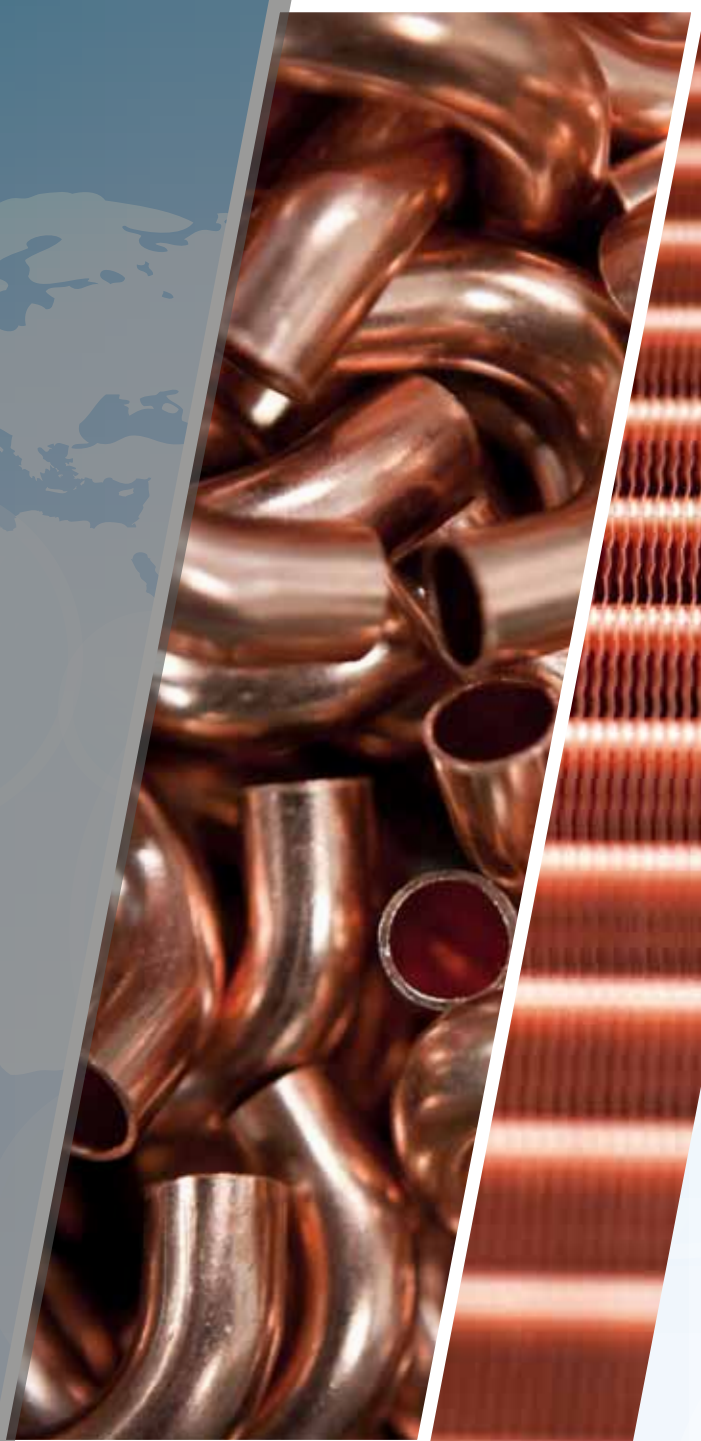


Annual Report 2013

รายงานประจำปี 2556



***The Leading Producer
of International Standard Coils
in Asia***

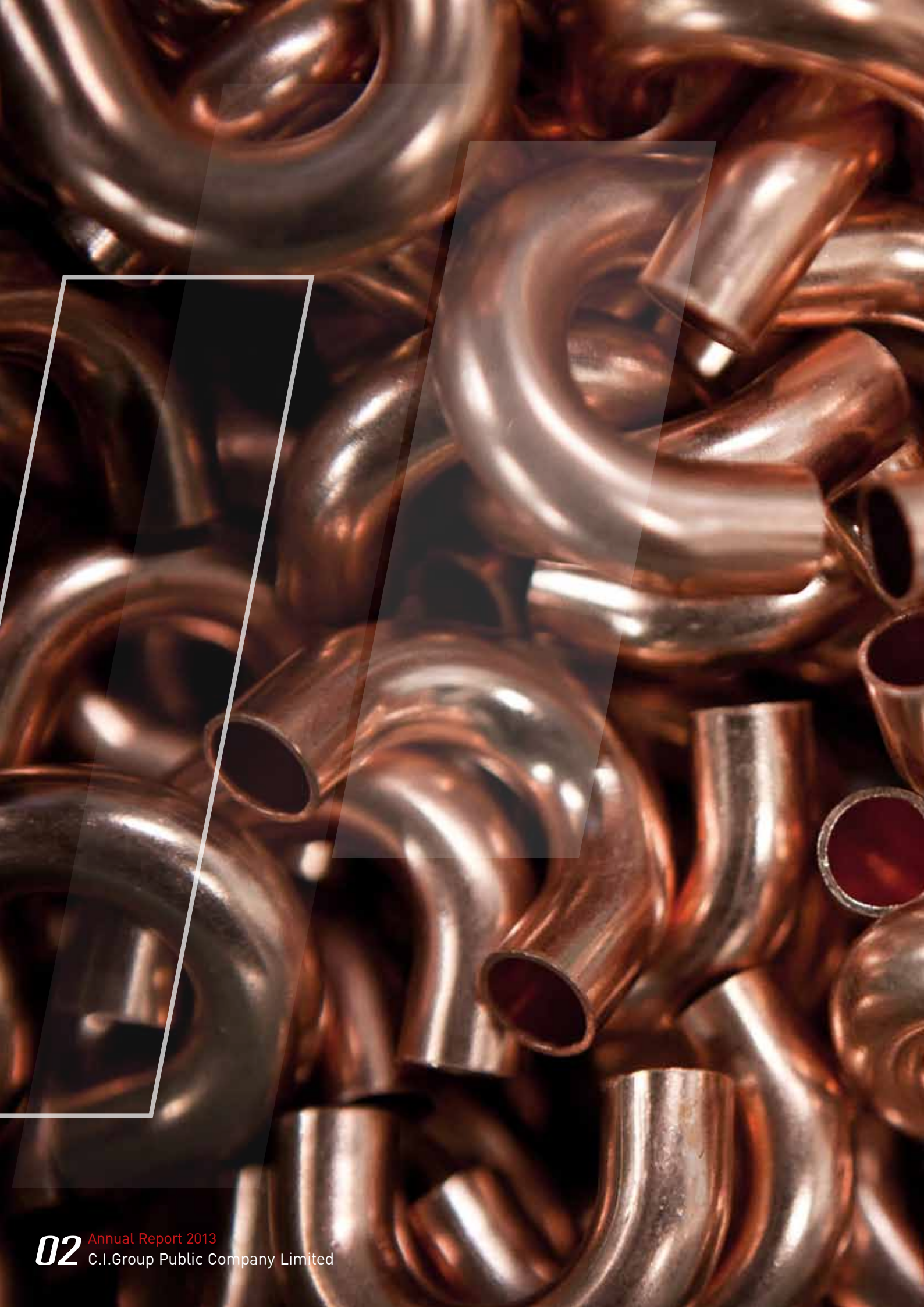
C.I.Group Public Company Limited
บริษัท ซี.ไอ.กรุ๊ป จำกัด (มหาชน)

Vision

We aim to be the world leading producer and service provider in Heat Exchanger technology advancement with excellent quality.

Mission

- 1. Create innovation with research and development on production and product continuously.*
- 2. Get international standard certified for production, work process and quality of products in order to improve and maintain quality of production and product effectively.*
- 3. Keep and increase market share both domestic and export, get in to new market to create variety of chance.*
- 4. Be a good corporate governance organization upon accurate data and updated with appropriate costs*
- 5. Develop human resources and environment continuously.*
- 6. Create high return to all shareholders and stakeholders.*
- 7. Create own brand to be known.*
- 8. Be a proud organization for our human resources.*



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Business Objectives

Objectives

1. Develop and create brand awareness. Supply high quality product and services to domestic and export markets.
2. Develop state-of-the-art and low-cost production processes that make efficient use of resources.
3. Create innovative products that can differentiate from other suppliers and exceed demands of customers.
4. Employees are efficient and loyal to the company.
5. The company becomes a desirable place to work for.
6. Provide good return to shareholders and stakeholders.

Important changes and events

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

As of now, the company has registered capital of 483.394 million Baht and is one of the largest producer and distributor of coils in Thailand. In addition to product sales, the company continues to create value and become part of success for customers.

