

2011



CIG

C.I.Group Public Company Limited



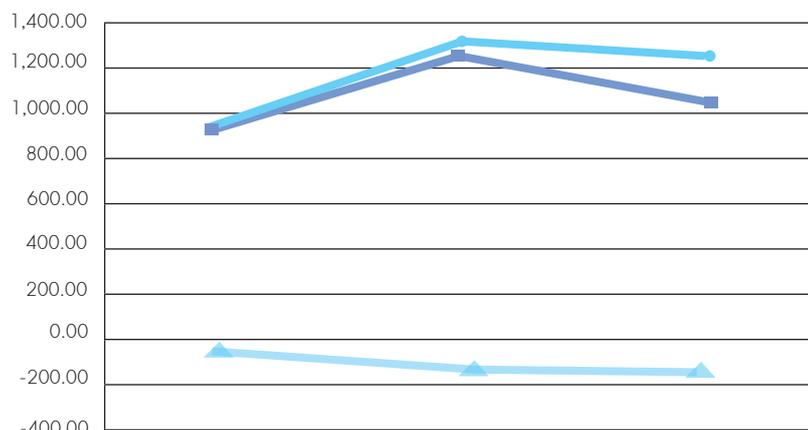
**Annual
Report
2011**



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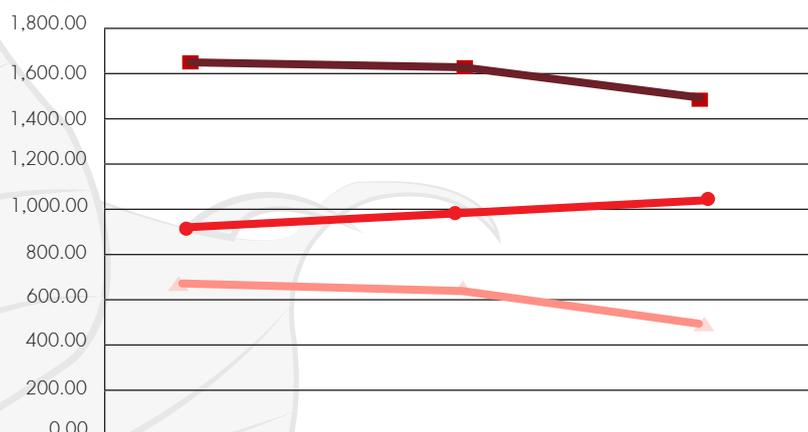


Million Baht



	2009	2010	2011
Total Revenues	921.23	1,213.33	1,138.83
Total Expenses	923.14	1,286.15	1,228.54
Net Profit	(43.46)	(106.18)	(133.83)

Million Baht



	2009	2010	2011
Total Assets	1,623.40	1,604.20	1,511.46
Total Liabilities	947.35	987.51	1,036.13
Total Shareholders' equity	676.05	616.69	475.32



Business operation for 2011 was affected by overall economic, social, political turmoil and unprecedented widespread flooding in Thailand's history as well as increasing competition. However, the company is still committed to continuous improvement of its business operation efficiency to meet the demands of customers.

From the internal operation point of view, the company has been developing more efficient business operation to cater for business expansion such as implementation of new information systems and skill improvement by providing trainings to employee throughout the year.

For the year 2012, the company will focus on growth for profitability under appropriate risk management and efficient business operations as well as understanding and satisfying customers' needs in order to retain existing customers and to acquire new customers with higher margin products.

On behalf of the board of directors, I would like to take this opportunity to thank you all investors, customers, business partners, all stakeholders as including management and all employees for your continuous support. The company promises to develop its business for sustainable growth and profitability.

Pol.Gen.

(Prung Boonpadung)

Chairman of the Board



In 2011, the Audit Committee performed its duties in compliance with the scope established by the Company's Board of Directors regarding the control and monitoring prescribed in the Audit Committee Charter. In this regard, the Audit Committee held 4 meetings, which all was attended by the Committee. The major issues in operation can be summarized as follows:

1. Review quarterly and annually financial statements for the year 2011 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. In 2011, the Committee held 2 meetings with the auditor without the presence of the Company's executives. Therefore, they could independently discuss about important issues in the preparation of financial statement and disclosure of beneficial information for users of such financial statement prior to the deadline prescribed by SET.

2. 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.

3. 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.

4. Meet with the concerned executives, auditor, and internal audit and provide useful suggestion to the management team

5. 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.

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

7. Consider, select, prescribe remuneration, and propose the appointment of an auditor for the year 2011. 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 Mrs. Natsarak Sarochanunjeen, CPA No. 4563, and/ or Professor Kesree Narongdej, CPA No. 76, orderly, or other CPAs, who is in list of Auditors approved by the office of SEC, of the A.M.T & Associates as the CIG's Auditor for the year 2011.

Pol.Gen.


(Prung Boonpadurig)

Chairman of the Audit Committee



พลตำรวจเอกปรุง บุญผดุง
Pol.Gen.Prung Boonpadung

พลตำรวจเอกปรุง บุญผดุง อายุ 63 ปี
ประธานกรรมการบริษัท
กรรมการอิสระ และประธานกรรมการตรวจสอบ

สัดส่วนการถือหุ้น : ไม่มี-
วุฒิสถูสูงทางการศึกษา : ปริญญาโท พัฒนบริหารศาสตร
มหาบัณฑิต (รัฐประศาสนศาสตร์)
สถาบันบัณฑิตพัฒนบริหารศาสตร์ (นิด้า)

ประวัติการทำงาน

หัวหน้านายตำรวจราชสำนักประจำ : สำนักงานตำรวจแห่งชาติ
รองผู้บัญชาการตำรวจแห่งชาติ : สำนักงานตำรวจแห่งชาติ
ผู้บัญชาการตำรวจสันติบาล : สำนักงานตำรวจแห่งชาติ
ผู้บัญชาการตำรวจภูธรภาค 9 : สำนักงานตำรวจแห่งชาติ
ผู้บัญชาการตำรวจภูธรภาค 5 : สำนักงานตำรวจแห่งชาติ

ตำแหน่งอื่นในปัจจุบัน

ประธานกรรมการบริษัท : บริษัท ซี.ไอ.กรุ๊ป จำกัด(มหาชน)
และประธานกรรมการตรวจสอบ
ที่ปรึกษา : มูลนิธิโรงเรียนนานาชาติ ไทย-จีน
กรรมการสภา : มหาวิทยาลัยราชภัฏสวนสุนันทา
ประธานกรรมการ ส่งเสริมกิจการ : มหาวิทยาลัยราชภัฏสวนสุนันทา
ที่ปรึกษา อธิการบดี : มหาวิทยาลัยราชภัฏรำไพพรรณี
อนุกรรมการข้าราชการตำรวจ : ฝ่ายบริหารทรัพยากรบุคคล

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :

- Director Accreditation Program (DAP) รุ่นที่ 90/2011
- Role of the Chairman Program (RCP) รุ่นที่ 27/2012

Pol.Gen.Prung Boonpadung Age 63 years old
Chairman of the Board
Independent Director and Chairman of the Audit Committee

% of share holding : -none-
Highest Education : Master of Public Administration
(MPA) National Institute of
Development Administration (NIDA)

Working Experience

Chief of Royal Court Security Police
Deputy Commissioner General : Royal Thai Police
Commissioner Special Branch : Royal Thai Police
Commissioner Provincial
Police Region 9 : Royal Thai Polic
Commissioner Provincial : Royal Thai Police
Police Region 5

Other current positions

Chairman of the Board and : C.I.Group Public Company Limited
Chairman of the Audit Committee
Advisor : The Foundation of Thai-Chinese
International School
Board of University : Suan Sunandha Rajabhat Council
University
Chairman of the board : Suan Sunandha Rajabhat of Promotion
Committee University
Advisor of President : Rambhai Barni Rajabhat University
Police Sub-committee : Human Resources Department

Training course : Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 90/2011
- Role of the Chairman Program (RCP) Class 27/2012



นายอารีย์ พุ่มเสนาะ
Mr. Aree Poomsanoh

นายอารีย์ พุ่มเสนาะ อายุ 57 ปี

รองประธานกรรมการบริษัท
และประธานกรรมการบริหาร

สัดส่วนการถือหุ้น : 14.77%
วุฒิสูงสุดทางการศึกษา : ปริญญาตรีบริหารธุรกิจสาขาวิทยาการจัดการ
มหาวิทยาลัย สุโขทัยธรรมารัตราช

ประวัติการทำงาน

ประธานกรรมการบริษัท : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
และกรรมการผู้จัดการ
กรรมการ : บริษัท ศิรกร จำกัด
กรรมการ : บริษัท เอ ซี สแควร์ เอ็นเนอร์ยี จำกัด
กรรมการ : บริษัท เอ.เอส.เอ. พร็อพเพอร์ตี้ จำกัด
กรรมการ : บริษัท เอ.เอส.เอ. เรียลเอสเตท จำกัด

ตำแหน่งอื่นในปัจจุบัน

ประธานกรรมการบริหาร : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
ประธานกรรมการบริษัท : บริษัท เดอ ละไม จำกัด
ประธานกรรมการบริษัท : บริษัท ซีไอจี (ประเทศไทย) จำกัด
กรรมการ : บริษัท เอ.เอส.เอ. การช่าง จำกัด
กรรมการ : บริษัท วี แอนด์ เอ ไฮ-เทค จำกัด

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :

- Director Accreditation Program (DAP) รุ่นที่ 27/2004
- Role of the Chairman Program (RCP) รุ่นที่ 14/2006
- Role of the Compensation Committee (RCC) รุ่นที่ 8/2009

Mr. Aree Poomsanoh Age 57 years old
Vice Chairman of the Board
and Chairman of the Executive Committee

% of share holding : 14.77%
Highest Education : B.B.A. (Administration), Sukhothai
Thammathirat University

Working Experience

Chairman of the Board : C.I.Group Public Company Limited
and Managing Director
Director : Sirakorn Company Limited
Director : AC Square Energy Company Limited
Director : A.S.A. Property Company Limited
Director : A.S.A. Real Estate Company Limited

Other current positions

Chairman of the Executive Committee : C.I.Group Public Company Limited
Chairman of the Board : De Lamai Company Limited
Chairman of the Board : C.I.G.(Thailand) Company Limited
Director : A.S.A. Karnchang Company Limited
Director : V&A High-Tech Company Limited

Training course : 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



นาย ทวีศักดิ์ หวังก่อเกียรติ
Mr. Taweesak Wangkorkiat

นายทวีศักดิ์ หวังก่อเกียรติ อายุ 60 ปี
กรรมการบริษัท และกรรมการบริหาร

สัดส่วนการถือหุ้น : 9.05%
วุฒิสูงสุดทางการศึกษา : ปริญญาตรี คณะเทคโนโลยีและอุตสาหกรรม
สถาบันเทคโนโลยีพระจอมเกล้า พระนครเหนือ

ประวัติการทำงาน
กรรมการและกรรมการบริหาร : บริษัท เดอ ละไม จำกัด

ตำแหน่งอื่นในปัจจุบัน
กรรมการบริษัทและกรรมการบริหาร : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :
- Director Accreditation Program (DAP) รุ่นที่ 27/2004

Mr. Taweesak Wangkorkiat Age 60 years old
Directors and Member of the Executive Committee

% of share holding : 9.05%
Highest Education : B.S., Faculty of Industrial Technology,
King Mongkut Institute of Technology,
North Bangkok

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

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

Training course : Thai Institute of Directors (IOD) :
- Director Accreditation Program (DAP) Class 27/2004



นาย วงษ์สวัสดิ์ วงษ์สว่าง
Mr. Wongsawat Wongsawang

นาย วงษ์สวัสดิ์ วงษ์สว่าง อายุ 61 ปี
กรรมการ และกรรมการบริหาร

Mr. Wongsawat Wongsawang Age 61 years old
Director and Member of the Executive Committee

สัดส่วนการถือหุ้น : 0.93%
วุฒิสูงสุดทางการศึกษา : ประกาศนียบัตรวิชาชีพ สาขาช่างยนต์
โรงเรียนอาชีวะดอนบอสโก

% of share holding : 0.93%
Highest Education : Vocational Certificate (Mechanic)
Don Bosco Vocational School

ประวัติการทำงาน
กรรมการ : บริษัท เอวีวี จำกัด
กรรมการและกรรมการบริหาร : บริษัท เดอ ละไม จำกัด

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

ตำแหน่งอื่นในปัจจุบัน
กรรมการบริหาร : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)

Other current positions
Member of the Executive
Committee : C.I.Group Public Company Limited

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :
- Director Accreditation Program (DAP) รุ่นที่ 27/2004

Training course : Thai Institute of Directors (IOD) :
- Director Accreditation Program (DAP) Class 27/2004



นายธีระ พุ่มเสนาะ
Mr. Theera Poomsanoh

นายธีระ พุ่มเสนาะ อายุ 55 ปี
กรรมการ และกรรมการบริหาร

สัดส่วนการถือหุ้น	: 2.17%
วุฒิสูงสุดทางการศึกษา	: ปริญญาโท M.B.A. (เกียรตินิยม) สาขาการตลาด สถาบันบัณฑิตพัฒนบริหารศาสตร์
ประวัติการทำงาน	
กรรมการผู้จัดการ	: บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
กรรมการ	: บริษัท เอวีวี จำกัด
กรรมการ	: บริษัท เอ ซี สแควร์ เอ็นเนอร์ยี จำกัด
ตำแหน่งอื่นในปัจจุบัน	
กรรมการบริหาร	: บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
กรรมการ	: บริษัท เดอ ละไม จำกัด
กรรมการ	: บริษัท เอ็มดีคัส โฮลดิ้งส์
กรรมการและเลขานุการ สภาอุตสาหกรรมแห่งประเทศไทย	: กลุ่มอุตสาหกรรมเครื่องปรับอากาศและ ทำความเย็น
กรรมการ	: บริษัท นอร์เทอส์ คอนซัลแตนท์ จำกัด
กรรมการ	: บริษัท ซีไอจี (ประเทศไทย) จำกัด

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :

- Director Accreditation Program (DAP) รุ่นที่ 27/2004

Mr. Theera Poomsanoh Age 55 years old
Director and Member of the Executive Committee

% of share holding	: 2.17%
Highest Education	: M.B.A. (Marketing), National Institute of Development Administration
Working Experience	
Managing Director	: C.I.Group Public Company Limited
Director	: AVV Company Limited
Director	: AC Square Energy Company Limited
Other current positions	
Member of the Executive Committee	: C.I.Group Public Company Limited
Director	: De Lamai Company Limited
Director	: MDICP Holdings Co., Ltd.
Director & Secretary	: Air-Conditioning & Refrigeration Group The Federation of Thai Industries
Director	: North East Consultant Ltd.
Director	: C.I.G.(Thailand) Company Limited

Training course : Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004



นาง จันทน์กะพ้อ ดิสกุล
Mrs. Chankapaw Dissakul

นาง จันทน์กะพ้อ ดิสกุล อายุ 46 ปี
กรรมการ และ กรรมการบริหาร

สัดส่วนการถือหุ้น : 0.11%
วุฒิสูงสุดทางการศึกษา : ปริญญาโท Financial/ Economics/
Business Administration
Emporia State University, USA

ประวัติการทำงาน
ผู้จัดการทั่วไป/ ผู้จัดการฝ่าย : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
การตลาด/ผู้จัดการฝ่ายธุรการ
กรรมการ และกรรมการบริหาร : บริษัท เดอ ละไม จำกัด

ตำแหน่งอื่นในปัจจุบัน
กรรมการบริหาร : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :
- Director Accreditation Program (DAP) รุ่นที่ 60/2006

Mrs. Chankapaw Dissakul Age 46 years old
Director and Member of the Executive Committee

% of share holding : 0.11%
Highest Education : M.S. (Financial/ Economics/ Business
Administration) Emporia State
University, USA

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

Director and Executive : De Lamai Company Limited
Committee

Other current positions
Member of the Executive : C.I.Group Public Company Limited
Committee

Training course : Thai Institute of Directors (IOD) :
- Director Accreditation Program (DAP) Class 60/2006



นาย ทรงพล อੰนนานนท์
Mr. Songphol Annanon

นาย ทรงพล อੰนนานนท์ อายุ 42 ปี
กรรมการอิสระ และกรรมการตรวจสอบ

Mr. Songphol Annanon Age 42 years old
Independent Director and Audit Committee

สัดส่วนการถือหุ้น : -ไม่มี-
วุฒิสถที่สุดทางการศึกษา : MSA in International Business,
Central Michigan University

% of share holding : -none-
Highest Education : MSA in International Business, Central
Michigan University

ประวัติการทำงาน
หุ้นส่วน : สำนักงานกฎหมาย ดร.อุกฤษ มงคลนาวิน
ทนายความอาวุโส : สำนักงานกฎหมาย เดชอุดม แอนด์ แอส
โซซิเอท
ทนายความ : สำนักงานกฎหมายและบัญชี จงชัย เทียง
ธรรม
ทนายความ : สำนักงานกฎหมาย ชัยระพี
ตำแหน่งอื่นในปัจจุบัน
กรรมการตรวจสอบ : บริษัท ซี.ไอ.กรุ๊ป จำกัด(มหาชน)
กรรมการตรวจสอบ : บริษัท สแกนโกลบอล จำกัด(มหาชน)
กรรมการ : สำนักงานกฎหมายอੰนนานนท์
ทนายความอาวุโส : สำนักงานกฎหมายปฎนญฤทธิ์

Working Experience
Partner : Dr.Ukrit Mongkolnavin Law Office
Senior Lawyer : Dej-Udom & Associates
Lawyer : Chongchai Teangtham Law & Accounting
Office
Lawyer : Chairapee Law Office
Other current positions :
Audit Committee : C.I.Group Public Company Limited
Audit Committee : Scan Global Public Company Limited
Director : Annanon Law Office
Senior Lawyer : Punyariddhi Law Office

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :
- Director Accreditation Program (DAP) รุ่นที่ 90/2011

Training course : Thai Institute of Directors (IOD) :
- Director Accreditation Program (DAP) class 90/2011



นาย นฤศวร์ รอดเพชร
Mr. Nadith Rodpetch

นาย นฤศวร์ รอดเพชร อายุ 43 ปี
กรรมการอิสระ และกรรมการตรวจสอบ

Mr.Nadith Rodpetch Age 43 years old
Independent Director and Audit Committee

สัดส่วนการถือหุ้น : -ไม่มี-
วุฒิสูงสุดทางการศึกษา : ปริญญาโท บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์

% of share holding : -None-
Highest Education : MBA Faculty of Commerce and Accountancy, Thammasat University

ประวัติการทำงาน
Country Finance Manager : บริษัท อวานาด (ประเทศไทย) จำกัด
ผู้จัดการฝ่ายตรวจสอบภายใน & Financial Controller : มิลเลียนเนี่ยน ออโต้ กรุ๊ป
Finance Director : บริษัท ส่งเสริมการค้า SME จำกัด
Business Manager : บริษัท เมโทรอินฟินียม (ประเทศไทย) จำกัด

Working Experience
Country Finance Manager : Avanade (Thailand) Company Limited
Internal Audit Manager & Financial Controller : Millennium Auto Group
Finance Director : SME Trade Promotion Company Limited
Business Manager : Metro Infinium (Thailand) Company Limited

ตำแหน่งอื่นในปัจจุบัน
กรรมการตรวจสอบ : บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)
กรรมการตรวจสอบ : บริษัท สแกนโกลบอล จำกัด (มหาชน)
Financial Controller : บริษัท เนติเซน จำกัด

