group Public Company Limited | Produce parts, coils |

Remarks :

1. Including the share of spouse/underage child
2. % of sharholding held as of December 21st, 2023.

ATTACHMENT 2

Details of Directors of the Company, Subsidiaries and Related Companies

Details of Directors of the Company, Subsidiaries, Associated Companies and Related Companies

| Name-Surname | CIG | Subsidiary | | | | |
|------------------------------------|------------------|------------|------|-----------|------|------|
| | | CIG Dev. | ILS | CIG (Blu) | CIGW | CIGU |
| 1. Pol.Gen.Prung Boonpadung | X, // | | | | | |
| 2. Mr. Aree Poomsanoh | XX, XXX, /, //// | | X, / | | X, / | X, / |
| 3. Mr. Taweesak Wangkorkiat | /, XXXX | | | X, / | | / |
| 4. Mr. Theera Poomsanoh | /, //// | | | | | / |
| 5. Mr. Cherdpong Siriwit | XXXXX, // | | | | | |
| 6. Mr. Banjoed Jareyanukeja | / | | | | | |
| 7. Mr. Pat Lapanan | / | | | | | |
| 8. Mr. Phongcharn Samphaongern | //, /// | | | | | |
| 9. Mr. Thammarong Supphakitcharak | //, /// | | | | | |
| 10. Mrs. Chankapaw Dissakul | //// | | | / | | / |
| 11. Mr. Sawai Chatchairungruang | | | | /, o | | |
| 12. Miss Rattanakamol Poomsanoh | oo | | | | | |
| 11. Dr. Wutthikorn Threevithayanon | oooooo | | / | | | |
| 12. Mr. Chiradul Pitaktham | oooooo | | | | | |

หมายเหตุ

| | | |
|-----------|---|--|
| CIG | = | C.I.Group Public Company Limited |
| CIG Dev | = | CIG Development Company Limited |
| ILS | = | Illustro Company Limited |
| CIG (Blu) | = | CIG Blusolutions Company Limited |
| CIGW | = | CIG Waterworks Company Limited |
| CIGU | = | CIG Utilities and Infrastructure Company Limited |

| | | | | | |
|---------|---|---|---------|---|-----------------------------|
| X | = | Chairman of the Board of Directors | / | = | Director |
| XX | = | Vice Chairman of the Board of Directors | // | = | Independent Director |
| XXX | = | Chairman of the Executive Committee | /// | = | Audit Committee |
| XXXX | = | Vice Chairman of the Executive Committee | //// | = | Executive Committee |
| XXXXX | = | Chairman of the Audit Committee | o | = | Managing Director |
| oo | = | Deputy Managing Director | ooo | = | Assistant Managing Director |
| oooo | = | General Manager | ooooo | = | Company Secretary |
| oooooo | = | Division | ooooooo | = | Manager |
| ooooooo | = | President of Corporate Financial and Business Development (CFO) | | | |

ATTACHMENT 3

Details of the Heads of Internal Audit and Compliance Units

Miss Wanphen Khaosuwan (49 years)

Heads of Internal Audit

% of share :

0%

Education :

B.S. (Accounting), Bangkok University



Working Experience

| Period | Position | Company | Business Type |
|----------------------|----------------------------------|----------------------------------|----------------------|
| May 2013 - Present | Internal Audit Manager | C.I.Group Public Company Limited | Produce parts, coils |
| May 2011 - May 2013 | Supervisor | Pholthanya PCL | Trading |
| Feb. 2001- Arp. 2011 | Assistant Internal Audit Manager | Siamcity Insurance | Insurance |

Remarks :

1. Including the share of spouse/underage child
2. % of sharholding held as of 31 December 2023

Details of the Head of Compliance Units

Candidate to take the Head of the Compliance Unit position as yet. However, has been assigned the Managing Director to take such a responsibility on the compliance regarding corporate governance by position.

ATTACHMENT 4

Assets for business undertaking and details of asset appraisal

In the year 2023, the Company did not conduct any asset appraisals. The Company summarizes the details of the land and buildings as of December 31st, 2023 as follows:

| DETAILS | NET VALUE (separated FS) As of 31 DEC. 2023 |
|--|---|
| Cost :- | |
| As of January 1 st , 2022 | 1,017.25 |
| Buy | 8.98 |
| Receive & transfer to Current Asset for Sale | - |
| In | 9.87 |
| Out | (9.58) |
| Disposal/ Amortization | (0.91) |
| Transfer to Asset for Investment | - |
| As of December 31st, 2022 | 1,025.61 |
| Buy | 0.53 |
| In | 0.45 |
| Out | (0.44) |
| Sale/write off | (12.39) |
| As of December 31st, 2023 | 1,013.76 |
| Accumulated Depreciation :- | |
| As of January 1 st , 2022 | (803.80) |
| Depreciation | (26.26) |
| Transfer to Current Asset for Sale | - |
| Disposal/ Amortization | 0.82 |
| As of December 31st, 2022 | (829.24) |
| Depreciation | (25.28) |
| Disposal/ Amortization | 12.36 |
| As of December 31st, 2023 | (842.16) |
| Allowance for Impairment Losses:- | |
| As of December 31 st , 2022 | (0.29) |
| As of December 31 st , 2023 | (0.29) |
| Receive transfer to Current Asset for Sale | - |
| Net Book Value :- | |
| As of December 31 st , 2022 | 196.08 |
| As of December 31 st , 2023 | 171.31 |

ATTACHMENT 5

CORPORATE GOVERNANCE AND BUSINESS ETHIC POLICY

The Company Good Corporate Governance and Business Ethic Handbook

The company has established the CG Policy for Directors, executives and employees to be used as an operation method towards efficiency with good corporate governance and practices, ethics, transparency and auditable.

The Company has established a “Corporate Governance Policy” and prepared a manual: “Business Code of Conduct for Directors, Executives and Employees” which has published through all internal communication channels of the Company, including website, public relations boards and intranet, which all directors, executives and employees get and signed off to accept of understanding and will follow the manual as well.

Details of Corporate Governance Policy and Business Ethics is on the company’s website: www.cigpcl.com

Authorize and Duties of Directors and Sub-Committee of C. I. Group Public Company Limited

1. Authorise and duties of the Board of Directors

(states under Section 2 “Section 7.2.3 Roles and Duties of the Board”)

The Company has disclosed the Charter of the Board of Directors in the Company’s website: www.cigpcl.com

2. Authorise and duties of Sub-Committee

(states under Section 2 “Section 7.3 Sub-Committee ”)

The Company has disclosed the Charter of the Audit Committee in the Company’s website: www.cigpcl.com

ATTACHMENT 6

Audit Committee's Report

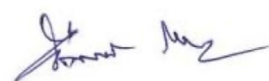
Audit Committee's Report

In 2023, the Audit Committee performed its duties in compliance with the scope established by the Company's Board of Directors regarding the control and monitoring prescribed in the Audit Committee Charter.

In this regard, the Audit Committee held 7 meetings, which all was attended by the Committee. The major issues in operation can be summarized as follows:

1. Review quarterly and annually financial statements for the year 2022 of C.I. Group Plc. in cooperation with the executives and internal audit office. The auditor was also invited to participate in the meeting and to reply to the questions on preparation of financial statements in accordance with the law and accounting standards before approving such financial statement.
2. Review quarterly and annually financial statements for the year 2022 of C.I. Group Plc. in cooperation with the executives and internal audit office. The auditor was also invited to participate in the meeting and to reply to the questions on preparation of financial statements in accordance with the law and accounting standards before approving such financial statement.
3. Monitor the internal audit function through the performance review made by the Internal Audit Office. Considerations were made in approving the scope of operation, annual audit plan. It was believed that the efficiency of internal audit was in a reasonable level. In additions, recommendations and observations were provided to assist in the review and consideration of performance and independence of the Internal Audit Office.
4. Review and follow up if the problem has been resolved within the time frame given as agreed in the meeting. Transparent monitoring of operation was also performed.
5. Meet with the concerned executives, auditor, and internal audit and provide useful suggestion to the management team.
6. Provide internal control system as well as internal audit to the company properly and efficiently to be in the standard of internal audit set forth.
7. Allow the company to abide by SET regulations, laws or concerned business laws.
8. Consider, select, prescribe remuneration, and propose the appointment of an auditor for the year 2023. Considerations were made from the assessment of the auditor's performance, which was satisfactory. Besides, verification of the auditor's qualification was made in compliance with the announcement of SEC and SET. As a result, the Audit Committee resolved to propose to the Company's Board of Director to consider and propose for approval from the shareholders' meeting in appointment of Mr. Ampol Chamnongwat, Miss Praphasri Leelasupha, Mr. Naris Saowalagsukul, Miss Kanyanan Punyawiwat, Mr. Burin Prasongsamrit, license no. 4663, 4664, 5369, 12733 and 12879 respectively, or other CPAs, who is in list of Auditors approved by the office of SEC, of the Sam Nak-Ngan A.M.C. Co.,Ltd. as the CIG's Auditor for the year 2023.

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



(Mr. Cherdpong Siriwit)

Chairman of the Audit Committee



**C.I. GROUP
PUBLIC COMPANY LIMITED**

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