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

Important changes and events in the business and management of the company

Year	Events
2000	<ul style="list-style-type: none"> - Received standard certification from Canadian Standards Association (“CSA”)* at maximum pressure of 420 PSI (Pound Per Square Inch), allowing the company to expand its markets to Canada. - Received Golden Award for parts supplier from Trane (Thailand) - Received certification from Industrial Department for “Ozone Depleting Substance Phase-out” in an initiative to stop using Chlorofluorocarbons (CFC) in all manufacturing processes.
2002	<ul style="list-style-type: none"> - Received standard certification from Underwriters Laboratories Inc. (“UL”) of USA at maximum pressure of 500 PSI, allowing the company to expand its markets to USA and other countries - Received Best Supplier Award from Trane (Thailand)
2003	<ul style="list-style-type: none"> - ISO 9001 : 2000 certified - Merger with Heat Interchange Company Limited and re-registered the company with paid up capital of 94 million Baht. - Received excellent rating evaluation from Trane (Thailand) for quality, timely delivery, pricing, service and safety. - Increased registered capital from 94 million Baht to 120 million Baht by issuing 260,000 new shares at 100 Baht per share to existing shareholders proportionately.
2004	<ul style="list-style-type: none"> - Received standard certification from Underwriters Laboratories Inc. (“UL”) of USA at maximum pressure of 540 PSI, allowing the company to expand its markets to USA and other countries - The company converted its status to Public Company Limited and change the share value from 100 Baht to 1 Baht and increased its registered capital from 120 million Baht to 165 million Baht. - Received Best Performance Award for Service & Special Project from Trane (Thailand) for excellent service, delivery, quality and consulting services for coil designs.
2005	<ul style="list-style-type: none"> - Issued 41 million shares for sale to the public and 4 million shares to directors and employees. - Listed on MAI of Stock Exchange of Thailand on 27 January 2005. - Received Excellent Industrial Award of 2005 in SME Management category from the Prime Minister held by Department of Industrial Promotion, Industrial Ministry - Increased registered capital from 165 million Baht to 247.50 million Baht by issuing Warrants to shareholders up to 82,500,000 unit with conversion ration of 2 shares per warrant (round down)

Year	Events
2006	<ul style="list-style-type: none"> - The company invested 11.80 million Baht for 14,000 shares in A V V Company limited which was the company's customer.
2007	<ul style="list-style-type: none"> - Increased registered capital from 247.50 million Baht to 350 million Baht by offering 85.50 million shares at 1 Baht/share to the public and prepared for first warrant exercise of 17.00 million shares. - Started operation at the second factory in Pin Thong Industrial Park, Chonburi - Received permission from Stock Exchange Commission to offer to sell up to 85.50 million shares to the public on 26 October 2007. - Sold 14,000 ordinary shares in A V V company limited.
2008	<ul style="list-style-type: none"> - The company invested 144.95 million Baht for 999,680 shares in De Lamai company limited which operated a hotel business in Koh Samui, Suratthani - Approved Treasury Stock buyback during 18 November 2008 to 17 May 2009
2009	<ul style="list-style-type: none"> - Changed par value of shares from 1 Baht to 0.50 Baht and changed number of registered shares from 350,000,000 shares to 700,000,000 shares. This resulted in outstanding shares from 251,592,417 shares to 503,184,834 shares. - The company bought 3,194,800 shares (Par value of 1 Baht) or 1.27% of outstanding shares and sold treasury stock of 6,389,600 shares (Par value of 0.50 Baht) - Received Best Performance Award for Service & Special Project 2009 from Trane (Thailand) for excellent service, delivery, quality and consulting services for coil designs. - ISO 9001 : 2008 certified
2010	<ul style="list-style-type: none"> - Received approval from extraordinary shareholders meeting to issue 25,100,000 units of free ESOP-1 to directors and employees - Received approval from extraordinary shareholders meeting to issue 219,611,940 free second warrant (CIG-W2) units to existing shareholders with the ratio of 1 share to 0.43637118 unit of CIG-W2 - Increased registered capital form 350 million Baht to 390 million Baht with 0.50 par value. - Hired a German expert in coil manufacturing to help develop new production technology
2011	<ul style="list-style-type: none"> - Received approval from extraordinary shareholders meeting to issue 3,048,173,915 free third warrant (CIG-W3) units to existing shareholders with the ratio of 1 share to 5 units of CIG-W3 - Increased registered capital from 390 million Baht to 442 million Baht with par value of 0.50 Baht.
2012	<ul style="list-style-type: none"> - CIG-W2 expired with remaining shares of 13,555,079 shares. - Bank of Ayudhya sold off De Lamai's loan account to Bangkok Asset Management (BAM) - CIG-W3 expired with remaining shares of 213,003,580 shares.



Year	Events
2013	<ul style="list-style-type: none"> - 24 April: Ordinary shareholders meeting for 2013 - 24 April: Received approval from ordinary shareholder's meeting to issue 601,836,915 free third warrant (CIG-W4) units to existing shareholders with the ratio of 1 share to 2 units of CIG-W4 - 14 June: ESOP-1 expired with outstanding shares of 1,761,399 shares - 30 June: The subsidiary: CIG (Thailand) company limited, signed an agreement to sell its investment in ordinary shares of Shenzhou Xiai Heating and Refrigeration Equipment Manufacture company limited at the price of 17.55 million Baht to another non-related company.




Message from the Chairman of the Board

Though, the last year the Thai industrial performance was slow-down from declining of demand or buying needs in every section, especially driving forces from domestic demand and recovery of export were lower than expected, the company's performance was improved particularly main business, production for sales and export. The reason beyond was from improvement of factories and production lines including business efficiency in every parts.