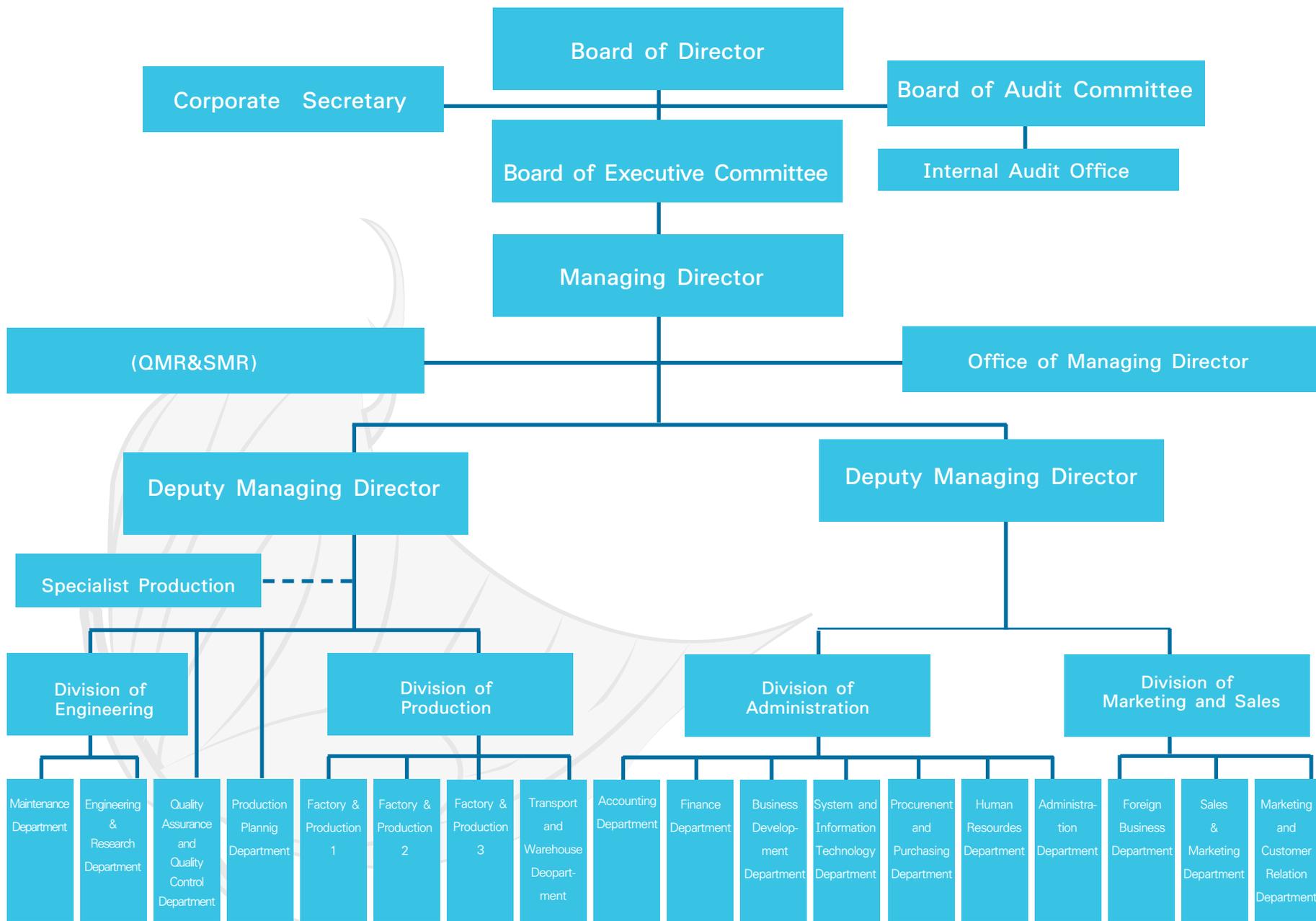
Other current positions
Audit Committee : C.I.Group Public Company Limited
Audit Committee : Scan Global Public Company Limited
Financial Controller : Netizen Company Limited

การผ่านหลักสูตรอบรมของสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) :
- Director Accreditation Program (DAP) รุ่นที่ 90/2011

Training course : Thai Institute of Directors (IOD) :
- Director Accreditation Program (DAP) Class 90/2011



Organization Chart C.I. Group Public Company Limited



บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)



Committee

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

1. The Board of Directors

The Board of Director is comprised of 8 peoples as name follows

Name-Surname		Position
1. Pol.Gen.Prung	Boonpadung	Chairman of the Board, Independent Director
2. Mr. Aree	Poomsanoh	Director, Vice Chairman of the board
3. Mr. Taweesak	Wangkorkiat	Director
4. Mr. Theera	Poomsanoh	Director
5. Mr. Wongsawat	Wongsawang	Director
6. Mrs.Chankapaw	Dissakul	Director
7. Mr. Songphol	Annanon	Independent Director
8. Mr. Nadith	Rodphetch	Independent Director

Authorized Directors

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

Mrs.Em-orn Chotiyaputta is corporate secretary.

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 and review the approved policy, direction, strategy, business plan, and annual budget, investment on big project proposed by the Board of Executive Committee.
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.



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

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

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

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

(a) To sale or transfer all or important part of the company business.

(b) To purchase or acquire of other company or private company.

(c) To make, to amend or to abolish the contract to rent all or some important part of company business. The appointment of other person who will manage company business or the merging with other person in order to share profit and loss.

(d) To amend the Memorandum of Associations or Objectives.

(e) To increase or decrease capital, to issue debenture, to merge or to terminate the business.

Rotation of Retirement

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

Selection of the Directors

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

1) Each shareholder has as many votes as he/she owns share.

2) Each shareholder may use all his votes to elect one or many persons as the company directors; however, no voter may divide his/her votes among several candidates or allot to one candidate fewer votes than what he/she has.

3) Candidates who receive highest votes shall be elected as directors on a consecutive basis until all required directors during that meeting is obtained. The Chairman of that meeting shall act as an arbiter in case that equal votes occurred and numbers of directors exceed the required number of directors.



The Board of Executive Committee

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

Name-Surname		Position
1. Mr. Aree	Poomsanoh	Chairman of Executive Committee
2. Mr. Taweesak	Wangkorkiat	Executive Committee
3. Mr. Theera	Poomsanoh	Executive Committee
4. Mr. Wongsawat	Wongsawang	Executive Committee
5. 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, loan, acquisition of credit including provision of guarantee, etc. and acknowledge the Board of Directors.



8. To implement other tasks as periodically instructed by the Board of Directors.

However, The Chairman of the Board of Executive Committee or the Board of Executive Committee are not entitled to approve any matters that might be a 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 Audit Committee is comprised of 3 people as name follows:

Name-Surname	Position
1. Pol.Gen. Prung Boonpadung	Chairman of Audit committee
2. Mr.Songphol Annanon	Member of the Audit Committee
3. Mr.Nadith Rodphet	Member of the Audit Committee

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

Audit Committee secretary is Mrs.Em-orn Chotiyaputta.

Independent Director / Audit Committee Qualification

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

1. Holding not exceeding 5% 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. Neither participation in top management of the company and its affiliates, joint-ventures, related companies or major shareholders, nor being salary employee, staff or consultant of company and its affiliates, joint-ventures, related companies or major shareholders
3. Neither partaking in the interest nor beings stakeholder directly and indirectly in relation to finance and administration of the company and its affiliates, joint-ventures, related companies or major shareholders, and must not participate in such interest and stakes within two years prior to being appointed as audit committee, unless the Board of Director, under deliberate discretion, assumes that such conduct shall not affect the performance and independent comment by the audit committee.



4. Not being a next of kin or relative of the executives or company's major shareholders
5. Not being appointed as fiduciary proxy for the directors, major shareholders, or shareholders who are associated with major shareholder.
6. Independently perform duty and express the opinion or report the Performance assigned by the Directors, and not being subjected to the executives or major shareholders or shareholder's relatives.
7. Not be or have not been auditor of the company, sub-company, co-company and major shareholder.
8. Not be or have not been any vocational service provider inclusive of consultant on law or financial which earn more than 2 MB per year.
9. Not engage in the same type of business and being a significant competitor for the company/sub-company

Scope of Authority and Duty of the Board of Audit Committee

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



- an opinion on the adequacy of the Company's internal control system ,
- an opinion on the suitability for an Auditor and reasons to believe that the company's Auditor is appropriate to be re-appointed for another term.
- an opinion on the compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws relating to the company's business,
- an opinion on the transactions that may lead to conflict of interests, the number of the Audit Committee Meetings and the attendance of such meetings by each committee member,
- an opinion or overview comment was received by the Audit Committee from its performance of duties in accordance with the charter, and
- other transactions which, according to the audit committee's opinion, should in form 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 where as agreed by the Audit Committee, i.e. to make revisions on financial policies and risk management, make revisions on compliance with business ethics, make co-revisions with company directors on important issues which need to be disclosed to public stated by laws, for instance, report and analysis of management team.

Scope of Authority and Duty of the Managing Director

- 1) To direct and oversee the administration and the management to be in accordance with policies, plans and budget approved by the Board of Directors or the Board of Executive Committee and report the company performance to the Board of Directors or the Board of Executive Committee consecutively.
- 2) To consider the suitability of an annual budget allocation prepared by the Board of Executive Committee prior to propose to the Board of Directors.
- 3) To authorize an approval on the overall purchase and the expenditure on general matters as stated in the Company Authority Table.
- 4) To consistently evaluate the company operation in order to prevent risks from various factors inside and outside the company.
- 5) To authorize the issuance of orders, regulations, announcements, memorandum so that the company is operated in compliance with the policy or for company's interest.
- 6) To provide an authority and/or to sub-authorize to other persons to carry out specific task. Such sub-authorization shall be under the scope of authorization as stated in the given power of attorney and/or shall be comply with the regulations, specifications or order stated by the Board of Directors and/or the company.
- 7) To implement other tasks as periodically instructed by the Board of Directors or the Board of Executive Committee.



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

Executive Remuneration

Remuneration in Cash

Remuneration for the Board of Directors

In 2010 and 2011, there were 8 directors. The remuneration of directors can be summarized as follows:

Name of the Directors	Position	2010			2011		
		Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance	Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance
1. Pol.Gen, Prung Boonpadung (Appointed in May 2011)	Chairman of the Board, Independent Director and Chairman of the Audit Committee	-	-	-	30,000	360,000	4/7
2. Mr. Aree Poomsanoh	Director, Vice Chairman of the Board	30,000	300,000	6/6	35,000	300,000	7/7
3. Mr. Taweesak Wangkorkiat	Director	30,000	300,000	6/6	35,000	300,000	7/7
4. Mr. Theera Poomsanoh	Director	30,000	300,000	6/6	30,000	300,000	6/7
5. Mr. Wongsawat Wongsawang	Director	30,000	300,000	6/6	25,000	300,000	5/7
6. Mrs.Chankapaw Dissakul	Director	30,000	300,000	6/6	30,000	300,000	6/7
7. Mr.Songphol Annanon (Appointed in March 2011)	Independent Director, Member of the Audit Committee	-	-	-	40,000	300,000	5/7
8. Mr.Nadith Rodphet (Appointed in March 2011)	Independent Director, Member of the Audit Committee	-	-	-	40,000	300,000	5/7
Mr.Wanchai Thanittiraporn (Resignation of Effective Date 31 March 2011)	Chairman of the Board, Independent Director and Chairman of the Audit Committee	50,000	540,000	6/6	10,000	135,000	1/7
Mr. Werasak Ungkhajornkul (Retired in March 2011)	Independent Director Member of the Audit Committee	50,000	450,000	6/6	15,000	150,000	2/7
Mr. Chatree Ratanawong (Retired in March 2011)	Independent Director, Member of the Audit Committee	50,000	450,000	6/6	10,000	150,000	1/7
Miss Donsiri Thanapatra (Resignation of Effective Date 1 Oct. 2010)	Independent Director	50,000	225,000	4/6	-	-	-
Mr.Trin Pimhataivoot (Resignation of Effective Date 1 Nov. 2010)	Director	20,000	250,000	4/6	-	-	-
Mr.Nattarapat Jakawaltham (Resignation of Effective Date 1 Nov. 2010)	Director	20,000	250,000	4/6	-	-	-
Total		360,000	3,665,000	-	300,000	2,895,000	



Executive Remuneration

In 2009-2011 The executive remuneration is summarized as follows:

Type of Remuneration	2009 (Baht)	2010 (Baht)	2011 (Baht)
Salary	28,401,853	21,865,670	17,994,000
Incidental benefit	-	786,537	-
Other	-	5,926,834	511,200
Total	28,401,853	28,579,041	18,505,200
No.Executive	14	11	9

* As of 31 December 2011, The Company have 4 Executive Management and 5 Executive Committee.
Other Remunerations consists of ESOP-1 and Provident Fund.





Company Profile

The company has registered as a limited company on April 10, 2003 with initial registered capital of 94 Million Baht as a result of a merger of the C.I. Group Co., Ltd and Heat Interchange Co., Ltd. which have shares in the same group, Poomsanoh Group ,Wangkorkiat Group and Wongsawang Group. The major objective for which the company has been established is to produce the evaporator coil, condenser coil and chilled water coil, which are components of the air-conditioner, chiller, and heat ventilator, and other kinds of cooling unit for purpose of domestic and international distribution.

CRUCIAL EVENTS IN YEAR 2011

26 April	- Annual General Meeting of Shareholders for the year 2011
14 July	- Extraordinary General Meeting of Shareholders No.1/2011
	- Approved the issuance and offering of warrant#3 (CIG-W3) to existing share holders of the Company at THB 0 (Zero Baht) in the amount of not exceeding 3,048,173,915 units at the ratio of 1 existing ordinary share : 5 units of warrants

Business Overview of the Company's Group

Investment Structure of the Company and Subsidiary

The company has two subsidiaries;

De Lamai Co.,Ltd

The company holds 999,680 ordinary shares in subsidiary at 100 baht per share which equals to 99.97 percent of registered and paid up capital. The subsidiary operates a hotel business under the name Samaya Bura hotel. There are three board members namely Mr. Aree Poomsanoh, Mr. Teera Poomsanoh and Mr. Sawai Chatchairunguang

C.I.G. (Thailand) Co.,Ltd

The company holds 499,700 ordinary shares in subsidiary at 100 baht per share which equals to 99.94 percent of registered and paid up capital. The subsidiary operates as a manufacturer and distributor of air-conditioning and refrigeration components as well as other types of merchandise. The subsidiary's registered address is 1/1 Moo 7 Bangkoowad, Muang, Patumthani. There are three board members namely Mr. Aree Poomsanoh, Mr. Teera Poomsanoh and Mr. Sawai Chatchairunguang.

Investment structure of the company and its subsidiaries





Situation and market analysis

Electrical Appliances and Electronics Industry

Production situation

In January to October 2011, production index for electrical appliances and electronics saw a decrease of 6.4% compared to that of the same period last year. This is due to decrease in electrical appliances following a surge in production last year and remaining stock in wholesalers. Moreover, 2011 saw volatile economic and natural disasters in many countries while production index in electronics have increased by 1.4 % compared to the same period last year, especially in the first half of the year in both domestic and export markets.

In October 2011, electrical appliances and electronics production index have dropped by 50.5 percent compared to that of the same period last year due to widespread flooding especially factories in Ayudhya and Patumthani which are one of the most important production regions for electrical appliances and electronics.

Market situation

Export volume for electrical appliances and electronics during January – October 2011 was 1,401,771.90 million baht, an increase by 5.6% compared with that of the same period last year. Electrical appliances saw some increase while electronics saw slight decrease due to external factors. World electronics market is still uncertain combined with flooding in Thailand. Electrical industry is badly affected by flooding in 7 industry estates which accounts for 30% of export volume. Moreover, 10 largest manufacturers of electrical appliances and electronics account for 20% of export volume.

The main export markets for electrical appliances are ASEAN (18%), EU (14%), Japan (13.9%, and China (8%). The main export markets for electronics are China (19%), ASEAN (16%), and EU (15%).

Electrical appliances and Electronics export markets

Exports market	ASEAN	EU	CN	US	JP	Other
Electrical Appliances						
Change (%)	11.0	11.1	28.8	0.2	15.3	16.6
Proportion	18.7	14.0	6.8	13.3	13.9	33.4
Electronics						
Change (%)	1.9	-1.1	-3.9	-6.5	-7.9	13.1
Proportion	15.7	15.0	19.5	15.1	9.2	25.5

Source: Electric and Electronics Institute, December 2011



Electrical appliances industry

Production situation

Production index for electrical appliances between January to October 2011 increased slightly by 1.3% compared with that of the same period of the previous year. Most of electrical appliances have seen increase especially refrigerators, electric water boiler and electrical wires because Thai manufacturers have changed their products to more digital controls with better quality and reasonable prices that can compete with similar products from China. Exports to ASEAN, Japan and EU have seen increase. However, Television less than 20" screen (CRT) , television equal or bigger than 21" (CRT) have seen a decrease. This is because consumers prefer LCD television and plasma so that demands for CRT television have decreased continuously.

Electrical appliances industry production index for January – October 2011.

Industry Production Index	Jan-Oct 2011	Jan-Oct 2010	%YoY
Electrical Appliances Production	122.90	121.22	1.39
Condensing Unit Air-Con	348.34	324.93	7.20
Fan Coil Unit Air-Con	318.39	295.35	7.80
Compressor	182.34	185.26	-1.58
Electric Fan	35.23	35.72	-1.38
Refrigerator	295.48	267.50	10.46
Electric boiler	152.37	134.67	13.14
Rice cooker	143.79	131.94	8.98
Electrical wires	125.67	105.13	19.53
TV (20-inch or less)	3.97	8.53	-53.44
TV (21-inch or more)	85.83	127.99	-32.94

Source: Office of Industrial economics, December 2011

Remark: %YoY = Percentage change compared to that of the same period in previous year.



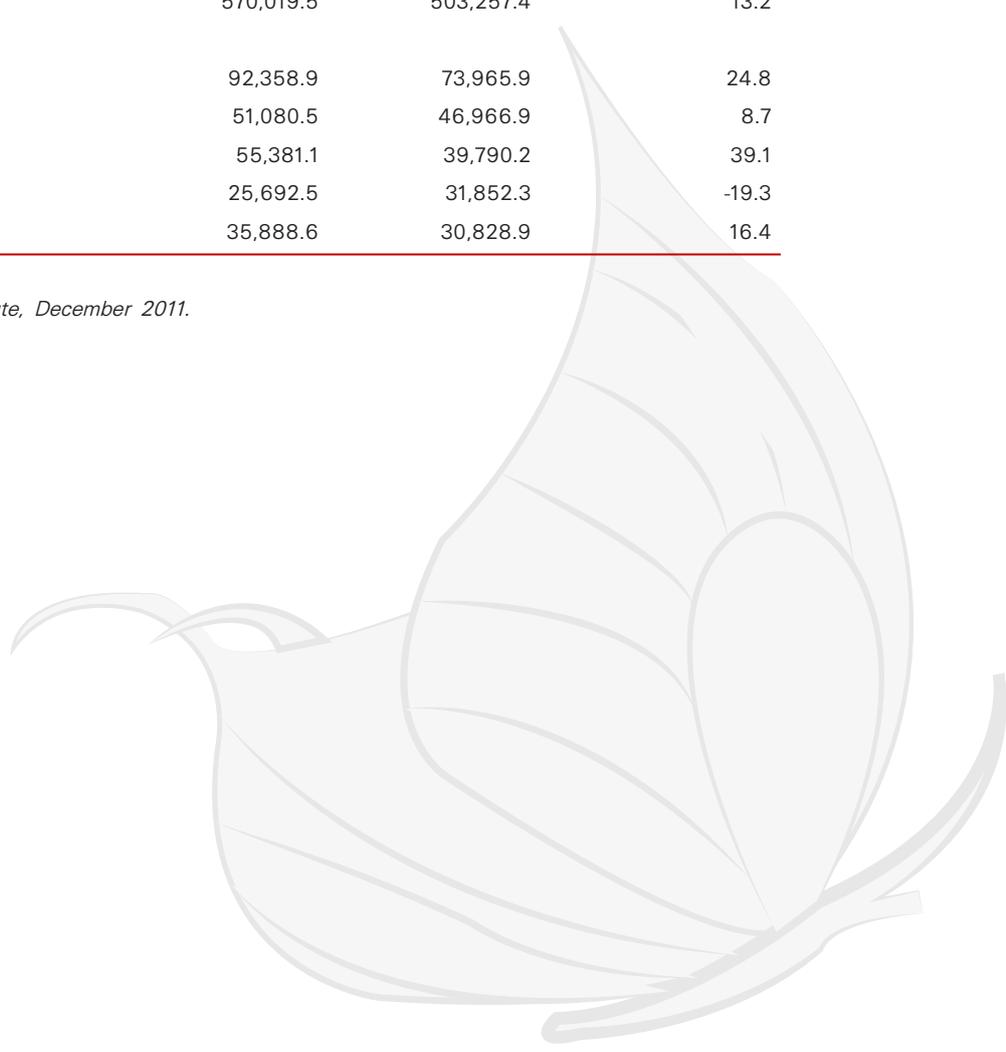
Market situation

Export value for electrical appliances during January to October 2011 totaled 570,019.5 million baht, an increase by 13.2% compared with that of the same period of the previous year. Exports of electrical appliances is increasing because Thailand is an important production base for many foreign companies such as Japan and South Korea. The 5 biggest exports include 1) Air Conditioner 2) Electronic breaker 3) TV/VDO cameras 4) Refrigerator compressors 5) Refrigerators. Exports to ASEAN, EU, China, Japan have increased by 11.0% , 11.1%, 28.8% and 15.3% respectively. While exports to USA have increased by only 0.2% due to slow economic recovery.

Export Value for Electrical appliances for January – October 2011

Industry Production Index	Jan-Oct 2011 (million Baht)	Jan-Oct 2010 (million Baht)	%YoY
Total Electrical Appliances	570,019.5	503,257.4	13.2
Top 5 Electrical Appliances Exports			
1) Air Conditioners	92,358.9	73,965.9	24.8
2) Electric breakers	51,080.5	46,966.9	8.7
3) TV/VDO cameras	55,381.1	39,790.2	39.1
4) Refrigerator compressors	25,692.5	31,852.3	-19.3
5) Refrigerators	35,888.6	30,828.9	16.4

Source: Electric and Electronics Institute, December 2011.





RISK FACTORS

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

The company's board of directors, managing director and department managers regularly assess, analyze risks and their trend that might affect the company. Details of risks and preventive measures are as follow;

1. Risk of now receiving incentives in form of dividend

The company has accrued loss which may prevent the company from paying dividend according to law and regulations. Shareholders may receive dividend once the accrued loss have been cleared.

2. Risks of decrease revenue from competition

Due to the fact that one of the company's subsidiary is in hotel business which sees increasing competition from increasing number of hotels and their improvements combined with economic crisis, political turmoil and flood in the past 2-3 years. The subsidiary is at risk of decreasing revenue.

However, the subsidiary realized such competition and other problems. Therefore, it emphasized in development and training of its staff to improve quality of service so that it can compete with other hotel operators.

3. Risks from raw materials

Main raw materials for manufacturing are copper and aluminium which need to be imported. In 2011, copper and aluminum prices changed according to economic activity. In 2011, raw material prices have increased continuously. Therefore, the company is exposed to risks from raw materials which directly affect manufacturing costs.

In 2012, the company might face increasing manufacturing costs due to the fact that minimum wage is due to increase. In addition, transportation and packaging costs is likely to increase according to inflation. Overall manufacturing costs may increase by approximately 9%.

To reduce risks in pricing aspect and possible raw material shortage, the company is closely monitoring raw material prices and is trying to efficiently manage raw material inventory. In addition, the company has maintained good relationship with raw material suppliers, especially copper and aluminum. The company is also actively looking for other suppliers in order to reduce such risks.

4. Risks from exchange rates

The company constantly imports raw materials and machines from abroad as well as exports the products to overseas customers. Exchange rate fluctuations may affect both income and costs of the company. To reduce exchange rate fluctuation risks, the company does natural hedging technique by trying to quote the prices in the same currency as that of raw materials. Moreover, the company occasionally utilizes financial instruments such as FX forwards to reduce exchange rate risks.



5. Risks from free trade agreements and trade organizations

Free trade agreements encourage stronger competitions within the market. 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 Middle Eastern countries.

6. Risk from major and minor supplier dependency

In 2011, the company ordered copper from 3 major suppliers, which accounted for 42.39%, 18.74% and 18.30% of total copper purchases and ordered aluminum from 3 major suppliers, which accounted for 28.96%, 23.66% and 15.92% of total aluminum purchases. Due to changing market situations has caused material price fluctuations. In some cases, there were disruptions in copper and aluminum supply in the market. To ensure availability of raw materials needed for production, the company managed and controlled inventory level to match our production. The company took advantage of large orders to increase negotiation power and get volume discounts from suppliers.

7. Risk from major customer dependency

In the last 3 years, none of the company's largest customer account for more than 35% of total sales.

	2009	2010	2011
Sale proportion to the top 5 customers*	61.99	66.02	63.59

**Inclusive of domestic distributors*

Most of these major customers have maintained good relationship with C.I.Group 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.

In conclusion, the company regularly assess risks and their effects. Appropriate measures will be used according to changing situations in order to maintain competitiveness of the company.





Corporate Governance

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

Under the Principle of the Good Corporate Governance, the company has provided the internal auditor office which is responsible for supervising the business in just and fair manner with all parties.

Corporate Governance Policy

The Board of Directors has realized the significance of the Principle of Good Corporate Governance by embracing the following;

1. 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.
2. Maintain the interest of the company and regard for the privilege and equitability among the shareholders and stakeholders and all parties on fair and equitable basis.
3. Promote the company performance in transparent and verifiable manner by all related parties.
4. 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.
5. The Board of Directors consist at least no less than three independent committees.
6. Provide the evaluation and risk control appropriately.
7. Disclosure the financial report and complete information that has influenced the decision-making reliably and justly.
8. 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.

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.



Shareholder's Right

All company shareholders shall be treated on equitable and non-discriminative basis as follows;

1. Disseminate information to shareholders, investor, stakeholders, and concerned person through channel of the Stock Exchange of Thailand and company website.

2. At shareholder meeting, the shareholders shall be provided with necessary information to contemplate on individual agenda so that they can make their decision and vote in the meeting independently, and be opened for questioning at the meeting and are entitled to assign others attending the meeting in case of absence or necessity.

3. The shareholders shall not commit any conducts in the way that interfere other shareholder's right.

Stake holder's Right

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;

Employee

All company employees are regarded as valuable human resource and a vital mechanism moving the company toward progression. The company has encouraged all the employees to improve their capacity corresponding to their aptitude and current functional responsibility and give commitment contributing the quality of work life equitably and justly with reasonable and just compensation.

Trade Partner

The company shall comply with term and condition on trading strictly to build the trade alliance that benefits each other mutually.

Creditor

The company behaves as reliable debtor regarding the mutual interest and follow the term and condition provided by the creditor strictly.

Customer

The company has truly committed to produce the standard products and service that meets the satisfactory need of the customers at reasonable price.

Competitor

The company has operated the business under the rule of fair competition and shall not commit any conduct violating other trade partners' right.

Community and Society

The company has been engaged in taking social corporate responsibility for environmental and natural resources in community and society.



Shareholder Meeting

In FY 2011, the company has held two shareholder meetings feature an annual shareholder meeting on April 26, 2011 time 2:00 p.m. at Cattleya 1 Room, 1st floor, Rama Gardens Hotel Bangkok, 9/9 Vibhavadi Rangsit Road, Laksi, Bangkok 10210 and an extraordinary general meeting no.1/2011 on July 14, 2011 time 4:00 a.m. at Petchchompoo Room, 3rd floor, the Emerald Hotel, 99/1 Rachadapisek Road, Din Daeng, Bangkok 10320. The meeting agenda detailed the place, date and time of the meeting and topics presented in the meeting, enclosed the power of attorney, annual report, and supplementary information to be considered, and mailed seven day in advance, and sequential 3-day publicized in the newspaper prior to the meeting begins to the shareholders whose name are in the shareholder list on date of closing the register book.

On the date of the meeting, the shareholders shall have about one hour and thirty minutes to enroll attendance before the meeting begins.

On Board meeting, the company's auditors and executives meet unanimously. Regarding to vote which shareholder's resolution is required, voting process shall be conducted using vote card. Before the meeting begins, the chairman of the meeting informs the shareholders and the proxy of a number of the attendants, and explains how to vote with vote card. The majority shall be constituted a meeting resolution. The meeting procedure shall be pursued orderly as specified in the predetermined letter of meeting appointment. In addition, individual shareholder can express his/her opinion and interrogate independently at the meeting. At the end of the meeting, the detailed meeting resolution shall be disclosed and posted on the company website, <http://www.coilinter.com>.

Leadership and Vision

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

Conflicts of Interest

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

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



3. Executives and employees shall not utilize their position or acquired information to operate activity or any business relevant to company business to compete.

4. In case that the company and its affiliates have some related transactions or acquired the crucial corporate assets sold, the Board and the Management shall conduct a meeting for such respective matter carefully, honestly and reasonably for the sake of the optimum interest of the company and overall shareholders. The Directors or executives who are stakeholders concerning such a case are required to leave the Board meeting and disclose the information through channels so that the stakeholders can be advised thoroughly and equitably.

Business Ethics

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

Balance of Power for Authority of Non-executive Directors

The company currently has overall 8 directors, composing of 5 executive committees and 3 independent committees who have real independence out of the Management and have neither business relationship nor any other kinds of relationship with the company. This is to ensure of the autonomy and neutrality of the Board in respect of governance.

Role between Chairman and Chief Executive Officer (CEO)

The power and responsibility between Chairman of Board and Chief Executive Officer (CEO) have been separated each other clearly. While Chairman of Board primarily is responsible for supervising and overseeing the top executive, the CEO assumes primary role as management leadership.

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.



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. 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 eight meetings in the FY 2011 feature BOD 7 , AGM 1 and EGM 1

Subcommittee

The audit committees compose of three independent committees who understand their role and responsibility concerning tracking the company performance in pursuing to the Security Act and Stock Exchange or company business-related laws, supervising the financial report to be submitted to the Board of Directors, and disclose the company information in case of related transactions or case of interest conflict accurately and fully. The audit committees are able to perform their functions and express their opinion freely, which the Office of Internal Auditing shall be responsible for auditing the company performance on quarterly basis, and directly report the audit committees results of audit. In 2011, *the audit committees have held overall four meeting.*

Internal Audit and Control

As the company has valued the effective internal audit and control for both managerial and operation level, the obligation and competency of operators and executives are prescribed definitely. The responsible duty and power between operator and follower are separated each other. The control and evaluation are also separated to allow for the tradeoff on inspection appropriately. In addition, internal financial control is conducted by providing the financial report submitted to the responsible chain of command.

The company provides the Office of Internal Audit to ensure that the company's core performance and crucial finance activities have been executed in accordance with the practices effectively and to ensure that the Office of Internal Audit has its autonomy in overseeing and tradeoff completely. The Board requires that the Office of Internal Audit reports the audit committee the result of auditing directly and performance appraisal can be made by the audit committees accordingly.

The risk management has been emphasized by the company. The company has designated and evaluated the enterprise risk and other potential risks that can affect the company's performance.



Committee Report

Audit Committee have traced the company's financial report presented by the Account and Finance on quarterly basis, with enclosed letter of meeting appointment mailed seven days in advance so that the audit committee shall have enough time to investigate and trace the financial statement, along with the company's auditor to make a resolution for approval of the financial statement before submitting the Board of Directors every three months. The members of the Board shall be responsible for the consolidated financials statement of the company and its affiliates as shown in the annual report. Such a financial statement has been established in accordance with the accounting standard certified by the Accounting Office approved by Stock Exchange Committee (SEC), and important information about the financial statement has been disclosed based on the factual proof fully and timely to the stakeholders in thorough and equitable manner.

Investor Relations

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

Surveillance of Internal Information Use

To protect the exploitation and misappropriation of undisclosed internal information, the company requires that the members of the Board, executives and their spouse or immature dependants shall not make use of the company's internal information undisclosed to the public for their own purpose of buying, selling, transferring, or being assigned of the corporate assets prior to date of public disclosure or one month before public disclosure of the financial statement. This is to permit the transparent administration and the benefit of all concerned parties.

Regarding to buying, selling, transferring, or being assigned of the company's securities, the Directors and executives shall report the change in the possession of assets to the Stock Exchange Committee (SEC), and Stock Exchange of Thailand, pursuant to the requirements provided by the Stock Exchange Committee (SEC). Also, a copy of such a report shall be filed to the company secretary as a documentary proof.



Personnel

Fringe Benefit and Remuneration

The company provides all the employees with competitive reasonable remuneration based on qualification, work experience, and ability of the individual employees and rely on pay criterion which currently has implemented in the labor market. In consideration of annual salary increase, the employees' performance and appraised performance results shall be taken into consideration primarily. Salary adjustment shall be done on yearly basis and fringe benefits and welfare provided shall vary depending upon the company's performance, necessity and other factors as deemed appropriated.

Personnel Development

The company has regarded the employee as valuable human resources potentially crucial to the company's business growth. The company focuses developing the learning skills and abilities of the internal personnel staffs to improve their performance with the following personnel development policy.

1. Provide the employees with both internal and external training so that they can improve knowledge and constructive thinking that can be usefully applied to their work for the optimal benefit on improvement and development of the organization.

2. Those employees relevant to the investor relation and contact person shall be encouraged to attend the seminar and join with the Stock Exchange of Thailand for acquiring the newly messages or regulations modified or added by the Stock Exchange of Thailand (SET), and emphasize the change in regulation established by the Stock Exchange Committee (SEC) so that the company shall be directed in the way corresponding to the regulation and the Best Practice Principle

Employee Safety and Welfare Policy

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 Labor and Social Welfare. This is to enhance the employees and supervisors of different work units to realize and manage their subordinators 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 Labor and Social Welfare, 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 Labor and Social Welfare.

Internal Control

The audit committee is responsible for tracing the corporate performance correctly in accordance with the company policy and regulations, boosting and improving the reporting system of the finance and accounting to meet the internationally accepted accounting standard. In doing so, the company employs the A.M.T. & Associates as the company's auditor.

The audit committee performs functions of auditing and expressing the opinion freely under the supervision of the Office of Internal Audit in accordance with the auditing procedures set out by the Board of Directors, disclosing the information in transparent and adequate manner in accordance with the Best Practice to enhance the effectiveness and efficiency in the operation based on the international accounting audit principles and directly reporting the audit committee, and deliberating with the auditor on quarterly basis.

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.



Surveillance of Subsidiaries and Joint Venture

In case the company has made investment with the affiliates or joint ventures, the company shall control its operation by transiting the committee as representatives at practical proportion of shares hold.

Measures or Approval Procedures for Related-transaction

In the inter-transaction procedures, it's necessary to be reasonable to allow the optimum interest of the company.

That contingent inter-transaction should be considered based on reasonability and necessity. Pay and wages should be made in accordance with the fair price in the market and should be approved by the audit committee.

Having such the preceding event occurred, the audit committee shall determine based on the necessity and reasonability of the transaction, and inform their opinion at the Board meeting

Future Related-Transaction Policy

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

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

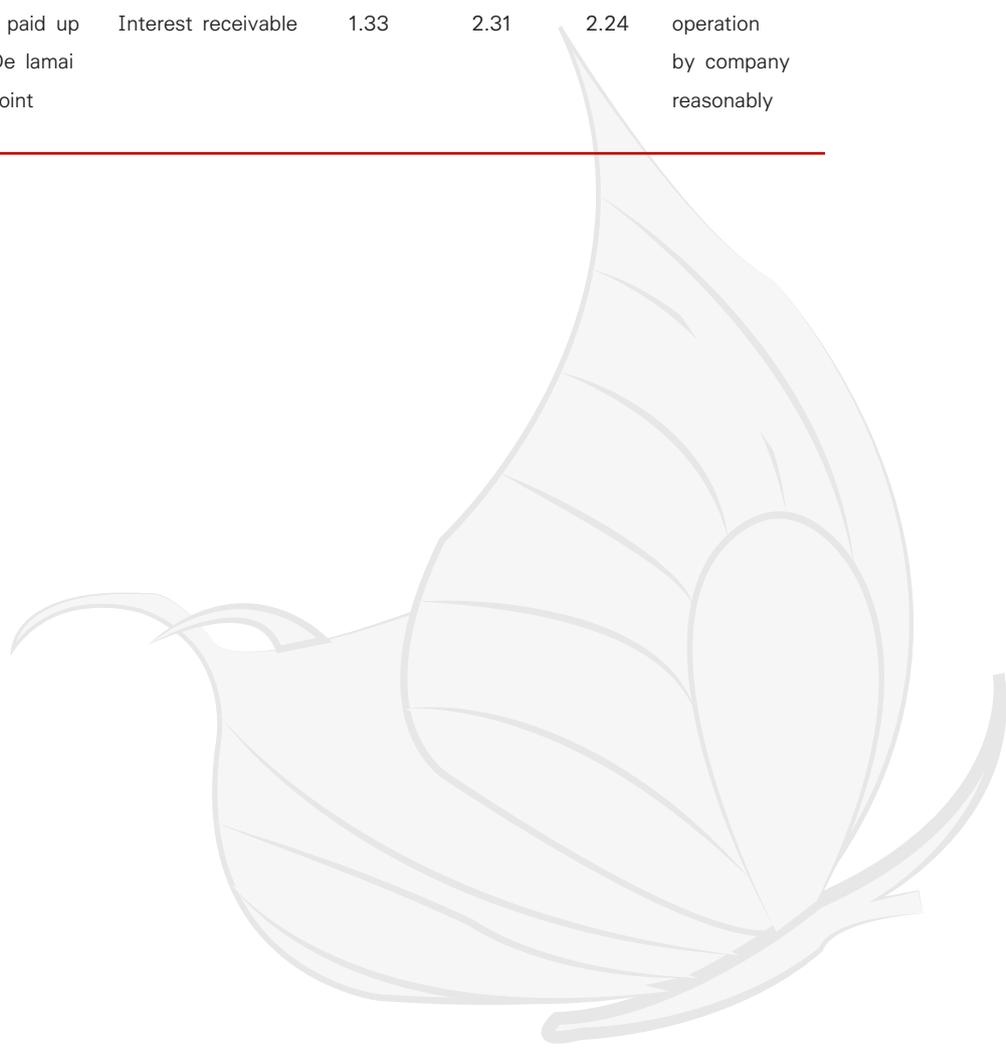


Related-transactions

Detailed Related-transactions

As during 2009 – 2011, the company and its subsidiaries transactions with party that may cause the interest conflict, the company has to undertake the following transactions with necessity and reasonability;

Individual /Juristic Person who may cause the interest con- flicts	Relationship	Description	Related-transactionsAmount (mllion Baht)			Necessity and reasonability of transac- tions
			2009	2010	2011	
De lamai Co.,ltd / Hotel Business	C.I.Group Pcl., has held the ordinary shares 99.97% of the paid up capital of the De lamai Co.,Ltd. and Joint Directors ,	Long-term Loan	60.00	83.00	83.00	According to natural operation by company reasonably
		Interest receivable	1.33	2.31	2.24	





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 2011.

Pol.Gen.

(Prung Boonpadung)

Chairman of the Board of Directors

(Mr. Aree Poomsanoh)

Chairman of the Executive Committee



The Overview

OPERATIONAL PERFORMANCE

In conclusion, for the year 2011, the Company and its affiliates had total net loss of Baht 133.83 million while, for the year 2010, was Baht 106.18 million. The details of the Company's 2011 operating results are as follows:

1. Revenues

In 2011, the Company's total income was Baht 1,138.83 million which was decreased 6.14% or Baht 74.50 million compared with that of the year 2010. The income was adversely affected by the massive flooding (was occurred from October until December in 2011) which caused the Company to temporarily suspend its operation.