Due to the unavoidable situation by end of the year 2011 together with both domestic and export markets situation, the company could not be able to achieve its goals at all. On the other hand, we have been trying our best to adjust our strategies in order to clear troubles, obstacle and risks continuously.

For the year 2014, the company aims to decrease costs, improve efficiency, increase productivity together with readiness to adjust strategies if necessary, taking a good care of customers in order to maintain and expand to high-return market, preserve and continuous improvement of human resources toward the company goal of generate good return for the investors.

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

Pol.Gen. 
(Prung Boonpadung)
Chairman of the Audit Committee


*"The company promises to develop business
for sustainable growth and profitability."*

Audit Committee's Report

In 2013, 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 with their best knowledge and carefulness. The accomplishment of the Audit Committee's duties was from independence which could generate benefits to all stakeholders equally. The Audit Committee has opinion that the company's financial information is accurate and complied with The Certified Accounting Standard; risk management is appropriated; internal control system is appropriate and effective; operations are relied on good corporate governance under rules and regulation related to the company's business.

In this regard, the Audit Committee held 5 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 2013 of C.I. Group Plc., in cooperation with the executives and internal audit office. The auditor was also invited to participate in the meeting and to reply to the questions on preparation of financial statements in accordance with the law and accounting standards before approving such financial statement.
2. 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 Mr.Chaiyut Angsuwittatya or Mrs.Natsaluck Sarochanunjeen, license no. 3885 and 4563 respectively, 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 2013.

Pol.Gen. 
(Prung Boonpadung)

Chairman of the Audit Committee

Types of Business

History

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

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

Overall Business Operation

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

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



Business Overview of the Company's Group

Investment Structure of the Company and the Subsidiary

C.I. Group Public Company Limited holds 999,680 ordinary shares with par value of 100 Baht or 99.97% of the paid up capital of De Lamai Co., Ltd. which is in hotel business on Koh Samui under the name "Samayabura" located at 171/4-9 Moo. 4 Maret, Koh-Samui, Suratthani. Registration No. 0845547005846. The company has registered capital of 100,000,000 Baht. There are 3 directors namely, Mr.Aree Poomsanoh, Mr.Theera Poomsanoh and Mr.Sawai Chatchairunguang.

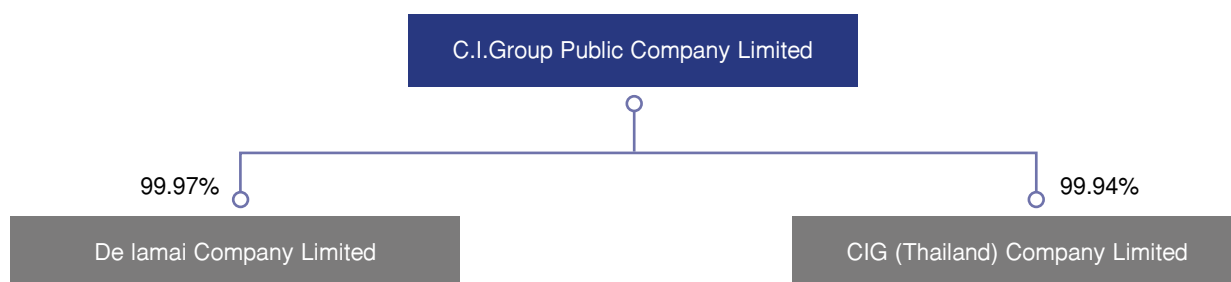


C.I. Group Public Company Limited holds 499,700 ordinary shares with par value of 100 Baht or 99.94% of the paid up capital of CIG (Thailand) Co., Ltd. which is in manufacturing and distribution of air conditioners and refrigerators business as well as other types of products. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Patumtani 12000. Registration No. 0135554002471. The company has registered capital of 50,000,000 Baht. There are 3 directors namely, Mr.Aree Poomsanoh, Mr.Theera Poomsanoh and Mr.Sawai Chatchairunguang.

ASSOCIATION OF A SUBSIDIARY

The company sold the shares in the Chengzhou XIAI Heating & Refrigeration Equipment Manufacture Company Limited, is a manufacturer and distributor of air conditioning products; parts and coils located on 73 U-Ling Rd., Guachang Building Room No.593 Zhengzhou, Hunan, China, which the company held 25% of the registered shares or CNY100,000 (about THB500,000) capital stock to a company in Thailand which has no relation in any matters in the value of Million Baht 17.55 on 30th June, 2013.

Investment Structure of the Company and Subsidiary



Corporate Social Responsibility : CSR

C.I.Group PCL believes that business and the society should work together to create a better society by helping each other. Thus, the company aims to grow its business on the basis of good corporate governance and social responsibility to create sustainable society and environment while taking into account all stakeholders.