2. Cost of Sales

In 2011, the Company's total costs of sales was Baht 1,035.12 million which was decreased 1.74% or Baht 18.33 million compared with that of the year 2010 due to decreasing of sales from temporary suspend the operation according to massive flood.

3. Selling and Administrative expenses

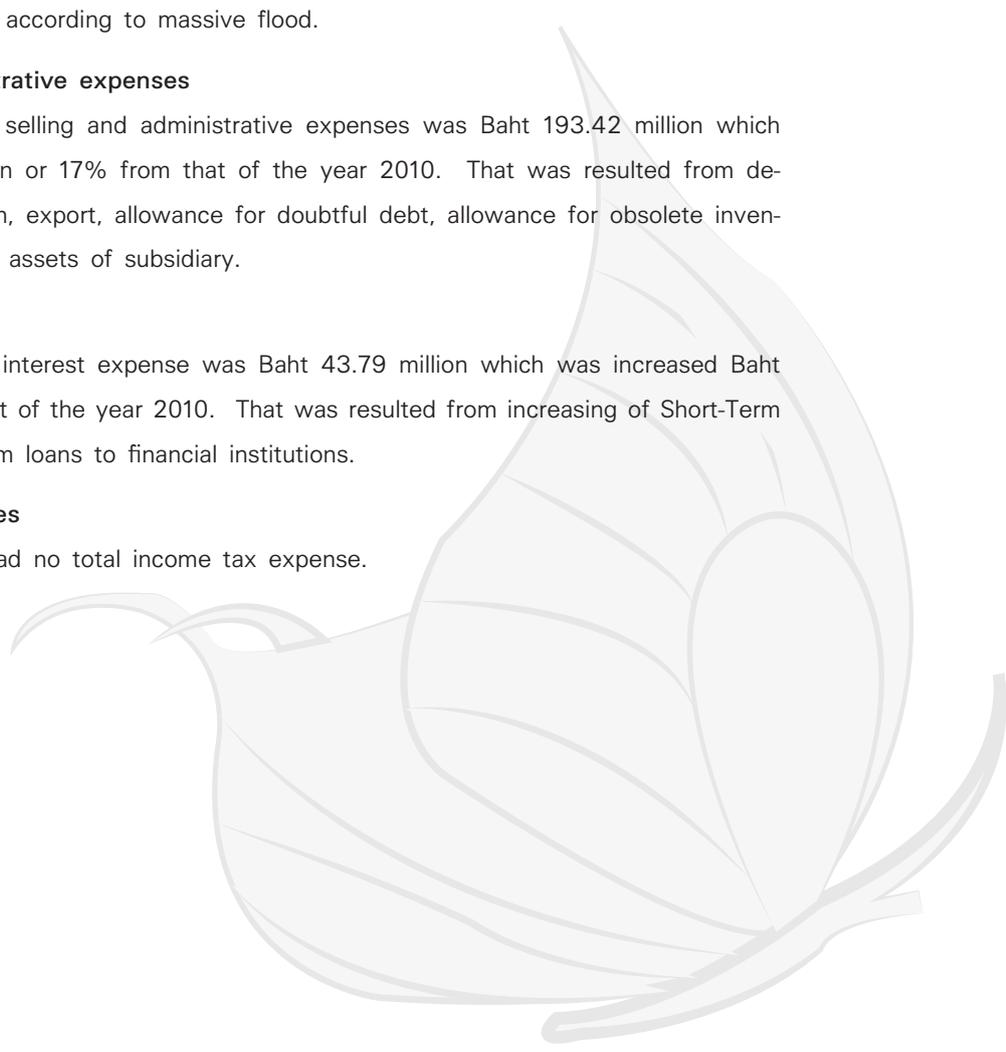
In 2011, the Company's selling and administrative expenses was Baht 193.42 million which was decreased Baht 39.28 million or 17% from that of the year 2010. That was resulted from decreasing of salaries, transportation, export, allowance for doubtful debt, allowance for obsolete inventory and loss from impairment of assets of subsidiary.

4. Interest Expense

In 2011, the Company's interest expense was Baht 43.79 million which was increased Baht 10.88 million or 33.07% from that of the year 2010. That was resulted from increasing of Short-Term Loans and repayment of long-term loans to financial institutions.

5. Income Tax Expenses

In 2011, the Company had no total income tax expense.





FINANCIAL ANALYSIS

1. Assets

In 2011, the Company's total assets were Baht 1,511.46 million which was decreased Baht 92.74 million or 5.78% from the year 2010.

2. Liabilities

In 2011, the Company's total debts were Baht 1,036.13 million which was increased 48.63 million baht or 4.92% from the year 2010. The increase in liabilities was mainly resulted from increase of short-term loans from financial institutions.

3. Cash Flow

In 2011, the Company's net cash flow from operations was 18.55 million baht. Most of this amount was used as revolving capital for the increased amounts of trade creditors, trade debtors and inventory. For investment activities, the company purchased machine and equipments in order to increase its production capacity in the total amount of Baht 43.56 million and invest in its affiliates in total of Baht 17.55 million. For the cash flow from fund raising activities, the Company increased loans from financial institutions in total of Baht 77.39 million and repaid some of its long-term loans in the total of Baht 43.51 million. This caused the company to have the cash flow from fund raising activities of Baht 5.36 million in total. In brief, as of the end of the year 2011, the Company's cash and cash equivalents were Baht 7.91 million in total.

Audit Fee

Audit Fee for 2009-2010

(Baht)

	2009	2010	2011
Audit Fee	700,000	890,000	990,000
Non-Audit Fee	64,000	73,400	59,400

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



Report of the Independent Certified public Accountants .

To the Shareholders and the Board of Directors of C.I. Group Public Company Limited and its subsidiaries

(1) I have audited the consolidated statement of financial position of C.I. Group Public Company Limited and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of changes in shareholders' equity, consolidated statements of comprehensive income and cash flows for years then ended. I have also audited the separate financial statements for the same periods of C.I. Group Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

(2) Except as discussed in the following paragraphs, I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

(3) As mentioned in note 11 to the financial statements that as of December 31, 2011 the Company has loan to other person amounting to Baht 92.03 million (included accrued interest amounting to Baht 12.03 million) which the borrower has mortgaged land and construction in Phuket province as collateral. The appraised value of the collateral is Baht 110 million (as appraisal report dated March 25, 2010). In addition, the borrower has handed over 450,000 common shares of a company that operate a hotel business in Phuket province as additional collateral. Due to the borrower default payment, the Company filed lawsuits against the borrower in Civil and Criminal courts. The Civil court has the verdict that orders the borrower to repay the debt to the Company. In case of fail, the collateral should be forced sale, if the forced sale amount is inadequate; the debtor's personal assets shall be forced sale after on. Since March 2010, The Company filed to execute the enforcement of the assets confiscation.

In civil case, the Legal Execution Department has executed to confiscate the mortgaged land on May 18, 2010, and has appraised the land which worth approximately Baht 19.44 million. Later on the Execution Department officer has announced date for auction of the land that first auction on December 2, 2010, second auction on December 9, 2010, third auction on December 16, 2010 and fourth auction on December 23, 2010. On December 2, 2010 there is a limited company (registered on December 1, 2010 with Baht 1 million register capital) offered the highest price at Baht 43.20 million



The Company disputed the offering price, then the officer ordered to postpone the auction to December 9, 2010 and ordered the offering company to commit the highest offering price. On December 9, 2010 no one offer higher price than Baht 43.20 million. The Execution Officer ordered to sell the land at Baht 43.20 million and ordered the buyer to pay the balance of Baht 43.15 million (the Baht 43.20 million auction price less Baht 50 thousand deposit) within 15 days. Later on the buyer has requested to extend the balance payment another 90 days. The Execution Officer has approved the extension period to March 24, 2011. Later on March 24, 2011, the buyer did not pay the remaining amount. The Execution Officer ordered the forfeit of the deposit. The schedule for an announcement of the next auction was in June 2011. However, in June 2011, the auction to sell the land has not been announced. Later on August 4, 2011 the Company has submitted additional request to confiscate the construction on the land. The Execution Officer had reported matter of fact to the court for the court's further instructions. The court has ordered to release liabilities of the Execution Officer which has the responsibility as Code of Civil Procedure. However, the Company is coordinating with the Execution Officer to confiscate the construction for future auction.

Moreover, the handed-over common shares of a company as collateral and others personal assets of the borrower, on March 8, 2011 the Company has asked the Execution Officer to confiscate, but the Execution Officer did not agree and suspense the request of shares confiscation due to the mortgaged lands has not been sold.

For the Criminal case, on April 27, 2010, the Criminal court has postponed the cross-questioning the witness of the plaintiff and questioning the witness of the defendant to August 2, 2010. Later, the court ordered to postpone questioning the witness of the defendant to October 19 and 20, 2010. Later, the lawyer of the defendant withdrew from his duty as the lawyer of the defendant. Then on October 19, 2010, the defendant requested the postponement of the questioning of the witness of the defendant to February 28, 2011. On February 28, 2011 the lawyer of the defendant asked the court another postponement, the court approved to questioning of the witness of the defendant to May 9, 2011. On the appointment date, the defendant asked the court another postponement and the court approved to question the witness of the defendant to August 1, 2011, August 11, 2011, August 25, 2011 and September 5, 2011. However, on August 1, 2011, the lawyer of the defendant requested for the postponement of the questioning of the witness of the defendant. The court allowed but all witnesses of the defendant have to appear at the court for questioning on the remaining appointments with the court. On August 11, 2011, the lawyer of the defendant questioned witnesses of the defendant. The court appointed the next meetings for questioning on August 25, 2011 and September 5, 2011. On September 12, 2011 the lawyer of the defendant requested to consider the case behind the defendant and postponement the case. The court did not allow and issued warrant of arrest. The defendant reported to the court. The court has rearranged the date of questioning of the witness of the defendant on November 18, 2011. Due to the floods situation in Bangkok and vicinity, the chairman of the Supreme Court has ordered the flooded court to pause the operation. Therefore, the questioning of the witness of the defendant on November 18, 2011 has been paused and the court has rearranged the date on January 24, 2012. And on January 24, 2012 the lawyer of the defendant requested the court to question 2 more of witness of the defendant. The court allowed and set date of questioning additional witness on May 25, 2012 and June 12, 2012.



Presently, the factors cause the Company unable to determine a suitable net realizable value of the receivable. Thus, presently no allowance for doubtful accounts has been provided. Therefore, I am unable to audit the "Default payment of loan to other" account, and unable to perform other procedures to enable me to satisfy the value of "Default payment of loan to other" account, which represents a limitation of scope imposed by circumstances.

(4) As mentioned in note 13.2 to the financial statements that I have not audited the financial statements of Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd., an associated company of a subsidiary (C.I.G. (Thailand) Co., Ltd.), which was established in The People Republic of China on May 18, 2011. The Company recognized share of loss amounting to Baht 339,524.29 in consolidated financial statements. The financial statements for the period of May 18, 2011 to December 31, 2011 have been prepared by the subsidiary's management which has not been audited by auditor.

(5) Except for the effect that may occur from net realizable value of the loan as described in paragraph (3) and the effect of adjustment that may occur to the financial statements of Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd., if I am able to obtain the audited financial statements of the associate company of the subsidiary and other auditors' report as described in paragraph (4), in my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C.I. Group Public Company Limited and its subsidiaries and the financial position of C.I. Group Public Company Limited as of December 31, 2011 and 2010, the results of their operations, and cash flows for the years then ended in conformity with generally accepted accounting principles.

(6) Without qualifying my opinion, I draw attention to notes 13 and 14 to the financial statements that as of December 31, 2011 and 2010 the Company invested in a subsidiary company (De Lamai Co., Ltd.) which is in the hotel business located on Samui island, Suratthani province approximately Baht 146.55 million. As of December 31, 2011 and 2010, net book value of the subsidiary are approximately Baht (12.54) million and Baht 9.02 million respectively due to continuous loss since the commencement of the operation in 2009 till current year (The subsidiary's deficit as of December 31, 2011 and 2010 are approximately Baht 123.78 million and Baht 90.98 million respectively), which are the loss from operation for the years ended December 31, 2011 and 2010 in amounting to approximately Baht 32.80 million and Baht 22.78 million respectively. The management has reviewed the value of investment in the subsidiary, using the Discounted Cash Flow method and realized loss on impairment of investment in subsidiary in the year 2011 and 2010 in separate financial statement amounting to Baht 20 million and Baht 22 million respective, and realized loss on impairment of subsidiary's assets in consolidated financial statement amounting to Baht 26 million and Baht 42.50 million respectively. Thus, as of December 31, 2011 and 2010 the allowance for impairment of investment in subsidiary in the separate financial statement are Baht 42 million and 22 million respective and allowance for impairment of assets of the subsidiary in the consolidated financial statement are Baht 97.07 million and Baht 71.07 million respectively.



Moreover, I draw attention to note 6.2 to the financial statements that as of December 31, 2011 and 2010 the Company has lent Baht 83.00 million to the subsidiary, which on June 18, 2010 the Company's executive board of directors had approved the subsidiary's debt restructuring plan, with monthly installment repayment in amount of Baht 0.15 million to Baht 2.20 million from the operating cash flow within 11 years. The first installment of Baht 0.15 million is due in January 2012, and waived the interest charged of the total loan for 5 years period, which effected on April 1, 2010, and

(7) I draw attention to note 3 (a) to the financial statements that in the 1st quarter of year 2011 the Company has applied certain newly issued and revised financial reporting standards which are relevant to the Company. Accordingly, the comparative financial statements for the year ended December 31, 2010 have been presented in accordance with the financial statements for the year ended December 31, 2011.

(NATSARAK SAROCHANUNJEEN)

Certified Public Account

Registration No. 4563





C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

B A H T

	NOTE	Consolidated Financial Statement		Separate Financial Statement	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	7	7,911,955.48	44,846,592.37	6,012,773.74	42,950,522.88
Short - term investments	8	600,000.00	300,000.00	600,000.00	300,000.00
Trade and other receivable					
Trade receivable - net	9.1	255,091,326.78	309,685,372.76	253,475,522.13	308,193,918.08
other receivable - other companies	9.2	19,608,361.51	16,068,376.77	19,320,016.62	15,871,631.68
- related company	6.1	-	-	2,236,849.30	2,315,978.00
Inventories - net	10	342,075,460.96	295,442,184.12	341,684,548.12	294,780,082.98
Default payment of loan to other	11	92,027,397.26	92,027,397.26	92,027,397.26	92,027,397.26
Other current assets	12	21,308,947.75	16,850,482.35	8,527,191.31	2,992,843.44
Total Current Assets		738,623,449.74	775,220,405.63	723,884,298.48	759,432,374.32
NON-CURRENT ASSETS					
Long - term loans to related company	6.2	-	-	83,000,000.00	83,000,000.00
Investments in subsidiaries - net	13.1	-	-	124,535,841.00	124,547,841.00
Investments in associate of a subsidiary	13.2	17,206,675.71	-	-	-
Property, plant and equipment - net	14	715,196,643.06	783,596,625.52	496,626,304.33	519,453,519.83
Deferred leasehold land - net	15	25,843,228.05	27,153,031.03	-	-
Intangible asset - net	16	13,985,307.86	17,415,385.14	13,424,850.21	16,640,191.52
Other non-current assets		600,094.55	810,378.82	94.55	210,378.82
Total Non-Current Assets		772,831,949.23	828,975,420.51	717,587,090.09	743,851,931.17
Total Assets		1,511,455,398.97	1,604,195,826.14	1,441,471,388.57	1,503,284,305.49
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans	17	588,526,503.40	511,134,614.87	575,995,615.26	499,085,301.67
Trade and other payable					
Trade payable - other companies		165,707,348.83	184,885,494.61	162,420,291.96	181,614,851.10
Other payables-other companies-accrued expenses		38,679,756.67	17,630,478.39	18,808,631.37	14,703,107.16
- related company	6.3	-	-	-	79,129.17
Current portion of long-term loans	17	174,061,500.48	50,640,049.68	26,091,295.00	43,390,049.68
Current portion of liabilities under financial lease	17, 18	268,199.00	248,084.24	-	-
Other current liabilities	19	1,403,145.54	1,468,667.58	-	310,500.00
Total Current Liabilities		968,646,453.92	766,007,389.37	783,315,833.59	739,182,938.78
NON-CURRENT LIABILITIES					
Long-term loans from financial institutes - net	17	43,752,285.00	210,684,896.48	43,752,285.00	67,940,691.00
Liabilities under financial lease - net	17, 18	470,428.26	760,492.34	-	-
Liabilities under lease of land - net	32.4	10,000,000.00	10,000,000.00	-	-
Employee benefit obligation	4, 5.20	13,205,174.00	-	13,200,479.00	-
Other non-current liabilities		58,146.00	52,500.00	-	-
Total Non-Current Liabilities		67,486,033.26	221,497,888.82	56,952,764.00	67,940,691.00
Total Liabilities		1,036,132,487.18	987,505,278.19	840,268,597.59	807,123,629.78



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

	B A H T				
	Consolidated Financial Statement		Separate Financial Statement		
	<u>NOTE</u>	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
SHAREHOLDERS' EQUITY					
Share capital - Baht 0.50 each					
Registered	21				
As of December 31, 2010 Ordinary share 780,002,985 shares			390,001,492.50		390,001,492.50
As of September 30, 2011 Ordinary share 885,198,209 shares		442,599,104.50		442,599,104.50	
Issued and paid up					
As at December 31, 2010, Ordinary share 547,568,258 shares			273,784,129.00		273,784,129.00
As at September 30, 2011, Ordinary share 552,002,812 shares		276,001,406.00		276,001,406.00	
Premium on capital share		433,572,208.39	433,572,208.39	433,572,208.39	433,572,208.39
Premium on sale of treasury stock		15,534,581.23	15,534,581.23	15,534,581.23	15,534,581.23
Retained earnings					
Appropriated - Legal reserve	22	12,707,000.00	12,707,000.00	12,707,000.00	12,707,000.00
Unappropriated		(262,526,224.10)	(118,942,214.76)	(136,612,404.64)	(39,437,242.91)
Other components of equity					
Total Equity of the parent		475,288,971.52	616,655,703.86	601,202,790.98	696,160,675.71
Non - controlling interests		33,940.27	34,844.09	-	-
Total shareholders' equity		475,322,911.79	616,690,547.95	601,202,790.98	696,160,675.71
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,511,455,398.97	1,604,195,826.14	1,441,471,388.57	1,503,284,305.49

The accompanying notes to financial statements are an integral part of these financial statements.



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHAGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		BAHT							
		CONSOLIDATED FINANCIAL STATEMENT							
<i>Notes</i>	Issued and paid - up share capital	Premium on capital sale of treasury stock		Retained earning (Deficit) Appropriated - Legal reserve Unappropriated		Other components of equity Other comprehensive income (loss)		Non Controlling Interest	Total
Balance as of January 1, 2011, previously reported	273,784,129.00	433,572,208.39	15,534,581.23	12,707,000.00	(118,942,214.76)	-	34,844.09	616,690,547.95	
Affacted on changes in accounting policy	4	-	-	-	(9,762,032.00)	-	-	(9,762,032.00)	
Balance of January 1, 2011, adjusted	273,784,129.00	433,572,208.39	15,534,581.23	12,707,000.00	(128,704,246.76)	-	34,844.09	606,928,515.95	
Changes in equity for the year									
Share increase	21	2,217,277.00	-	-	-	-	-	2,217,277.00	
Non-controlling interest		-	-	-	-	-	12,000.00	12,000.00	
Comprehensive income (loss) for the year		-	-	-	(133,821,977.34)	-	(12,903.82)	(133,834,881.16)	
Balance as of December 31, 2011		<u>276,001,406.00</u>	<u>433,572,208.39</u>	<u>15,534,581.23</u>	<u>12,707,000.00</u>	<u>(262,526,224.10)</u>	<u>33,940.27</u>	<u>475,322,911.79</u>	
Balance as of January 1, 2010		251,592,417.00	408,950,096.27	15,534,581.23	12,707,000.00	(12,776,830.56)	-	44,683.32	676,051,947.26
Share increase	21	22,191,712.00	24,622,112.12	-	-	-	-	46,813,824.12	
Changes in equity for the year									
Comprehensive income (loss) for the year		-	-	-	(106,165,384.20)	-	(9,839.23)	(106,175,223.43)	
Balance as of December 31, 2010		<u>273,784,129.00</u>	<u>433,572,208.39</u>	<u>15,534,581.23</u>	<u>12,707,000.00</u>	<u>(118,942,214.76)</u>	<u>34,844.09</u>	<u>616,690,547.95</u>	

The accompanying notes to financial statements are an integral part of these financial statements.



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Surplus on
decreasing share
capital net of
treasury shares

		BAHT						
		SEPARATE FINANCIAL STATEMENT						
<i>Notes</i>	Issued and paid - up share capital	Premium on capital share	Retained earning (Deficit) sale of treasury stock	Appropriated - Legal reserve	Unappropriated	Other components of equity Other comprehensive income (loss)	Total	
	Balance as of January 1, 2011, previously reported	273,784,129.00	433,572,208.39	15,534,581.23	12,707,000.00	(39,437,242.91)	-	696,160,675.71
Affacted on changes in accounting policy	4	-	-	-	(9,760,191.00)	-	(9,760,191.00)	
Balance of January 1, 2011, adjusted	273,784,129.00	433,572,208.39	15,534,581.23	12,707,000.00	(49,197,433.91)	-	686,400,484.71	
Changes in equity for the year								
Share increase	21	2,217,277.00	-	-	-	-	2,217,277.00	
Comprehensive income (loss) for the year		-	-	-	(87,414,970.73)	-	(87,414,970.73)	
Balance as of December 31, 2011		<u>276,001,406.00</u>	<u>433,572,208.39</u>	<u>15,534,581.23</u>	<u>12,707,000.00</u>	<u>(136,612,404.64)</u>	<u>601,202,790.98</u>	
Beginning balance as at January 1, 2010		251,592,417.00	408,950,096.27	15,534,581.23	12,707,000.00	13,440,538.88	-	702,224,633.38
Share increase	21	22,191,712.00	24,622,112.12	-	-	-	46,813,824.12	
Changes in equity for the year								
Comprehensive income (loss) for the year		-	-	-	(52,877,781.79)	-	(52,877,781.79)	
Balance as of December 31, 2010		<u>273,784,129.00</u>	<u>433,572,208.39</u>	<u>15,534,581.23</u>	<u>12,707,000.00</u>	<u>(39,437,242.91)</u>	-	<u>696,160,675.71</u>

The accompanying notes to financial statements are an integral part of these financial statements.



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
NOTE		2011	2010	2011	2010
REVENUE					
	Revenue from sales and services	1,085,456,225.05	1,159,693,696.78	1,059,791,869.19	1,132,801,933.90
	Adjustment of allowance for obsolete inventories	-	-	-	-
	Gain on disposal of assets	816,795.73	-	816,795.73	516.81
	Other income	52,555,660.57	53,635,259.60	52,075,165.41	52,536,481.00
	Total revenues	<u>1,138,828,681.35</u>	<u>1,213,328,956.38</u>	<u>1,112,683,830.33</u>	<u>1,185,338,931.71</u>
EXPENSES					
	Cost of sales and services	1,035,116,557.61	1,053,446,617.02	1,011,484,128.93	1,028,918,474.12
	Selling expenses	27,341,472.35	40,081,811.71	25,483,970.81	37,450,052.76
	Administrative expenses	121,621,539.75	150,121,026.79	97,527,773.92	125,741,577.67
	Loss from impairment of investment in a subsidiary	13.1	-	20,000,000.00	22,000,000.00
	Loss from impairment of assets in a subsidiary	14	26,000,000.00	42,500,000.00	-
	Loss from on severe flooding	10	18,459,308.81	-	-
	Financial costs	24	43,785,159.70	32,902,882.79	27,143,618.59
	Total expenses	<u>1,272,324,038.22</u>	<u>1,319,052,338.31</u>	<u>1,200,098,801.06</u>	<u>1,237,764,872.00</u>
	Share of gain (loss) on investment in associate of a subsidiary	13.2	339,524.29	-	-
	Profit (loss) before income tax	(133,834,881.16)	(105,723,381.93)	(87,414,970.73)	(52,425,940.29)
	Income tax	25	-	(451,841.50)	(451,841.50)
	NET PROFIT (LOSS) FOR THE YEARS	<u>(133,834,881.16)</u>	<u>(106,175,223.43)</u>	<u>(87,414,970.73)</u>	<u>(52,877,781.79)</u>
	Comprehensive income (loss) for the years	-	-	-	-
	Total comprehensive income (loss) for the years	<u>(133,834,881.16)</u>	<u>(106,175,223.43)</u>	<u>(87,414,970.73)</u>	<u>(52,877,781.79)</u>
	Total comprehensive income (loss) attributable to				
	Owners of the parent	<u>(133,821,977.34)</u>	<u>(106,165,384.20)</u>	<u>(87,414,970.73)</u>	<u>(52,877,781.79)</u>
	Noncontrolling interest	<u>(12,903.82)</u>	<u>(9,839.23)</u>	-	-
	Total comprehensive income (loss) attributable to				
	Owners of the parent	<u>(133,821,977.34)</u>	<u>(106,165,384.20)</u>	-	-
	Noncontrolling interest	<u>(12,903.82)</u>	<u>(9,839.23)</u>	-	-
BASIC EARNING (LOSS) PER SHARE					
	Earnings (loss) per share of the Equity holders of the parent	30	<u>(0.24)</u>	<u>(0.20)</u>	<u>(0.16)</u>
	Number of weighted average ordinary shares (share)		<u>550,489,437</u>	<u>523,561,349</u>	<u>550,489,437</u>
DILUTED EARNINGS (LOSS) PER SHARE					
	Earnings (loss) per share of the Equity holders of the parent	30	<u>(0.17)</u>	<u>(0.18)</u>	<u>(0.11)</u>
	Number of weighted average ordinary shares (share)		<u>796,010,163</u>	<u>585,000,620</u>	<u>796,010,163</u>

The accompanying notes to financial statements are an integral part of these financial statements.



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

B A H T

	<i>Note</i>	Consolidated Financial Statement		Separate Financial Statement	
		2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES :					
Total comprehensive income (loss) for the periods		(133,834,881.16)	(106,175,223.43)	(87,414,970.73)	(52,877,781.79)
Adjustments to reconcile comprehensive net profit (loss) to -					
net cash provided by (used in) operating activities					
Depreciation and amortization	14, 15, 16	91,250,404.45	92,441,106.34	69,952,551.53	71,769,026.38
Provision for doubtful accounts	9	2,226,500.93	22,655,093.92	2,226,500.93	22,655,089.92
Provision (reversal) for allowance for obsolete inventories	10	20,135,781.21	3,542,269.23	20,135,781.21	3,542,269.23
Employee benefits	5	3,444,093.00	-	3,440,288.00	-
Loss from impairment of investment in a subsidiary	13.1	-	-	20,000,000.00	22,000,000.00
Loss from impairment of assets in a subsidiary	14	26,000,000.00	42,500,000.00	-	-
Unrealized loss (gain) on exchange rate		6,908,972.96	(407,621.05)	6,908,972.96	(407,621.05)
Unrealized loss (gain) from investment		(300,000.00)	1,200,000.00	(300,000.00)	1,200,000.00
Loss (gain) from investments		-	360,919.00	-	360,919.00
Gain on disposal of assets		(816,795.73)	(3,398.57)	(816,795.73)	(3,398.57)
Share of gain (loss) on investment in associate of a subsidiary	2, 13.2	339,524.29	-	-	-
Financial costs	24	43,785,159.70	32,902,882.79	27,143,618.59	23,654,767.45
Income tax expenses	25		451,841.50		451,841.50
Interest income		-	(132,598.29)	-	(1,119,278.19)
Net income from operations before changes of -					
operating assets and liabilities		59,138,759.65	89,335,271.44	61,275,946.76	91,225,833.88
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade receivable		54,694,829.29	(89,734,669.03)	54,819,179.26	(90,127,470.33)
other receivable - other companies		(3,477,010.51)		(3,508,161.09)	
Inventories		(66,769,058.05)	(68,805,148.49)	(67,040,246.35)	(68,850,873.06)
Other current assets		(4,511,280.63)	(7,861,202.50)	(5,474,572.19)	(11,468,763.38)
Other non-current assets		210,284.27	6,669,113.93	210,284.27	7,269,113.93
Increase (decrease) in operating liabilities;					
Trade payable - other companies		(28,414,402.98)	(1,829,038.72)	(28,430,816.34)	(686,613.39)
Other payables-other companies-accrued expenses		23,733,362.67	-	6,987,218.37	-
Other current liabilities		(16,066,280.65)	8,042,986.06	(2,794,230.43)	3,491,561.38
Other non-current liabilities		6,536.00	(1,982,500.00)	-	-
Cash receipt (payment) in operating activities before Income taxes		18,545,739.06	(66,165,187.31)	16,044,602.26	(69,147,210.97)
Income taxes paid			(1,651,721.98)		(1,651,721.98)
Net cash provided by (used in) operating activities		18,545,739.06	(67,816,909.29)	16,044,602.26	(70,798,932.95)



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

B A H T

	<i>Note</i>	Consolidated Financial Statement		Separate Financial Statement	
		2011	2010	2011	2010
CASH FLOWS FROM INVESTING ACTIVITIES :					
Payment of long-term loan to subsidiary	6	-	-	-	(23,000,000.00)
Sales of trading security		-	6,137,138.10	-	6,137,138.10
Investment in subsidiary company	13.1	-	-	(19,988,000.00)	-
Payment for investment in associate of a subsidiary	13.2	(17,546,200.00)	-	-	-
Acquisition of land building and equipment	14	(43,559,670.56)	(21,808,490.94)	(43,359,123.55)	(19,857,044.94)
Proceeds from sale of land		-	19,486,000.00	-	19,486,000.00
Proceeds from sale of equipment		1,045,600.00	(7,500.00)	1,045,600.00	(7,500.00)
Acquisition of computer software	16	(779,675.44)	(4,873,450.00)	(779,675.44)	(4,873,450.00)
Payment for leasehold right	15	-	(10,270,526.32)	-	-
Cash received from interest income		-	148,317.48	-	148,317.48
Net cash provided by (used in) investing activities		(60,839,946.00)	(11,188,511.68)	(63,081,198.99)	(21,966,539.36)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(30,468,485.48)	(39,109,304.52)	(27,541,582.32)	(25,563,915.65)
Increase (decrease) in bank overdrafts and short-term loans - from financial institutions		77,391,888.53	111,076,958.25	76,910,313.59	111,078,078.09
Repayment of long-term loans		(43,511,160.68)	(62,718,306.40)	(41,487,160.68)	(62,718,306.40)
Payments of hire-purchase liability	18	(269,949.32)	(1,171,543.35)	-	(920,200.00)
Proceeds from sale of treasury stock		-	19,790,430.00	-	19,790,430.00
Cash from share capital increase	21	2,217,277.00	46,813,824.12	2,217,277.00	46,813,824.12
Net cash provided by (used in) financing activities		5,359,570.05	74,682,058.10	10,098,847.59	88,479,910.16
Increase (decrease) in cash and cash equivalents, net		(36,934,636.89)	(4,323,362.87)	(36,937,749.14)	(4,285,562.15)
Cash and cash equivalents, at beginning of years	7	44,846,592.37	49,169,955.24	42,950,522.88	47,236,085.03
Cash and cash equivalents, at ending of years	7	7,911,955.48	44,846,592.37	6,012,773.74	42,950,522.88
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION;					
Operating and investment activities not affecting cash					
Increase in employee benefits obligation on compiling of financial reporting standard of by adjusting to beginning retained earnings	5	9,762,032.00	-	9,760,191.00	-
Decrease in other receivable - related company dut to debt offsetting		-	-	79,129.17	-
Increase in other payable - related company dut to debt offsetting		-	-	79,129.17	-

The accompanying notes to financial statements are an integral part of these financial statements.



C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. GENERAL INFORMATION

The Company was incorporated as a limited company under the Civil and Commercial Code on April 10, 2003, and changed its status to a Public Company Limited under the Public Company Limited Act on March 1, 2004. The address of the head office is 1/1 Moo 7 Bangkoowad Road, Amphor Muang, Pathumthani Province. The Company operates in Thailand and the main business is manufacture and sale of air conditioning products and parts.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The company's financial statements have been prepared in accordance with financial reporting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The consolidated financial statements are consolidated the accounts of C.I. Group Public Company Limited, De Lamai Co., Ltd. and C.I.G. (Thailand) Co., Ltd. Significant inter-company transactions are eliminated.

Enterprises that directly, or indirectly control by the Company, or are under common shareholders / director

Name	Type of business	Relationship	Share holding (%)	
			As of Dec-31, 2011	As of Dec-31, 2010
<u>Subsidiaries</u>				
De Lamai Co., Ltd.	Hotel operations	Share holding and joint directors	99.97	99.97
C.I.G. (Thailand) Co., Ltd.	Manufacture and sale of air-con products	Share holding and joint directors	99.94	-
<u>Associate of a subsidiary</u>				
Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd.	Manufacture and sale of air conditioning products, parts and coil	Indirect share holding and joint directors	-	-

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.



3. ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

(a) Financial reporting standards which are effective for the current year

During year 2010 and the 1st quarter of year 2011, the Federation of Accounting Professions has issued a number of revised and new financial reporting standards which are effective for financial statements periods beginning on or after January 1, 2011 and relevant to the Company's business as follows:

TAS	1	Presentation of Financial Statements (revised 2009)
TAS	2	Inventories (revised 2009)
TAS	7	Statement of Cash Flows (revised 2009)
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2009)
TAS	10	Events after the Reporting Period (revised 2009)
TAS	16	Property, Plant and Equipment (revised 2009)
TAS	17	Leases (revised 2009)
TAS	18	Revenue (revised 2009)
TAS	19	Employee Benefits
TAS	23	Borrowing Costs (revised 2009)
TAS	24	Related Party Disclosures (revised 2009)
TAS	27	Consolidated and Separate Financial Statements (revised 2009)
TAS	28	Investments in Associates (revised 2009)
TAS	33	Earnings per Share (revised 2009)
TAS	34	Interim Financial Reporting (revised 2009)
TAS	36	Impairment of Assets (revised 2009)
TAS	37	Provisions, Contingent Liabilities and Contingent Assets (revised 2009)
TAS	38	Intangible Assets (revised 2009)
TFRS	3	Business Combinations (revised 2009)

Adoption of the above financial reporting standards in the current period do not have material effect on the financial statements except as stated in note 4 and 5 to the interim financial statements.

(b) Financial reporting standards which are not effective for the current period

During year 2010 and the 1st quarter of year 2011, the Federation of Accounting Professions has issued the revised and new financial reporting standards which are effective for financial statements periods beginning on or after January 1, 2013 as follows :

TAS	12	Income Taxes
TAS	20	Accounting for Government Grants and Disclosure of Government Assistance (revised 2009)
TAS	21	The Effects of Changes in Foreign Exchange Rates (revised 2009)



TI 10 Government Assistance - No Specific Relation to Operating Activities

TI 21 Income Taxes - Recovery of Revalued Non - Depreciable Assets

TI 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company shall adopt the above financial reporting standards on the effective date, however, the management considers that TAS 20 (revised 2009), TAS 21 (revised 2009) and TI 10 do not have material effect on the financial statements. This excludes TAS 12, TI 21 and 25 for which the management is still considering the effect to the financial statements for the year in which they are initially applied.

4. EFFECT FROM INITIAL ADOPTION OF FINANCIAL REPORTING STANDARDS

In the current year, the Company adopted the revised and new financial reporting standards as stated in note 3 (a) to the interim financial statements. The Company selected to recognize the employee benefit obligation as of December 31, 2010 in consolidated and separate financial amounted to Baht 9,762,032.00 and Baht 9,760,191.00 respectively, by adjust to the retained earnings (deficit) as of January 1, 2011, in accordance with the transitional treatment of TAS 19 which had the effects on the financial statements as follows :

	BAHT	
	Consolidated financial statements	Separate financial statements
Statement of financial position		
- Increase in employee benefit obligation as of December 31, 2011	13,205,174	13,200,479
- Increase in deficit as of January 1, 2011	9,762,032	9,760,191
Comprehensive statement of income		
	BAHT	
	Consolidated financial statements	Separate financial statements
	For the year ended December 31, 2011	For the year ended December 31, 2011
Increase in employee benefit has affected		
- Increase in administrative expenses	3,444,093	3,440,288
- Decrease in net profit	3,444,093	3,440,288
- Decrease in basic earnings per share (Baht)	0.006	0.006



Movements of present value of employee benefit obligation for the year ended December 31, 2011 are as follows:

	BAHT	
	Consolidated financial statements	Separate financial statements
Employee benefits obligation as of January 1, 2011	-	-
Effect of changes in accounting policy	9,762,032	9,760,191
Employee benefits obligation as of January 1, 2011, adjusted	9,762,032	9,760,191
Benefits paid	-	-
Current service cost and interest	3,444,093	3,440,288
Recognized past service cost	-	-
Employee benefits obligation as of December 31, 2011	3,444,093	3,440,288

Expenses recognized in profit or loss for the year ended December 31, 2011 are as follow :

	BAHT	
	Consolidated financial statements	Separate financial statements
Current service cost	2,961,051	2,957,432
Interest cost	483,042	482,856
Total	3,444,093	3,440,288

Principal actuarial assumptions as of December 31, 2011 are as follows :

	Consolidated financial statements	Separate financial statements
Discount rate	3.40%	3.40%
Salary increase rate	5.00%	5.00%
Employee with select resignation before retirement ratio	0-30.60%*	0-30.60%*
Mortality rate	TMO 1997**	TMO 1997**

* Depend on rate weighted by age group of employee

** Reference from Thai Mortality ordinary Table of 1997, common type



Presentation of financial statements

According to TAS 1 Presentation of Financial Statements (revised 2009) requires "Changes in shareholder's equity, not arising from transaction with shareholders, only for the transactions that are not recognized in profit or loss" to be presented as "items of other comprehensive income" as a part of statement of comprehensive income.

The comparative data were represented to comply with the requirements of revised financial reporting standards.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

5.1 Recognition of revenues and expenses

The Company recognizes revenues and expenses on an accrual basis.

- Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.
- Service income is recognized after service has been rendered.
- Interest income is recognized on accrual basis in the statements of income.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, call deposits and highly liquid short-term investments due within three-months period as from the receive date and without restriction on withdrawal.

5.3 Short-term investment

Investment in promissory note from financial company is stated at cost.

Investments in securities held for at fair value. Gain or losses arising from changes in the value of securities shall be included in determining income.

Fair value of marketable securities are calculated from latest bidding price on last working day of the year of the Stock Exchange of Thailand.

5.4 Trade accounts receivable and notes receivable

Trade accounts and notes receivable are shown net of the allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is based on historical collection experience and a review of the current status of debt.

5.5 Inventories

Inventories are stated at the lower of cost (FIFO) or net realizable value.