Overall Policy

To work towards the above mentioned goals and principles, the company has set up a corporate social responsibility policy that the company and its subsidiaries must comply to as follow;

1. Conduct business with honesty, transparency, fairness and verifiability by focusing on growth and development of employee's quality of life, community, society and environment as well as best interest of stakeholders.
2. Conduct business with respect in human rights. Acknowledge each other's value and treating everyone as equal and care for one another.
3. Conduct business by treating labors fairly, especially in remuneration, benefits while focusing on human resource development and career paths.
4. Conduct business with product quality as the top priority. Be responsible for consumers. Ensure that the company's products and manufacturing process comply with quality control and certified by reputable organizations.
5. Conduct business with environmental saving awareness. Make efficient use of natural resources. Focus on prevention, control and reduction of waste using the concept "reduce, recycle, re-use, and waste reduction" in order to preserve the environment for the community.
6. Conduct business with responsibility towards community and society. Refrain from causing problems or disturbing local community. Help local community and society whenever possible to create sustainable community and society.

The company is developing frameworks and guidelines for sustainability report in order to comply with company's policy and objectives to ensure that each action is carefully thought out so that the company maintains its sustainability using principles and guidelines of Global Reporting Initiative (GRI).

Implementation of Social responsibility policy

For successful implementation of the policy for sustainability, the company has set up action plans as follow;

Conservation of environment and energy

- Supporting activities for development and conservation of environment, water, fuel and paper
- Implementing company policies to comply with environmental and energy conservation standards
- Promoting energy conservation

Employees

Employees must comply with guidelines and corporate social responsibility policy. Moreover, the company focuses on staff training and development to provide employees with career paths.

- Operational guidelines
- Training and development programs
- Study, compare and adjust wages and benefits for employees to ensure fairness

Customers

The company pays attention to customer service standard and implements marketing, investment, product delivery and service policies

- Responsibility on product and customer service
- Protection of customer data
- Manufacturing process and products certification from reputable domestic and International organizations.

Suppliers

Supporting socially and environmentally responsible supplies and service providers

- Work with socially and environmentally responsible supplies and service providers
- Communicate guidelines with suppliers to ensure transparency and fairness

Shareholders and investors

The company transparently and equally communicates with shareholders and investors in a timely manner.

- Disclosing accurate and adequate information to shareholders and investors in a transparent, equal, and timely manner via different channels

Corporate governance and ethics

The company supports and improves ethics in business operations in the same direction as ethical actions including disclosure of information, control of internal information flows, and corporate governance together with effective risk mitigation strategies.

- Corporate governance
- Internal information flow guidelines
- Transparency
- Information disclosure
- Risk management

Social responsibility and education support

The company supports educational activities and projects for schools within local community as well as remedies victims of natural disasters.

- Support education and training in local community
- Remedy victims of natural disasters and other disasters

In the 6th board of directors meeting on 8th November 2013, the board of directors discussed an issue on anti-corruption that the Stock Exchange Commission proposed that the company set up a policy on corruption-free business operation. An unanimous resolution was passed that the management study, set up frameworks and action plans to make the company corruption-free.

Business operations that may affect social responsibility

Due to the fact that the company is in manufacturing sector, some of the production processes may require use of lubricants and/or other chemicals. The company has set up preventive plans to reduce any effects on the environment and local community. The company stopped using CFC which is harmful to the environment even though it is a widely used chemical in air-conditioning industry. The company is thriving to improve its products and production processes to protect the environment and community from any harmful substances.

Legal disputes

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

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



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

We continuously follow a policy on corporate social responsibility (CSR). We have a working group which consists of representatives from all departments to drive cooperation and awareness for social and environmental responsibility in all levels of employees.

CSR Activities

In 2013, the company took part in various CSR activities and projects to protect environment and preserve energy.

- Protecting the environment is very important to us. We built water treatment system and make sure that the water is clean enough before releasing treated water into public drainage system.



- Changing office lighting to energy saving bulbs
- Reusing paper to reduce paper usage in all operations. In addition, papers that are used on both sides were donated to school for the blinds.

Employees

- The company holds regular training sessions to employees of all levels to increase capability and potentials for better career path. Some of the training classes were How to be a good speaker, KAIZEN, Sales techniques, Reading of Technical Drawing



- Safety equipment provided for use during production processes



- Annual health checkup to reduce medical expenses and promote good health for all employees.



- The company organized annual celebration for all employees.



Social responsibility and educational support

- The company, together with Provincial Industry Department and Labour Department, jointly supported local temples after the widespread flood in Central Thailand.



- The company regularly gives scholarships to students in schools and local communities such as Bangkoowad School, Eur-Ar-Thorn village and Bangkoowad Sub-district



- The company allowed trainees from local educational institutes such as Lam Thong Collage and Patumthani Technical Collage to work and gain real working life experience.

The Industrial Situation

Electrical Appliances and Electronics Industry

Electrical appliances and electronics industry in 2013 experienced a slight slow-down when compared to that of last year. This is because domestic consumers have become more careful with their spending after government's policy. Increase in demands for tablets/smart phones further decreased the demand for HDD/Electronics parts. This resulted in a slump in electronics parts export to China which is a production base for computer manufacturers of the world.

Electrical appliances and electronics industry in 2014 is expected to increase slightly at the rate of 2-3 percent when compared to that of last year. Electronic appliance industry is expected to increase by 1 percent thanks to exports to ASEAN and Asia. However, a slow-down in domestic market is expected. Electronics industry is expected to grow by 3 percent due to increasing demands from the USA. Moreover, production index for electronics of Japan sees an increasing trend at the end of 2013 which is a good predictor for growth in 2014.

Electrical appliances industry

There are several types of electrical appliances that experienced a decrease in 2013 causing overall electrical appliances industry to shrink in 2013. It is expected that a recovery in 2014 may be difficult due to global economic slow-down and lack of competitiveness of Thai manufacturers. Production facilities for electrical appliances may be relocated out of Thailand.

Production situation

Production Index in Electrical appliances industry decreased by 0.76 percent compared with that of the same period last year. However, production in the first quarter increased by 4.07 percent compared with that of the same period last year but experienced a decrease from second quarter onwards. Electrical appliances that experienced a decrease in production are electrical fans, refrigerators, water boiler, and television due to decrease in consumption and global economic slow-down as well as export markets. However, air-conditioning enjoyed an increase following vast expansion in houses and condominium development projects. Export market to ASEAN and EU for air-conditioning also increased. Electric wiring also experienced an increase due to the fact that the government initiated a project to improve electricity distribution system in the country.

Market situation

The value of electrical appliances and electronics exports in 2013 was 53,524.72 million USD, a decrease of 1.17 percent compared with that of the same period last year. Electrical appliances export value was 22,726.23 million USD, a decrease of 0.45 percent. Electronics export value was 30,798.49 million USD, a decrease of 1.69 percent compared to that of the same period last year due to decreasing demands especially from China and Japan.

Domestic sales

Electrical appliances such as split type air-conditioning (condensing unit), split type air-conditioning (fan coil unit), compressor, microwave oven increased by 16.33%, 17.41%, 26.98% and 12.76% respectively when compared with that of the same period last year. However, electrical fan, refrigerator, rice cooker, TV with size less than 20 inches and TV with size larger than 20 inches experienced a decrease of 5.15%, 11.30%, 7.62%, 17.26%, and 83.08% respectively.

Products	2554	2555	2555				2556				2556
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Split Type Air-Conditioning (Condensing Units)	1,028,653	1,359,028	385,592	462,500	228,450	282,486	526,917	467,101	256,717	1,317,481	1,580,977
YoY	-16.2	32.12	-9.61	63.44	24.51	108.31	36.65	0.99	12.37	14.57	16.33
QoQ			184.35	19.95	-50.61	23.65	86.53	-11.35	-45.04		
Split Type Air-Conditioning (Fan Coil Units)	1,075,841	1,368,593	395,710	471,723	230,502	270,568	528,340	478,659	261,507	1,339,089	1,606,907
YoY	-13.54	27.21	-8.83	56.41	17	88.98	33.52	1.47	13.45	15.92	17.41
QoQ			176.3	19.21	-51.14	17.42	95.21	-9.4	-45.37		
Compressors	6,326,149	6,931,315	1,592,626	1,830,267	1,829,607	1,678,815	2,129,065	2,441,340	2,147,920	7,334,293	8,801,152
YoY	-9.47	9.57	-20.91	-0.97	17.21	85.88	33.68	33.39	17.4	25.83	26.98
QoQ			76.33	14.92	-0.04	-8.24	26.82	14.67	-12.02		

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

Remarks : 1. Data presented are estimated from actual data of 70% - 80%

2. Domestic sale data were gathered from ex-factory value of domestic manufacturers.

Export sales

Electrical appliances export value in 2013 amounted to 22,726.23 million USD, a decrease of 0.45 percent compared with that of the same period last year. Deceased export market included USA and Japan while ASEAN and EU experienced an increase.

Import

Electrical appliances and electronic import in 2013 amounted to 45,513.7 million USD, a decrease of 4.06% compared with that of last year. Electrical appliances import in 2013 was 19,232.06 million USD, a decrease of 4.95% compared with that of last year while electronics import in 2013 was 26,281.64 million USD, a decrease of 3.40% compared with that of last year and parts/components imports also decreased as anticipated.



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 fluctuations in raw material prices

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

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

2. Supply risk

The company relies on a few large suppliers. In 2013, the company ordered 82.34% of required copper tubes from 3 large suppliers. The largest of which accounted for 52.29% of total copper tubes orders.

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

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

3. Risks from raw material shortage

One of the company's main raw materials for manufacturing is copper which cannot be stored for a long period of time due to oxidation. Reprocessing of copper can be conducted but such copper will need to be imported which may result in inadequacy and higher prices.