5.6 Property, plant and equipment

- Land is stated at cost.
- Land improvements, building and improvement, machinery and equipment and others are stated at cost net of accumulated depreciation and impairment loss.
- Depreciation recording as expense is computed by the straight-line method on the basis of estimated useful life of particular asset. Estimated useful life of assets are as follows;

	Year
Building structures	20
Building and improvement	10
Machinery and equipment	5-10
Furniture, fixtures and office equipment	3, 5, 10
Vehicle	5

5.7 Land not used in operation

Land not used in operation is stated at the lower of cost or net realizable value.

5.8 Intangible assets

Intangible assets consist of computer software which is stated at cost net of accumulated amortization and impairment loss.

Amortization is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets for five (5) years.

5.9 Goodwill

Negative goodwill represents the excess, at the date of acquisition, in the fair value of the net assets of the subsidiary acquired over the cost of the acquisition. Negative goodwill is recognized as income in the income statement immediately.

5.10 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income.



Calculation of recoverable amount

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

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.11 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

5.12 Using of accounting estimation

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

5.13 Provision for liabilities

A provision is recognized in the balance sheet when the Company has 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.

5.14 Treasury stock

Treasury stock is presented by deducting from total shareholders equities in the statement of financial position at cost. If the selling price of the treasury stock is higher than the acquiring cost, the Company will recognize the difference in the premium on share capital. If the selling price is lower than the acquiring cost, the Company will recognize the difference by deducting the difference from the premium on share capital until the premium on share capital account is empty then the balance will be deducted from retained earnings account.

5.15 Expenses

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.



Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized and are directly attributable to the acquisition, construction or production of an asset which will necessarily take a substantial amount of time to prepare for its intended use or sale. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

Other expenses

Other expenses are charged to the statement of income in the period in which they are incurred.

5.16 Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the commercial bank's buying or selling rates respectively ruling on the balance sheet date. Foreign exchange differences arising on translation are recognized in the statement of income.

5.17 Income tax

The Company records income tax expense based on the Company's taxable net income determined in accordance with the Revenue Code.

5.18 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5.19 Employee benefits

The Company and its subsidiaries are recognize salaries, wages, bonuses, contributions to the social security fund and provident fund and other benefits are recognized as expenses when incurred. Severance Payment had recognized as expenses along the service period of employees. The Company's obligations in respect of employee post – employment benefits are estimated under the actuarial assumption.



5.20 Employee benefit obligation

The Company and its subsidiaries recorded employee benefit obligation (not separated fund from the Company's assets) as specified in the Thai Law which estimated under the actuarial assumptions by a qualified actuary. However, the actual benefit obligation may be different from the estimate. However, the actual benefit obligation may be different from the estimate.

5.21 Cost of borrowing

Interest expense that arises from the borrowing for the machinery installation project has been included into the cost price of machinery installation project in progress until the machines are in a ready to use state. For the borrowing made for this specific purpose and interest, the Company has a policy to capitalize the cost of borrowing into the cost price of assets for every machinery installation project; however, it will capture the cost of borrowing as the period's expense for other type of asset acquisition.

5.22 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of issued and paid-up of common shares at the end of period.

6. RELATED PARTY TRANSACTIONS

The Company had certain accounting transactions with its subsidiaries. The financial statements have included the results of such transactions based on the agreements between the Company and the subsidiaries. These companies are related by shareholding by the Company and having joint management. The Company has pricing policy for the transactions based on general market prices or fair value for the price.

Balance of assets, liabilities, accounting and trading transactions with subsidiaries as of December 31, 2011 and, 2010 are as follows:

ASSETS

	BAHT			
	Condolidate financial Statement		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
6.1 <u>Interest receivable</u>				
De Lamai Co., Ltd.	-	-	2,236,849	2,315,978
6.2 <u>Long-term loan</u>				
De Lamai Co., Ltd.	-	-	83,000,000	83,000,000



Transactions of long-term loan to related party for the six-month period ended December 31, 2011 are as follows;

	BAHT				Transfer pricing policy Percent per annum
	Separate financial statements			Balance Dec-31, 2011	
	Balance Dec-31, 2010	Increase	Decrease		
De Lamai Co., Ltd.	83,000,000	-	-	83,000,000	0% from April 2010 onward for 5 years and 2.88% and 4.75% thereafter

On June 18, 2010 the Company executive board of directors has approved the subsidiary's debt restructuring plan, with monthly installation repayment in amount of Baht 0.15 million to Baht 2.20 million from the operating cash flow within 11 years. The first installation of Baht 0.15 million is due in January 2012, and waived the interest charged of the total loan for 5 years period, which effected on April 1, 2010.

LIABILITY

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
6.3 Other payable				
De Lamai Co., Ltd.	-	-	-	79,129
C.I.G. (Thailand) Co., Ltd.	-	-	-	-

6.4 Significant related party transactions

for the years ended December 31, 2011 and 2010 are as follows;

	BAHT		Transfer pricing policy
	For the years ended Dec-31		
	2011	2010	
Interest received			
De Lamai Co., Ltd.	-	986,680	2.88% and 4.75% p.a.



Management remunerations for the years ended December 31, 2011 and 2010 presented in Cost of sale and service, Selling expenses and Administrative expenses are as follow :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost of sales and services	1,227,099	1,410,915		
Selling expenses	200,000	430,434		
Administrative expenses	23,800,854	31,571,995	21,700,200	28,835,420
Total	25,227,953	33,413,344	21,700,200	28,835,420

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company as of December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Cash on hand	279,566	431,692	141,692	130,334
Cash at banks - savings accounts	4,829,971	40,101,171	3,223,996	38,581,848
Cash at banks - current accounts	2,802,418	4,313,729	2,647,085	4,238,341
Total	7,911,955	44,846,592	6,012,773	42,950,523

Saving accounts carried interest at the floating rates set by the banks.



8. SHORT-TERM INVESTMENTS

Short-term investments as of December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
<u>Trading securities</u>				
<u>Ordinary share</u>				
Beginning balance, net book value	300,000	2,943,670	300,000	2,943,670
Purchase during the period	-	-	-	-
Sale during the period	-	(1,443,670)	-	(1,443,670)
Unrealized gain (loss) from valuation of -				
Investments	300,000	(1,200,000)	300,000	(1,200,000)
Ending balance, net book value	600,000	300,000	600,000	300,000
<u>Debenture - Financial institutions</u>				
Beginning balance, net	-	5,054,387	-	5,054,387
Sale during the period	-	(5,054,387)	-	(5,054,387)
Unrealized gain (loss) from valuation of -				
Investments	-	-	-	-
Debenture - Financial institutions - net	-	-	-	-
Total trading securities	600,000	300,000	600,000	300,000

The Company invested in debenture from a financial institution receiving interest quarterly at the rate 4.25% per annum. The debenture was redeemed on its maturity on June 5, 2010.



9. TRADE AND OTHERS RECEIVABLE

9.1 TRADE RECEIVABLE - NET

Trade receivables – net, of the Company as of December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Trade accounts receivable				
– Related party	-	-	-	-
– Other parties	283,778,908	345,903,305	280,875,186	343,483,351
Total	283,778,908	345,903,305	280,875,186	343,483,351
<u>Less</u> : Allowance for doubtful accounts	(28,687,582)	(36,217,932)	(27,399,664)	(35,289,433)
Accounts receivable – net	255,091,326	309,685,373	253,475,522	308,193,918

As of December 31, 2011 and 2010, the Company and its subsidiary have overdue accounts receivable which aging is as follows :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Within credit terms	169,167,109	220,232,545	167,998,414	219,434,802
Overdue				
Less than 3 months	66,984,820	46,611,515	66,905,120	46,291,405
3 to 6 months	8,594,849	29,461,253	8,388,999	29,460,214
6 to 12 months	9,781,273	5,079,630	9,701,233	5,060,238
Over 12 months	29,250,857	44,518,362	27,881,420	43,236,692
Total	283,778,908	345,903,305	280,875,186	343,483,351
<u>Less</u> : Allowance for doubtful accounts	(28,687,582)	(36,217,932)	(27,399,664)	(35,289,433)
Net	255,091,326	309,685,373	253,475,522	308,193,918

Transactions of allowance for doubtful accounts during for the year ended December 31, 2011 are as follow:

	BAHT	
	Consolidated financial statements	Separate financial statements
Beginning balance	36,217,932	35,289,433
Additional provision during the period	2,501,010	2,226,501
Ending balance	28,687,582	27,399,664



9.2 OTHERS RECEIVABLE

Other receivables – net, of the Company as of December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Other Companies				
Prepaid expenses	1,767,397	1,835,039	1,480,223	1,653,294
Advance on purchase and others	17,840,965	14,233,339	17,839,794	14,218,338
Total	19,608,362	16,068,378	19,320,017	15,871,632

10. INVENTORIES - NET

Inventories as of December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Raw materials	238,095,746	208,356,505	238,095,746	208,356,505
Work in process	58,082,605	58,441,354	58,082,605	58,441,354
Finished goods	56,989,267	33,837,824	56,598,354	33,505,956
Goods in transit	14,575,867	8,511	14,575,867	8,511
Supplies	-	330,233	-	-
Total	367,743,485	300,974,427	367,352,572	300,312,326
<u>Less</u> Allowance for diminution in inventory value	(25,668,024)	(5,532,243)	(25,668,024)	(5,532,243)
Inventories – net	342,075,461	295,442,184	341,684,548	294,780,083

Transactions of allowance for diminution of the inventory value during for year ended December 31, 2011 are as follows:

	BAHT	
	Consolidated financial statements	Separate financial statements
Beginning Balance	5,532,243	5,532,243
Addition (deduction) during the period	20,135,781	20,135,781
Ending balance	25,668,024	25,668,024

In October 2011, there is serious floods in many area in Thailand. The Company plant and office were flooded, affected to suspense the Company's production and damage in raw material and supplies. The Company realized allowance for diminution of the inventory value effected on flooded amounting to approximately Baht 17.09 million. Moreover the Company had spent approximate Baht 1.37 million for flood prevention, which recorded as Loss from on severe flooding approximately Baht 18.46 million.



However, the loss will be compensated by the Company insurance coverage for all disasters, which is surveying of insurance recoveries by the insurance company.

11. DEFAULT-PAYMENT LOAN TO OTHER

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Loan	80,000,000	80,000,000	80,000,000	80,000,000
Accrued interest received	12,027,397	12,027,397	12,027,397	12,027,397
Total	92,027,397	92,027,397	92,027,397	92,027,397

On February 27, 2008, a short-term loan of Baht 80 million was granted to a third party to facilitate the co-investment in the future according to the resolution of the Board of Executive Directors' Meeting No.5/2008 on February 26, 2008. The loan agreement carries interest at the rate of 7.5% per annum. The loan was due on September 30, 2008 and was guaranteed by the mortgage of land in Phuket at the appraised value as at the survey date by TAP Valuation Co., Ltd. (April 30, 2008) of Baht 18,750 per square wah, together with construction thereon at the amount of Baht 91,051,600, making the total appraised value of land and construction amounting Baht 136,610,350 for the guarantee asset (The appraised value of the assets by the same independent appraiser on March 25, 2010 is approximately Baht 110 million). In addition, the borrower has placed 450,000 ordinary stocks of a company that operates a hotel business in Phuket as collateral.

The borrower failed to make a repayment of loan when due on September 30, 2008. In December 2008 the Company filed lawsuits against the borrower in Civil and Criminal courts to request the repayment of the loan and related interest. On October 29, 2009 the Civil court has the verdict that order the borrower to repay the principle of the loan plus interest at the rate of 10% p.a. as from June 28, 2008 within 30 days. In case of fail, the collateral land and constructions are confiscated and to be sold by auction which cash from the sale to be paid to the Company. If cash from the sale is less than the amount due, other assets are to be confiscated and sold for cash until the amount due is fully paid. In March 2010, the Company filed the court order with the Legal Execution Department to execute the enforcement the assets confiscation.

In civil case, on May 18, 2010, the Legal Execution Department has executed to confiscate the mortgaged land, and has appraised the value of the land at approximately Baht 19.44 million. Later on the Execution Department officer has announced date for auction of the land that first auction on December 2, 2010, second auction on December 9, 2010, third auction on December 16, 2010 and forth auction on December 23, 2010. On December 2, 2010 there is a limited company (registered on December 1, 2010 with Baht 1 million register capital) offered the highest price at Baht 43.20 million. The Company disputed the offering price, then the officer order to postpone the auction to December 9, 2010 and order the offering company to commit the highest offering price. On December 9, 2010 no one offer higher price than Baht 43.20 million, the Execution Officer ordered to sell the land at



Baht 43.20 million and order the buyer to pay the balance of Baht 43.15 million (the Baht 43.20 million auction price less Baht 50,000 deposit) within 15 days. Later on the buyer has requested to extent the payment of the balance amount for another 90 days. The Execution Officer has approved the extension period to March 24, 2011. Later on March 24, 2011, the buyer did not pay the remaining amount, the Execution Officer ordered the forfeit of the deposit. The schedule for an announcement of the next auction was in June 2011. However, in June 2011, the auction to sell the land has not been announced. Later on August 4, 2011 the Company has submitted additional request to confiscate the construction on the land. The Execution Officer had reported matter of fact to the court for the court's further instructions. The court has ordered to release liabilities of the Execution Officer which has to responsible as Code of Civil Procedure. However, the Company is coordinating with the Execution Officer to confiscate the construction for future auction.

Moreover, on March 8, 2011 the handed-over common shares of a company as collateral and others personal assets of the borrower, have been asked for confiscation. The Execution Officer not agree and suspense the request due to the mortgaged lands has not been sold.

For the Criminal case, on April 27, 2010, the Criminal court has postponed cross-questioning the witness of the plaintiff and questioning of the witness of the defendant to August 2, 2010. The court has made another postpone of the questioning of the witness of the defendant to October 19 and 20, 2010. Later, the lawyer of the defendant withdrew from his duty as the lawyer of the defendant. On October 19, 2010, the defendant requested the postponement of the questioning of the witness of the defendant to February 28, 2011. On February 28, 2011 the lawyer of the defendant asked the court another postponement, the court approved to questioning of the witness of the defendant to May 9, 2011 which the defendant request a postponement of the questioning of the witness of the defendant. The court orders the postponement of the questioning of the witness of the defendant to August 1, 2011 and August 11, 2011 and August 25, 2011 and September 5, 2011.

However, on August 1, 2011, the lawyer of the defendant requested for the postponement of the questioning of the witness of the defendant. The court allowed but all witnesses of the defendant have to appear at the court for questioning on the remaining appointments with the court.

On August 11, 2011, the lawyer of the defendant questioned witnesses of the defendant. The court appointed the next meetings for questioning on August 25, 2011 and September 5, 2011.

On September 12, 2011 the lawyer of the defendant requested to consider the case behind the defendant and postponement the case. The court not allowanced and issued warrant of arrest. The court has rearranged the date of questioning of the witness of the defendant on November 18, 2011. Due to the floods situation in Bangkok and vicinity, the chairman of the Supreme Court has ordered the flooded court to pause the operation. Therefore, the questioning of the witness of the defendant on November 18, 2011 has been paused and the court has rearranged the date on January 24, 2012.

On January 24, 2012 the lawyer of the defendant requested the court to question of 2 more of witness of the defendant. The court allowanced and set date of questioning additional witness on May 25, 2012 and June 12, 2012.



Presently, the factors cause the Company unable to determine a suitable net realizable value of the receivable. Thus, no allowance for doubtful accounts has been provided.

However, the Company has ceased to record the interest receive from the loan of Baht 80 million as from January 1, 2010 and will recognize the amount exceeding the accrued interest as income in the period that the Company received the payment.

12. OTHER CURRENT ASSETS

Other current assets consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-30, 2011	Dec-31, 2010	Dec-30, 2011	Dec-31, 2010
Value added tax	14,940,998	12,330,611	5,557,479	420,798
Withholding tax withheld	2,975,746	1,621,113	2,969,712	2,572,045
Others	3,392,204	2,898,758	-	-
Total	21,308,948	16,850,482	8,527,191	2,992,843

13. INVESTMENT IN RELATED COMPANY

13.1 INVESTMENT IN SUBSIDIARY

As at December 31, 2011 and December 31, 2010 the Company has invested in the subsidiary company as follows;

Company Name	Type of business	Million Baht							
		Paid-up capital		Proportion of shareholding (%)		Investment in subsidiary company			
		Dec 31-11	Dec 31-10	Dec 31-11	Dec 31-10	Cost	Net Book Value	Cost	Net Book Value
De Lamai Co., Ltd.	Hotel	100	100	99.97	99.97	146.55	146.55	(23.78)	9.02
C.I.G. (Thailand) Co., Ltd.	Manufacture and sell air-con products	20	-	99.96	-	19.98	-	17.75	-
<u>Less</u> : Allowance for impairment of investments						(42.00)	(22.00)		
Investment in subsidiary - net						124.53	124.55		

13.1.1 The Company invested in a subsidiary company (De Lamai Co., Ltd.) which is in the hotel business located on Samui island, Suratthani province. The value of investment on cost method is approximately Baht 146.55 million. On December 31, 2010, net book value of the subsidiary was Baht 9.02 million due to continuous loss since the commence of the operation in 2009 (accumulated loss of Baht 90.98 million). The Company has provided allowance for impairment of the investment amounting to Baht 15 million in the 2nd quarter of year 2010. As the operation result of the subsidiary in the year 2010 did not accomplish the plan, the management has adjusted the business plan and reviewed the value of investment in the subsidiary company, using the Discounted Cash Flow method at the discount rate of 5.03%, showing the value of Baht 124 million. Therefore, in the 4th quarter of year 2010,



the Company increased another Baht 7 million of the allowance for impairment of the investment, to be total amount of Baht 22 million.

As at September 30, 2011, the subsidiary has deficit Baht 12.54 million due to operation loss of Baht 21.57 million during the nine-month period ended September 30, 2011 which differed from the forecasted plan, due to the low season period of Samui and the island was flooded for a long period of time, and the management believed that the operation result would be improved in the later period because of the better political factor that will affect positively to the tourist industry of the country. Thus, the Company has not provided the allowance for impairment of the investment for the previous six-month period. However, Due to the floods situation in Bangkok and vicinity in October 2011, the management has adjusted the business plan and reviewed the value of investment in the subsidiary company, using the Discounted Cash Flow method at the discount rate of 4.99%, showing the value of Baht 104 million. Therefore, in the 3rd quarter of year 2011, the Company increased another Baht 20 million of the allowance for impairment of the investment, to be total amount of Baht 42 million.

As of December 31, 2011, the management had considered the impairment of the investment in subsidiary, and have the opinion that the total allowance for impairment loss which has been recorded is adequate.

13.1.2 The Company has invested in a subsidiary, C.I.G. (Thailand) Co., Ltd., which manufacture and sell of air condition equipment and parts and cooling systems, repair, maintenance and inspection services. Registered in Thailand on February 11, 2011 with registered capital of Baht 50 million, as of June 30, 2011, the paid-up capital was Baht 20 million (40% of the registered capital). The Company holds 99.97% shares in the subsidiary company. The investment in the subsidiary company was approved by the Executive Board of Directors meeting on February 4, 2011.

13.2 INVESTMENT IN ASSOCIATE

On May 5, 2011, Board of Directors Meeting of a subsidiary (CIG (Thailand) Co., Ltd.) approved a resolution to approve the subsidiary company (CIG (Thailand) Co., Ltd.) to jointly invest with Chenzhou OMS Investment Co., Ltd. to set up a company named Chenzhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd. in The People Republic of China with the registered capital of China Yuan 100 million to manufacture and sale of air conditioning products, parts and coil. The Company holds 25% of the registered shares.

On May 6, 2011, the subsidiary (CIG (Thailand) Co., Ltd.) has transferred Baht 17,546,200 (equivalent to US Dollar 579,933) to a bank account in The People Republic of China for registration of the company. Later on May 18, 2011 Chenzhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd. has been approved to establish which head office located on 73 Wuling road, Zhaoshang building room no 593 Chenzhou city, Wonan district, the People Republic of China, with the business duration ending May 9, 2021.