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

4. Risks from exchange rates

The company received 30% of its revenue from export market. Thus, the company is exposed to foreign exchange risk. However, the company also orders some of its raw materials from overseas. In the first half of 2013, the company reported 31.83% revenue from export market and ordered raw materials from overseas totaling 40.11%. Since these revenue and cost are in US Dollars, the company enjoys natural hedging to a certain extent.

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

5. Risks from free trade agreements and trade organizations

Free trade agreements encourage stronger competitions within the market which is in line with the overall industry situation for air-conditioning in terms of price and the demands for new products. This drives all players in the market to compete in price and quality. Moreover, Thailand has seen greater number of air-conditioners imports from China which has price advantage. At the present, the company focuses on customers who need high quality coils with different competitiveness than mass products from China which cannot fully satisfy customer's changing needs. With US, Canana certified and award-winning quality products and services, the company is able to maintain good relationships with customers and enhances the company's competitive advantage.

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

6. Risk from major customer dependency

In the last 3 years, none of the company's largest customer account for more than 30% of total sales.

	2011	2012	2013
Sale proportion to the top 5 customers*	63.59	62.25	71.28

*Inclusive of international 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.

7. Management risk

Due to the fact that the company's Managing Director, Mr.Aree Poomsanoh, is also a member of the Board of Executive Committee. However, there are 5 members in the Board of Executive Committee and the company's articles specify clear and strict management powers for each position. The risk of having a person with significant power is reduced. Moreover, the Board of Executive Committee and Managing Directors cannot authorize any transactions that himself or herself can be classified as a stakeholder. Moreover, the Board of Directors consists of an Audit Committee working together with Internal Audit department whose duty is to conduct auditing procedures for transactions and to ensure that the company is transparent and property controlled within area of authority for each member of Board of Executive Committee.

8. Liquidity Risk

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

9. Risks from subsidiaries

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

However, the company's subsidiaries are able to maintain their business operations on their own and therefore did not affect the company's liquidity. The company expects that its subsidiaries will be running their businesses at full pace which will provide synergy to the company in the future.

Financial Highlight

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

Million Baht

Details	Amount		
	31 Dec. 2011	31 Dec. 2012	31 Dec. 2013
Total Assets	1,441	1,228	1,238
Total Liabilities	840	601	604
Shareholder's Equity	601	628	634
Total Revenues	1,113	1,006	1,027
Gross Profit (Loss)	48	47	109
Net Profit (Loss)	(87)	(28)	5
Earnings (Loss) per share	(0.16)	(0.04)	0.01

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

Million Baht

Details	Amount		
	31 Dec. 2011	31 Dec. 2012	31 Dec. 2013
Total Assets	1,511	1,266	1,291
Total Liabilities	1,036	823	852
Shareholder's Equity	475	443	438
Total Revenues	1,139	1,032	1,065
Gross Profit (Loss)	50	48	107
Net Profit (Loss)	(134)	(78)	(6)
Earnings (Loss) per share	(0.24)	(0.14)	(0.01)

Shareholders and Management Structure

Shareholders Structure

Shareholders

The list of 12th shareholders as of March 17th, 2014 is as follow:

Total Shareholders 2,630

% Shares in Scripless Holding 99.09

Rank	Major Shareholders	# Shares	% Shares
1.	<i>Poomsanoh Group</i>		
	Mr.Aree Poomsanoh	81,577,200	13.55
	Mr.Theera Poomsanoh	12,000,000	2.00
2.	Mr.Taweesak Wangkorkiat	30,500,000	5.07
3.	Mrs.Linjong Pijitrapongchai	13,026,224	2.16
4.	Mr.Rittinarong Khunwattanakarn	12,000,000	1.99
5.	<i>Thirangkul Group</i>		
	Mr.Choorintra Thirangkul	11,277,200	1.87
	Mrs.Kullawan Thirangkul	5,152,800	0.86
6.	<i>Sangnoi Group</i>		
	Mr.Phairote Sangnoi	7,148,900	1.19
	Mrs.Alisa Sangnoi	5,652,200	0.94
7.	Mr.Sapphawut Suwannaphong	6,955,400	1.15
8.	Thai NVDR Company Limited	6,265,906	1.04
9.	Mrs.Umphai Harnkraiwilai	6,000,000	1.00

Management Structure

Committee

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

(1) The Board of Directors

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

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

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.

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.