In 2011 the Company has recognized share of loss on investment in associate company, amounting to Baht 339,524.29 in the Consolidated financial statements, using the financial statement of period from May 18, 2011 to December 31, 2011, which has been prepared by the subsidiary management and has not been audited by auditor.



Company Name	Type of business	Paid-up capital (Million Baht)		Proportion of shareholding (%)		Investment in associate company			
						Cost		Equity	
		Dec 31-11	Dec 31-10	Dec 31-11	Dec 31-10	Dec 31-11	Dec 31-10	Dec 31-11	Dec 31-10
Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd.	Manufacture and sale of air conditioning products, parts and coil	20	-	25 through a subsidiary	-	17.55	-	17.21	-
Investment in subsidiary - net						17.55	-	17.21	-

14. PROPERTY, PLANT AND EQUIPMENT - NET

Land, properties, plant and equipment as at December 31, 2011 and, 2010 consisted of :

	BAHT							
	Consolidated financial statements							
	Land	Building Structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Facilities	Vehicles	Machinery under installation	Total
COST								
Balance Dec-31, 2010	83,964,442	553,878,255	608,217,778	33,156,140	1,420,717	20,885,904	13,318,023	1,314,841,259
Increase	-	-	5,009,287	1,256,357	15,268	880,000	36,330,806	43,491,718
Transfer in	-	120,787	30,979,042	-	-	-	-	31,099,829
Transfer out/ Disposal	-	-	(6,964,530)	(26,207)	-	(1,525,000)	(31,099,829)	(39,615,566)
Balance Dec-31, 2011	83,964,442	553,999,042	637,241,577	34,386,290	1,435,985	20,240,904	18,549,000	1,349,817,240
Less : ACCUMULATED DEPRECIATION								
Balance Dec-31, 2010	-	(119,879,935)	(302,944,641)	(21,596,835)	(666,036)	(15,087,956)	-	(460,175,403)
Increase	-	(26,126,350)	(51,822,158)	(4,604,761)	(286,102)	(2,891,931)	-	(85,731,302)
Transfer out/ Disposal	-	-	6,845,516	26,205	-	1,483,617	-	8,355,338
Balance S Dec-31, 2011	-	(146,006,285)	(347,921,283)	(26,175,391)	(952,138)	(16,496,270)	-	(537,551,367)
Allowance for impairment								
Balance Dec-31, 2010	-	(71,069,230)	-	-	-	-	-	(71,069,230)
Increase	-	(26,000,000)	-	-	-	-	-	(26,000,000)
Allowance for impairment Dec-31, 2011	-	(97,069,230)	-	-	-	-	-	(97,069,230)
Property, plant and equipment - net								
Dec 31, 2010	83,964,442	362,929,090	305,273,137	11,559,305	754,681	5,797,948	13,318,023	783,596,625
Dec-31, 2011	83,964,442	310,923,527	289,320,294	8,210,899	483,847	3,744,634	18,549,000	715,196,642
Depreciation								
For the years ended : Dec-31, 2010								82,166,218
: Dec-31, 2011								85,731,302



	BAHT						
	Separate financial statements						
	Land	Building Structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Machinery under installation	Total
COST							
Balance Dec-31, 2010	83,515,958	163,874,499	602,109,409	25,076,775	18,837,354	13,318,023	906,732,018
Increase	-	-	4,887,531	1,192,382	880,000	36,330,806	43,290,720
Decrease	-	-	(6,964,530)	(26,208)	(1,525,000)	-	(8,515,738)
Transfer in	-	120,787	30,979,042	-	-	-	31,099,829
Transfer out/ Disposal	-	-	-	-	-	(31,099,829)	(31,099,829)
Balance Dec-31, 2011	83,515,958	163,995,286	631,011,452	26,242,949	18,192,354	18,549,000	941,506,999
Less : ACCUMULATED DEPRECIATION							
Balance Dec-31, 2010	-	(54,756,151)	(300,161,484)	(18,298,866)	(14,061,997)	-	(387,278,498)
Increase	-	(9,908,000)	(50,588,777)	(2,978,536)	(2,482,221)	-	(65,957,534)
Decrease	-	-	6,845,516	26,204	1,483,617	-	8,355,337
Transfer in	-	-	-	-	-	-	-
Transfer out/ Disposal	-	-	-	-	-	-	-
Balance Dec-31, 2011	-	(64,664,151)	(343,904,745)	(21,251,198)	(15,060,601)	-	(444,880,695)
Property, plant and equipment - net							
Dec 31, 2010	83,515,958	109,118,348	301,947,925	6,777,909	4,775,357	13,318,023	519,453,520
Dec-31, 2011	83,515,958	99,331,135	297,106,707	4,991,751	3,131,753	18,549,000	496,626,304
Depreciation							
For the years ended : Dec-31, 2010							68,044,027
: Dec-31, 2011							65,957,535

Depreciation for the years ended December 30, 2011 and 2010 presented in cost of goods sold, selling and administrative expenses consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cost of sale	81,883,855	78,079,553	62,866,097	64,645,244
Selling and administrative expenses	3,847,447	4,086,665	3,091,438	3,398,783
Total	85,731,302	82,166,218	65,957,535	68,044,027



During the years ended December 31, 2011 and 2010, the Company has capitalized interest payment amounting Baht 0.21 million and Baht 0.008 million respectively to machinery under installation.

On December 31, 2011 and 2010, there are fully depreciated assets that are still in use for operation amounting to Baht 139.62 million and Baht 139.04 million respectively.

As at December 31, 2011, the Company mortgaged some land, properties and improvement and machinery for an amount totally Baht 1,282.60 million for collateral of loans from various financial institutions as mentioned in note 17 to the interim financial statements.

The review of the value of investment in subsidiary company, using Discounted Cash Flow method as mentioned in the interim note 13.1.1 to the financial statement of this report, the value in use of the operating assets of the hotel business of the subsidiary company is Baht 290.58 million which is lower than the net book value of Baht 313.29 million (net of the allowance for impairment of assets of Baht 20.50 million.) In the 4th quarter of year 2010 in the consolidated financial statements, the Company provided provision for impairment of assets in the subsidiary amounting Baht 22.0 million. Thus as of December 31, 2010, the total provision for impairment of assets in the consolidated financial statements is Baht 71.07 million.

In addition, due to the severe floods situation in Bangkok and vicinity in October 2011, the management has adjusted the business plan and reviewed the value of the hotel income generating assets of the subsidiary. The value in use of the assets are approximately Baht 249.60 million is lower than the net book value of the assets, which is approximately Baht 275.60 million (net of allowance for assets impairment Baht 71.07 million). The Company provided another Baht 26 million for assets impairment in consolidated financial statements.

Therefore, the total allowance for assets impairment of the subsidiary as of December 31, 2011 is Baht 97.07 million.

15. DEFERRED LEASEHOLD LAND - NET

Deferred leasehold land of the Company as at December 30, 2011 and 2010 consisted of;

	BAHT	
	Consolidated financial statements	
	Dec-31, 2011	Dec-31, 2010
Leasehold land – cost	32,270,526	32,270,526
Less : Accumulated amortization	(6,427,298)	(5,117,495)
Leasehold land – net	25,843,228	27,153,031

Leasehold of land recorded in the subsidiary amounting Baht 22.0 million is amortized according to the duration of the leased contract for 26 years. Leasehold contract of Baht 10.27 million is amortized according the lease duration of the leased contract for 20 years. The subsidiary company has placed the lease contract amounting Baht 22 million as collateral of loans from a financial institution.



16. INTANGIBLE ASSETS - NET

Intangible assets, computer software as at December 31, 2011 and 2010 are as follows;

	BAHT			
	Consolidated financial statements			
	Balance Dec-31, 2010	Increase	Decrease	Balance Dec-30, 2011
At Cost	27,015,080	779,675	-	27,794,755
Computer software under development	3,113,950	-	-	3,113,950
Total	30,129,030	779,675	-	30,908,705
<u>Less</u> : Accumulated amortization	(12,713,645)	(4,209,753)	-	(16,923,398)
Computer software – net	17,415,385			13,985,308

	BAHT			
	Separate financial statements			
	Balance Dec-31, 2010	Increase	Decrease	Balance Dec-30, 2011
At Cost	25,715,900	779,675	-	26,495,575
Computer software under development	3,113,950	-	-	3,113,950
Total	28,829,850	779,675	-	29,609,525
<u>Less</u> : Accumulated amortization	(12,189,658)	(3,995,017)	-	(16,184,675)
Computer software – net	16,640,192			13,424,850



17. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as at December 31, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
CURRENT				
Bank overdrafts				
- Secured	21,182,794	10,363,299	10,607,906	313,986
- Unsecured	-	-	-	-
	<u>21,182,794</u>	<u>10,363,299</u>	<u>10,607,906</u>	<u>313,986</u>
Short-term loans from financial institutions				
- Secured	344,556,000	318,990,000	342,600,000	316,990,000
- Unsecured	-	87,497,718	-	87,497,718
	<u>344,556,000</u>	<u>406,487,718</u>	<u>342,600,000</u>	<u>404,487,718</u>
Liabilities under trust agreements	<u>222,787,709</u>	<u>94,283,598</u>	<u>222,787,709</u>	<u>94,283,598</u>
Total bank overdraft and short-term loan from financial institution	<u>588,526,503</u>	<u>511,134,615</u>	<u>575,995,615</u>	<u>499,085,302</u>
Current portion of long-term loan				
- Secured	174,061,500	50,640,050	26,091,295	43,390,050
- Unsecured	-	-	-	-
	<u>174,061,500</u>	<u>50,640,050</u>	<u>26,091,295</u>	<u>43,390,050</u>
Current portion of hire-purchase liability	<u>268,199</u>	<u>248,084</u>	-	-
Total current	<u>762,856,202</u>	<u>562,022,749</u>	<u>602,086,910</u>	<u>542,475,352</u>
NON-CURRENT				
Long-term loans from financial institutions				
- Secured	43,752,285	210,684,896	43,752,285	67,940,691
- Unsecured	-	-	-	-
	<u>43,752,285</u>	<u>210,684,896</u>	<u>43,752,285</u>	<u>67,940,691</u>
Hire-purchase liability	<u>470,428</u>	<u>760,492</u>	-	-
Total non-current	<u>44,222,713</u>	<u>211,445,388</u>	<u>43,752,285</u>	<u>67,940,691</u>
Total	<u>807,078,915</u>	<u>773,468,137</u>	<u>645,839,195</u>	<u>610,416,043</u>



The durations to maturity of the interest-bearing liabilities, excluding hire-purchase liability, are as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Due within one year	762,856,202	562,022,749	602,086,910	542,475,352
Due after one year but within five years	44,222,713	145,001,183	43,752,285	67,940,691
Due after five years	-	66,444,205	-	-
Total	807,078,915	773,468,137	645,839,195	610,416,043

Details of collateral assets for the secured interest-bearing liabilities are as follows :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Land	36,505,970	36,782,758	36,505,970	36,782,758
Deferred leasehold land	25,843,228	27,153,031	-	-
Building and plant	279,423,467	297,591,476	73,828,296	80,870,104
Machinery	161,781,190	194,490,927	161,781,190	194,490,927
Total	503,553,855	556,018,192	272,115,456	312,143,789

The Company

In September 2009, the Company has an agreement with a bank to change the certain conditions of the promissory loan facility of Baht 200 million of which the outstanding Baht 118 million loan consisted of 2 promissory notes amounting to Baht 40 million interest rate at MOR, of the bank, minus 1% per annum and Baht 78 million interest rate at the market rate of the bank. The repayment of the loan is at Baht 3 million per month for 40-month periods. The monthly reduced amount of the loan shall be added back to the Baht 200 loan facility and is usable as working capital with the same conditions by the Company.

As at December 31, 2011 and 2010, the Company has overdraft accounts and short-term loans from various local financial institutions, carrying interest at the rates ranging from 1.9176% per annum to 7.50% per annum. Such loans, overdraft accounts and other credit lines are collateralized by the mortgage of a portion of land, and building with structure and machinery.

The loan agreement also prescribes certain financial terms and conditions relating to certain financial ratio, debts to equities ratio and ability to pay ratio that the Company has to maintain including the retaining of shareholding structure of the major shareholders.



On December 31, 2011 and 2010, the Company has the undrawn credit facilities amounting to Baht 190.24 million and Baht 415.02 million respectively.

The Subsidiary

The subsidiary has signed a loan agreement with a financial institution amounting to Baht 150 million with interest rate at MLR less 1.5% p.a. for the first year, at MLR less 1% p.a. for the second year, at MLR for the 3rd year onward. The loan is to be fully payback by the subsidiary in 10 years and 6 months. The first repayment is due in July 2010. The subsidiary has negotiated to revise the repayment schedule with the financial institution which it approved the extension of the repayment schedule. The first repayment is in January 2011. In January 2011, the subsidiary submits a rescheduled repayment plan of loans to the financial institution. On March 23, 2011, the subsidiary has signed a debt-restructure agreement with the financial institution amounting to Baht 162.15, detailed as follows:

1. Cancel the loan facilities and waive the compound interest charge on the bank overdraft facility.

2. Recalculate the interest at the rate MLR minus 1.00% p.a. of which the monthly recalculated interest amount is recorded as suspense interest receivable.

3. To repay a 12 monthly-installment starting in March 2011 onward

- Bank Overdraft	a monthly installment of	Baht	57,700
- Promissory Note	a monthly installment of	Baht	19,000
- Long-term Loan	a monthly installment of	Baht	847,000

If the subsidiary fully comply with the conditions set by the financial institution and repay all the loan within one year, in February 2012, the financial institution agrees to waive 50% of the suspense interest receivable up to the full repayment date.

Due to the situation of tourism business in Thailand still un-confidence from the foreign tourists, effected the subsidiary fails to pay the installment to the bank. The total default amount as of December 31, 2011 is Baht 7,300,000.00. The management is dealing with the bank to relieve the term of payment, which will be response by the bank.



18. HIRE - PURCHASE LIABILITY

Long-term hire purchase liabilities as at December 30, 2011 and 2010 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Principal of hire-purchase liabilities	3,417,744	3,417,744	-	1,412,400
<u>Less</u> : Deferred interest	(69,080)	(133,355)	-	-
Hire-purchase liability	3,348,664	3,284,389	-	1,412,400
<u>Less</u> : Principal paid	(2,610,037)	(2,275,812)	-	(1,412,400)
Balance	738,627	1,008,577	-	-
<u>Less</u> : Current portion of long-term hire-purchase liabilities	(268,199)	(248,084)	-	-
Total	470,428	760,493	-	-

As at December 31, 2011 and 2010, the repayment detail of hire-purchase liabilities of the Company and its subsidiary is as follow;

	BAHT					
	Consolidated financial statements					
	Dec-31, 2011			Dec-31, 2010		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Due for payment within one year	268,199	44,160	312,359	248,084	64,275	312,359
Due for payment over one year but within 5 year	470,428	24,920	495,348	760,493	69,080	829,573
Total	738,627	69,080	807,707	1,008,577	133,355	1,141,932

According to conditions in certain agreements, the Company and the subsidiary entitled whether to buy the assets under the certain agreements at the final payment of the loans. The Company and the subsidiary have to abide by the conditions in the agreements.



19. OTHER CURRENT LIABILITIES

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Value added tax – out put tax	174,568	205,068	-	-
Withholding tax	873,979	790,900	-	-
Others	354,599	472,700	-	310,500
Total	1,403,146	1,468,668	-	310,500

20. WARRANTS

The warrants issued and allotted by the Company which has been approved by shareholder meeting are as follow;

20.1 CIG-W1

On September 13, 2005 the Extraordinary General Meeting of the Company's shareholders no. 1/2005 passed a resolution to issue 82.5 million warrants for the purchase of the Company's ordinary shares, free of charge, to the existing shareholders at the proportion of two-share for a unit of the warrants.

The Company issued warrants to purchase ordinary shares of the Company on June 18, 2007 not over 82,500,000 units of the warrants (CIG-W1), free of charge, to the existing shareholders at the ratio of two existing shares to one unit of warrants. One unit of warrants can be exercised for one ordinary share at Baht 3 per share (subject to adjustment of exercise ratio). CIG-W1 has a three-year term from June 18, 2007 and can be first exercised on September 28, 2007 and the last business day of each quarter, starting from September 28, 2007 to June 17, 2010. There were 13,669,826 units of warrants exercised and 68,830,174 units of the warrants CIG-W1 expired on June 17, 2010.

20.2 CIG-W2

On June 1, 2010, the extra ordinary shareholders meeting no. 1/2010 of the Company approved an issuance of warrants to purchase ordinary shares of the Company to existing shareholders 219.61 units with no selling price. The allotment of the warrants was at 1 share for 0.43637118 units of CIG-W2 and approved an issuance of issuance of warrants to purchase ordinary shares of the Company to directors and employees of the Company under the ESOP-1 plan at the exercise price of Baht 0.50 each equally.

The Company issued warrants to purchase the Company's ordinary shares on June 17, 2010 for not exceeding 219.61 million units with no selling price and allotted them to the existing shareholders at 1 share for 0.43637118 units of CIG-W2 for a period of 2 years as from June 17, 2010. The first exercise date is August 2, 2010 and the last business day of commercial banks of every month as from August 2, 2010 to June 15, 2012.



20.3 ESOP-1

The Company issued warrants to purchase the Company's ordinary shares on June 17, 2010 for 25.10 million units to the directors and employees of the Company under the ESOP-1 plan for a period of 3 years as from June 17, 2010. The first exercise date is August 2, 2010 and the last business day of commercial banks of every month as from August 2, 2010 to June 14, 2013.

20.4 CIG-W3

On July 14, 2011, the extra ordinary shareholders meeting no. 1/2011 has approved the resolutions to issue warrants to purchase ordinary shares of the Company to existing shareholders 3,048,173,915 units with no selling price. The allotment of the warrants was 1 share for 5 units of CIG-W3. The exercise price is Baht 0.90 per share.

On August 9, 2011 the Company issued warrants to purchase the Company's ordinary shares 2,759,066,860 units with no selling price and allotted to existing shareholders at 1 share for 5 units of CIG-W3 for a period of 1 year. The first exercise date is on August 31, 2011 and the last exercise date is on August 31, 2012.

In quarter 4 of 2011 no warrant holder exercised to convert to common share. Thus, balance of warrants as of December 31, 2011 are as follow;

	Number of unit			
	CIG-W1	CIG-W2	CIG-W3	ESOP-1
Allotted warrants	82,499,991	219,586,928	2,759,066,860	25,100,000
<u>Less</u> : exercised to convert to common share				
As of September 30, 2011	(13,669,817)	(944,044)	-	(22,121,421)
Balance of allotted warrants	68,830,174	218,642,884	2,759,066,860	2,978,579
Duration of the warrants (Year)	3	2	1	3
Exercise rate (unit : share)	1 : 1	4 : 1	15 : 1	1 : 1
Exercise price to buy 1 common share (Baht)	2.863	0.50	0.90	0.50
First exercise date	Sept.28, 2007	Aug 2, 2010	Aug 31, 2011	Aug 2, 2010
Last exercise date	Jun 17, 2010	Jun 15, 2012	Aug 31, 2012	Jun 14, 2013



21. SHARE CAPITAL

1. In July 2011 the Company has registered to reduce the registered capital amounting to Baht 85,184,101.00 (common share 170,368,202 shares at par value Baht 0.50 each) from the existing registered capital amounting to Baht 390,001,492.50 (common share 780,002,985 shares at par value Baht 0.50 each) to be registration capital amounting to Baht 304,817,391.50 (common share 609,634,783 shares at par value Baht 0.50 each). And has registered to increased the registration capital amounting to Baht 137,781,713.00 (common share 275,563,426 shares at par value Baht 0.50 each) from the existing registered capital of Baht 304,817,391.50 (common share 609,634,783 shares at par value Baht 0.50 each) to be the registered capital of Baht 442,599,104.50 (common share 885,198,209 shares at par value Baht 0.50 each) for the purpose of reserve for exercising of warrants CIG-W3 ESOP-1 CIG-W2 and for the specific general mandate.

2. During January to September 2011 the Company has issued new common share 4,405,554 shares at Baht 0.50 par value total amount of Baht 2,202,777 for the exercise of warrants

3. On October 5, 2011, the Company has registered to increase the capital with the Ministry of Commerce amounting to Baht 14,500.00 (common share 29,000 shares at par value Baht 0.50 each) due to the exercise of ESOP-1 on September 30, 2011 totaling 26,921 units at Baht 0.50 per share.

4. During January to December 2010 the Company has issued new common share 22,191,712 shares at Baht 0.50 par value total amount of Baht 22,191,712.00.

5. On June 8, 2010 the Company has registered to increased the registered capital from the existing registration capital amounting to Baht 350,000,000.00 (common share 175,000,000 shares at par value Baht 0.50 each) to be registration capital amounting to Baht 390,001,492.50 (common share 780,002,985 shares at par value Baht 0.50 each).

22. LEGAL RESERVE

Section 116 of the Public Companies 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 authorized capital. The legal reserve is not available for dividend distribution.

23. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

The Company presents its financial statements segmented by business segments and by geography as follow;

1. By business
 - 1.1 Manufacture of air conditioning products and parts
 - 1.2 Hotel services
 - 1.3 Trading



2. By Geography

2.1 Domestic

2.2 Foreign

Statements of income segmented by business for the year ended December 31, 2011 and 2010 are as follows:

BAHT								
Consolidated financial statements								
For the years ended December 31								
	Manufacture of air-conditioning products and parts		Hotel services		Consolidated Financial Statement			
	Revenue from sale	Revenue from sale	Revenue from sale	Revenue from sale	Revenue from sale	Revenue from sale		
	2011	2010	2011	2010	2011	2010	2011	2010
Domestic sales	724,302,860	756,944,435	47,188,132	50,953,890	25,664,356	26,891,763	797,155,348	834,790,088
Export sales	288,300,877	324,903,609	-	-	-	-	288,300,877	324,903,609
Total	1,012,603,737	1,081,848,044	47,188,132	50,953,890	25,664,356	26,891,763	1,085,456,225	1,159,693,697
Loss from impairment of assets in a subsidiary							(26,000,000)	(42,500,000)
Gain on sale of assets							816,796	-
Other income							52,555,660	53,635,260
Cost of sales and service							(1,035,116,558)	(1,053,446,615)
Selling expenses							(27,341,472)	(40,081,812)
Administrative expenses							(140,080,849)	(150,121,027)
Management remunerations							-	(33,413,344)
Financial costs							(43,785,160)	(32,902,883)
Income tax expenses							-	(451,842)
Net profit (loss)							(133,834,882)	(106,175,224)

24. FINANCIAL COST

BAHT				
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2011	Dec-31, 2010	Dec-31, 2011	Dec-31, 2010
Interest expense to financial institutions	43,999,670	32,913,660	27,358,129	23,665,544
Capitalized financial costs	(214,510)	(10,777)	(214,510)	(10,777)
Total	43,785,160	32,902,883	27,143,619	23,654,767

Financial costs for property under development have been capitalized at the rate of 2.25 per annum.



25. INCOME TAX EXPENSE

Royal Decree No. 387 B.E.2544 dated September 5, 2001 grants companies listed on the Stock Exchange of Thailand under the regulation of the Stock Exchange of Thailand governing the approval of listed companies on the Market for Alternative Investment (MAI) a reduction in the corporate income tax rate from 30% to 20% for the five consecutive accounting periods beginning on or after enactment. The Company has, accordingly, calculated income tax on its taxable profit at the rate 20%..

26. MANAGEMENT REMUNERATIONS

Management remunerations consists of salary, bonus, life insurance premium, director attendance fee etc.

27. EXPENSES BY NATURE

The significant expenses classified by nature for the nine-month periods ended December 31, 2011 and 2010 are as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Changes in finished goods and work in process	(22,733,650)	(8,022,404)	(22,733,650)	(8,022,404)
Consumption of raw materials and supplies	145,280,050	73,170,737	145,280,050	62,231,582
Personnel expenses (Excludes directors and management)	153,528,973	151,431,282	146,467,536	144,957,977
Management remunerations	25,227,953	33,413,344	21,700,200	28,835,420
Depreciation and amortization	86,226,769	87,415,747	69,952,552	71,769,026
Transportation expense	3,328,707	3,435,420	3,082,782	3,310,408
Advertising and promotion	366,964	2,315,792	65,004	27,900
Provision for doubtful accounts	2,226,501	22,655,090	2,226,501	22,655,090
Unrealized gain (loss) in trading securities	300,000	(1,200,000)	300,000	(1,200,000)



28. REVENUE REPORTING OF THE PROMOTED INDUSTRY

Based on the Announcement of the Board of Investment No. Por. 14/1998 dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report the revenue from sales and services separately between the promoted and non-promoted business. For the years ended December 31, 2011, the required information is as follows:

	BAHT		
	Separate financial statements		
	Promoted busi- ness Income tax exemption	Non-promoted business	Total
Revenues			
Revenue from sales and services	294,079,740	765,712,129	1,059,791,869
Other income	9,330,761	43,039,471	52,370,232
Total	303,410,501	808,751,600	1,112,162,101

29. PROMOTIONAL PRIVILEGES

In August 2005, by virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to manufacturing of coils as parts or assemblies used for electronic equipment at plant located in Chonburi province. The privileges granted include:

a) Exemption from payment of import duty for machinery import as approved by Board of Investment.

b) Exemption from payment of import duty for raw materials imported for re-exporting for a certain period as from the first import date.

c) Exemption from payment of income tax from net income derived from the promoted operations for a period of seven years from the dates on which income is first derived from the operations.

As a promoted company, the Company must comply with certain conditions and restrictions provided in the promotional certificates.



30. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares which are issued and paid-up as follows :

	For the years ended December 31			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Net income (loss) (Baht)	(133,821,977)	(106,165,384)	(87,414,970)	(52,877,782)
Weighted average number of ordinary shares (Shares)	550,489,437	523,561,349	550,489,437	523,561,349
Basic earnings (loss) per share (Baht)	(0.24)	(0.20)	(0.16)	(0.10)

DILUTED EARNINGS (LOSS) PER SHARE

	Consolidated financial statements					
	For the years ended December 31					
	Net earnings (loss) (Baht)		Weighted average number of ordinary shares (Share)		Earnings (loss) per share (Baht)	
2011	2010	2011	2010	2011	2010	
Basic earnings (loss) per share						
Net earnings (loss)	(133,821,997)	(106,165,384)	550,489,437	523,561,349	(0.24)	(0.20)
Effect of dilutive potential ordinary shares						
Warrants						
Year 2011 : 2,980,688,323 units	-	-	246,030,303			
Year 2010 : 226,008,085 units	-	-	-	61,439,271		
Diluted earnings (loss) per share						
Net earnings (loss) of ordinary shareholders (assuming conversion of potential ordinary shares to ordinary shares)	(133,821,997)	(106,165,384)	796,010,163	585,000,620	(0.17)	(0.18)



	Separate financial statements					
	For the years ended December 31					
	Net earnings (loss) (Baht)		Weighted average number of ordinary shares (Share)		Earnings (loss) per share (Baht)	
	2011	2010	2011	2010	2011	2010
Basic earnings (loss) per share						
Net earnings (loss)	(87,414,971)	(52,878,782)	550,489,437	523,561,349	(0.16)	(0.10)
Effect of dilutive potential ordinary shares						
Warrants						
Year 2011 : 2,980,688,323 units	-	-	246,030,303			
Year 2010 : 226,008,085 units	-	-	-	61,439,271		
Diluted earnings (loss) per share						
Net earnings (loss) of ordinary shareholders						
(assuming conversion of potential ordinary shares to ordinary shares)	(87,414,971)	(52,878,782)	796,010,163	585,000,620	(0.11)	(0.09)

31. FINANCIAL INSTRUMENTS

Financial risk management policies

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. Management believes that the interest rate risk is minimal. Hence, the Company and its subsidiary have no hedging agreement to protect against such risk.

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. Management believes that the foreign currency risk is minimal. Hence, the Company and its subsidiary do not use derivative financial instruments to mitigate this risk.



Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers. At the balance sheet date there were no significant concentrations of credit risk. The credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, management does not anticipate material losses from its debt collection.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

The following methods and assumptions are used to estimate the fair value of financial instruments.

Cash and cash equivalents and receivables-the carrying values are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

Bank overdrafts and short-term loans from financial institutions and payables-the carrying amounts of these financial liabilities are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

For long-term loan that is using floating interest rate which is the market interest rate, the carrying amount of long-term loan is close to fair value. For long-term loan that is using fixed interest rate for the first and second year, the carrying amount of long-term loan is close to fair value.

32. COMMITMENTS

THE COMPANY

32.1 The Company has an agreement with a foreign company whereby the latter will assist the Company in performing marketing activities. In consideration thereof, the Company is committed to pay commission based on certain percentage of selling price mark up as indicated in the agreement.

32.2 The Company has a land lease agreement for its warehouse. This agreement is for a period of twelve (12) years. The annual rental amounts to Baht 480,000.



As of December 31, 2011 the minimum commitment for the long-term lease, which the Company should paid in the future is as follow;

	<u>AMOUNT (BAHT)</u>
Amount due within one year	480,000
Amount due after 1 year but within 5 years	1,920,000
Amount due after 5 years	1,720,000
Total	<u>4,120,000</u>

32.3 As at December 31, 2011, the Company had commitment under the L/C agreement with several financial institutions in total amount of Baht 39.10 million.

THE SUBSIDIARIES

32.4 A subsidiary company has signed a lease of land agreement for hotel services for 26 years starting from June 2005 to June 2031 for an amount of Baht 22 million. The subsidiary has paid Baht 12 million. The remaining of Baht 10 million will be paid by installments in June each year, according to the agreement, from 2015 to 2024.

As of December 31, 2011 the minimum commitment for the long-term lease, which the subsidiary should paid in the future is as follow;

	<u>AMOUNT (BAHT)</u>
Amount due within one year	-
Amount due after 1 year but within 5 years	2,000,000
Amount due after 5 years	8,000,000
Total	<u>10,000,000</u>

32.5 A subsidiary company signed an agreement to lease a piece of land with a 4-storey building to operate hotel business for 20 years. The rental is Baht 200,000 per month (after withholding tax.) The rental is increased by 10% every each three years.

33. CONTINGENT LIABILITIES

at December 31, 2011, the Company's contingent liabilities are as follows;

33.1 An electricity usage guarantee issued by a financial institution to a government agency amounting to Baht 1.62 million.

33.2 A guarantee for raw material import duty issued by a financial institution to a government agency amounting to Baht 0.62 million.



34. PROVIDENT FUND

During the year 2010, the Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of 3% from employee's salary and a portion that is contributed at the same amount from company. Employees entitle to receive money from the provident fund if he/she resign and comply with its regulation. The provident fund is managed by TISCO Asset Management Co., Ltd.

35. EVENTS AFTER THE REPORTING PERIOD

On February 7, 2012, the Company has registered to increase the capital with the Ministry of Commerce amounting to Baht 148,123.00 (common share 296,246 shares at par value Baht 0.50 each) due to the exercise of CIG-W2 on January 31, 2012 totaling 1,100,000 units at Baht 0.50 per share.





36. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements as presented herein for comparative purpose have been reclassified to conform with the current year classifications, with no effect on the profit for the year or shareholders' equity as previously reported. The significant reclassifications are as follows:

	Baht					
	Consolidated financial statements			Separate financial statements		
	As previously Reported	Reclassifications	After reclassifications	As previously Reported	Reclassifications	After reclassifications
STATEMENT OF FINANCIAL POSITION						
As of December 31, 2010						
Other Receivable	-	16,068,378	16,068,378	-	15,871,632	15,871,632
Other Receivable						
-related parties	-	-	-	-	2,315,978	2,315,978
Other current assets						
Prepaid expenses	1,835,039	(1,835,039)	-	1,653,294	(1,653,294)	-
Advance on purchase and others	14,233,339	(14,233,339)	-	14,218,338	(14,218,338)	-
Accrued interest	-	-	-	2,315,978	(2,315,978)	-
Other Payable						
Accrued expenses	17,630,478	(17,630,478)	-	18,808,631	(18,808,631)	-
Other current liabilities						
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED						
December 31, 2010						
Cost of sales and services	1,052,035,702	1,410,915	1,053,446,617	-	-	-
Selling expenses	39,651,378	430,434	40,081,812	-	-	-
Administrative expenses	118,549,032	31,571,995	150,121,027	96,906,158	28,835,420	125,741,578
Management remunerations	33,413,344	(33,413,344)	-	28,835,420	(28,835,420)	-

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by an authorized director of the Company on February 28, 2012.



Major Shareholder

Major Shareholder As of March 15, 2012

Shareholder	Shares	% Shares
1. Management Executive Group and related persons	94,971,550	17.20
1.1 Poomsanoh Group (5 persons)	52,100,000	9.43
1.2 Wangkorkiat Group (3 persons)	5,134,400	0.93
1.3 Wongsawang Group (2 persons)	14,300,000	2.59
2. Mr.Voravit Sukawatcharin	11,940,000	2.16
3. Mr.Kolwat Tangjaru	8,000,000	1.45
4. Mrs.Sompaorn Techarin	7,983,800	1.44
5. Mr.Narong Wangcharoenwong	7,290,000	1.32
6. Mr.Pichai Chumpolpaisarn	6,693,370	1.21
7. Mr.Choorin Tirangkool	6,400,000	1.16
8. Mrs.Linjong Pijitpongchai	6,146,800	1.11
9. Mr.Panumas Tangjaru	6,000,000	1.09
10. Mrs.Ampai Harnkraiwilai	325,339,138	58.91
Others	552,299,058	100.00
Total Issued Share Capital		
Thai Shareholders	550,658,220	99.70
Foreign Shareholders	1,640,838	0.30

Dividend Policy

Dividend Payment policy of the Company

Dividend payout ratio to be at least 50 percent of net profit of the separate financial statement after deducting every type of reserves regarding to the affiliated of the Company and law. However, the dividend payment will depend on the cash flow of the Company, investment plan of the Company and related company and other necessities in accordance with board of directors' resolution.

Dividend Payment policy of the Sub-Company

The sub-company has not set any Dividend Payout Ratio but allows to be as per related law and the Company's Articles of Association No.19 "Every dividend payment, the company must allocate one portion, at least one-twentieth of net profit, which the company earns from doing business, to be the reserved fund till it is equal to one-tenth of number of the company's share or more".



Executive Management



1. Mr. Sawai Chatchairungruang

Position Managing Director
Highest Education M.S (Accounting), Chulalongkorn University



2. Mr. Weerawut Chingtin

Position General Manager of Engineering
Highest Education B.S.(Mechanical Technology)
King Mongkut's Institute of Technology,
North Bangkok



3. Mrs. Em-orn Chotiyaputta

Position Corporate Secretary /
Internal Audit Office Manager
Highest Education M.B.A. (Marketing), Faculty of Business
Administration, Ramkhamhaeng University



4. Miss Rattanakamol Poomsanoh

Position Assistant to Managing Director
Highest Education B.Eng. (Computer), Assumption University



5. Mr. Shannon Jinn

Position Assistant to Managing Director-International
Highest Education B.B.A.(Administration), Charles Stuart University



6. Mrs. Saowakon Udomrat

Position Accounting Department Manager
Highest Education B.S. (Accounting), Sriprathum University



References Information

C.I.Group Public Company Limited

Registration Number : 0107547000133
Business Type : produce the evaporator coil, condenser coil and chilled water coil, which are components of the air-conditioner, chiller, and heat ventilator, and other kinds of cooling unit for purpose of domestic and international distribution.

HeadOffice

Address 1/1 Moo 7 Bangkuwad Rd., Bangkuwad, Muang, Pathumthani 12000

Telephone (66) 2976-5290 Auto 10 Lines

Fax. (66) 2976-5023 , (66) 2598-2331-2

Website <http://www.coilinter.com>

Registrar Thailand Securities Depository Company Limited

62 SET Building Ratchadapisek Rd.,

Kwaeng/Khet Klongtoey

Bangkok 10110

Tel. (66) 2229-2800 Fax. (66) 2359-1259

Call center : 0-2229-2888

Auditor : Mrs.Natsarak Sarochanunjeen CPA Registration No. 4563 or
Professor Kesree Narongdej CPA Registration No. 76 or
Other CPAs,who is in list of auditors approved by the office of SEC
of the A.M.T.& Associates

A.M.T. & ASSOCIATES: No. 491/27 Silomplaza ,Silom Rd.,Bangrak,Bangkok 10500

Tel. 0-2234-1676, 0-2234-1678, 0-2237-2132

Fax. 0-2237-2133

**De lamai Co.,Ltd (Sub – Company)**

Registration Number : 0845547005846
Business Type : HOTEL
HeadOffice
Address : 171/4-9 M00 4 Tumbon Maret Koh Samui Surattani
Telephone : 077-913250 Fax. 077-913255
Website : <http://www.samayabura.com>

CIG (Thailand) Co.,Ltd (Sub – Company)

Registration Number : 0135554002471
Business Type : Manufacture and sale of air-con products
Address : 1/1 Moo 7 Bangkuwad Rd., Bangkuwad, Muang,
Pathumthani 12000
HeadOffice
Telephone : (66) 2976-5290 Auto 10 Lines
Fax. (66) 2976-5023 , (66) 2598-2331-2





FOR SHAREHOLDERS

The Company's securities listed on the Market for Alternative Investment (MAI)

1. Ordinary Shares, main board (CIG)
2. Warrants (CIG-w1), main board **Expire 17 June 2011**
3. Warrants (CIG-w2), main board
4. Warrants (CIG-w3), main board

The Company's securities unlisted on the Market for Alternative Investment (MAI)

1. Employee Stock Ownership Plan (ESOP-1), over-the-counter (OTC) security.

	CIG-W1 **Expire 17 June 2011**	CIG-W2	CIG-W3	ESOP-1
Exercise Ratio	1 unit of warrant : 1 ordinary share (Exempt for the adjustment of rights)	4 units of warrant : 1 ordinary share (Exempt for the adjustment of rights)	15 unit of warrant : 1 ordinary share (Exempt for the adjustment of rights)	1 unit of warrant : 1 ordinary share (Exempt for the adjustment of rights)
Exercise Price	Baht 3.00/share (Exempt for the adjustment of rights)	Baht 0.50/share (Exempt for the adjustment of rights)	Baht 0.90/share (Exempt for the adjustment of rights)	Baht 0.50/share (Exempt for the adjustment of rights)
Exercise Period	Every three months	On the last bank business day of each month	On the last bank business day of each month	On the last bank business day of each month
Adjustment of rights				
Adjust right No.1	After the increase of the Company's issued shares, the exercise ratio has changed from 1:1 to 1:1.04779 and the exercise price has changed from Baht 3.00 to Baht 2.863 per share.	After the Company issue CIG-W3, the exercise ratio has change from 4:1 to 4:1.07726 and the exercise price no change	-None-	After the Company issue CIG-W3, the exercise ratio has change from 1:1 to 1:1.07726 and the exercise price no change
Adjust right No.2	After changed par value of the Company's shares, the exercise ratio has changed from 1:1.04779 to 1:2.09558 and the exercise price has changed from Baht 2.863 to Baht 1.431 per share		-None-	

The exercise for the above warrants

The Company will close the warrant registration book 21 days prior to the last exercise date. The SET will post an SP (Trading Suspension) sign 3 business days before the closing date of registration book. And the company will distribute registered mails to Warrant holders whose names appear on warrant registration book on the closing date.




Company
Address

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Headquarters and Factory #1**

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