Election of the Directors

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

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

Selection and Appointment of Directors and Executive Management

Directors' Selection

1. The Board of Directors or each Director could propose a nominee to be selected as the company's Director. The Board of Directors will introduce the person to the shareholders in order to select where as the company's Secretary would check the nominees' qualification prior to propose to the shareholders. The shareholders may consider to select nominees who has appropriated engagement with the company or the main shareholders together with what the company agree to do for the shareholders.
2. Standard of Directors' Selection
The person who would be selected to be a Director of the company must qualified on
 - Experiences
 - Knowledge
 - Honest and well understand in overall of the company business

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

Executive Managements' Selection

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

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

Director Development

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

Directors Orientation

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

(2) The Board of Executive Committee

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

Name-Surname	Position
1. Mr. Aree Poomsanoh	Chairman of Executive Committee
2. Mr. Taweesak Wangkorkiat	Executive Committee
3. Mr. Theera Poomsanoh	Executive Committee
4. 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.

(3) The Audit Committee

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

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

The audit committee number 1 has adequate expertise and experience to review creditability of the financial reports.

Audit Committee Secretary: Ms.Wanphen Khaosuwan.

Independent Director / Audit Committee Qualification

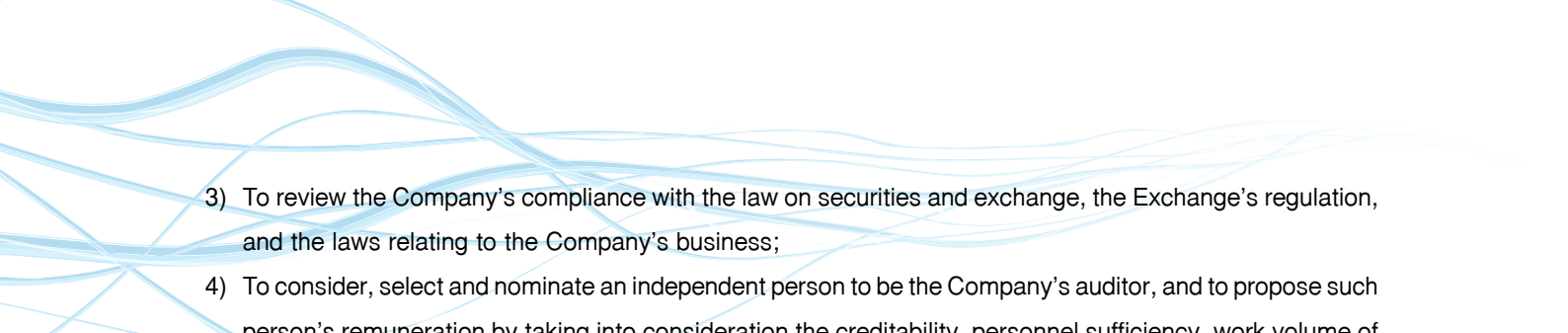
Audit committee consists of at least three independent committees who are on 2-year term of designation. The company has recruitment policy for audit committee who qualifications shall meet the followings;

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 signed by the Audit Committee's Chairman. The Report must consist of :
 - an opinion on the accuracy, completeness and creditability of the Company's Financial Report,
 - an opinion on the adequacy of the Company's internal control system ,
 - an opinion on the suitability for an Auditor and reasons to believe that the company's Auditor is appropriate to be re-appointed for another term.
 - an opinion on the compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws relating to the company's business,
 - an opinion on the transactions that may lead to conflict of interests,
 - the number of the Audit Committee Meetings and the attendance of such meetings by each committee member,
 - an opinion or overview comment was received by the Audit Committee from its performance of duties in accordance with the charter, and
 - other transactions which, according to the audit committee's opinion, should inform to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
 - 7) To conduct other tasks as instructed by the Board of Directors 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 what so ever with the company or subsidiary company.

The Company's Secretary

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

Scope of Duty of Company Secretary

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

Executive Remuneration

Remuneration in Cash

Remuneration for the Board of Directors

In 2012 and 2013, there were 8 directors. The remuneration of directors can be summarized as follows:

Name of the Directors	Position	2012			2013		
		Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance	Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance BOD;AC
1. Pol.Gen, Dato'Prung Boonpadung	Chairman of the Board of Director and Chairman of the Audit Committee	40,000	540,000	5/5	55,000	540,000	6/6 ; 5/5
2. Mr. Aree Poomsanoh	Vice Chairman	15,000	300,000	4/5	30,000	300,000	6/6
3. Mr. Taweesak Wangkorkiat	Director	20,000	300,000	5/5	30,000	300,000	6/6
4. Mr. Theera Poomsanoh	Director	20,000	300,000	5/5	30,000	300,000	6/6
5. Mr. Wongsawat Wongsawang	Director	15,000	300,000	4/5	-	300,000	6/6
6. Mrs.Chankapaw Dissakul	Director	20,000	300,000	5/5	30,000	300,000	6/6
7. Mr.Songphol Annanon	Independent Director & Audit Committee	40,000	450,000	5/5	55,000	450,000	6/6 ; 5/5
8. Mr.Nadith Rodphet	Independent Director & Audit Committee	40,000	450,000	5/5	55,000	450,000	6/6 ; 5/5
Total		210,000	2,940,000		285,000	2,940,000	

Executive Remuneration

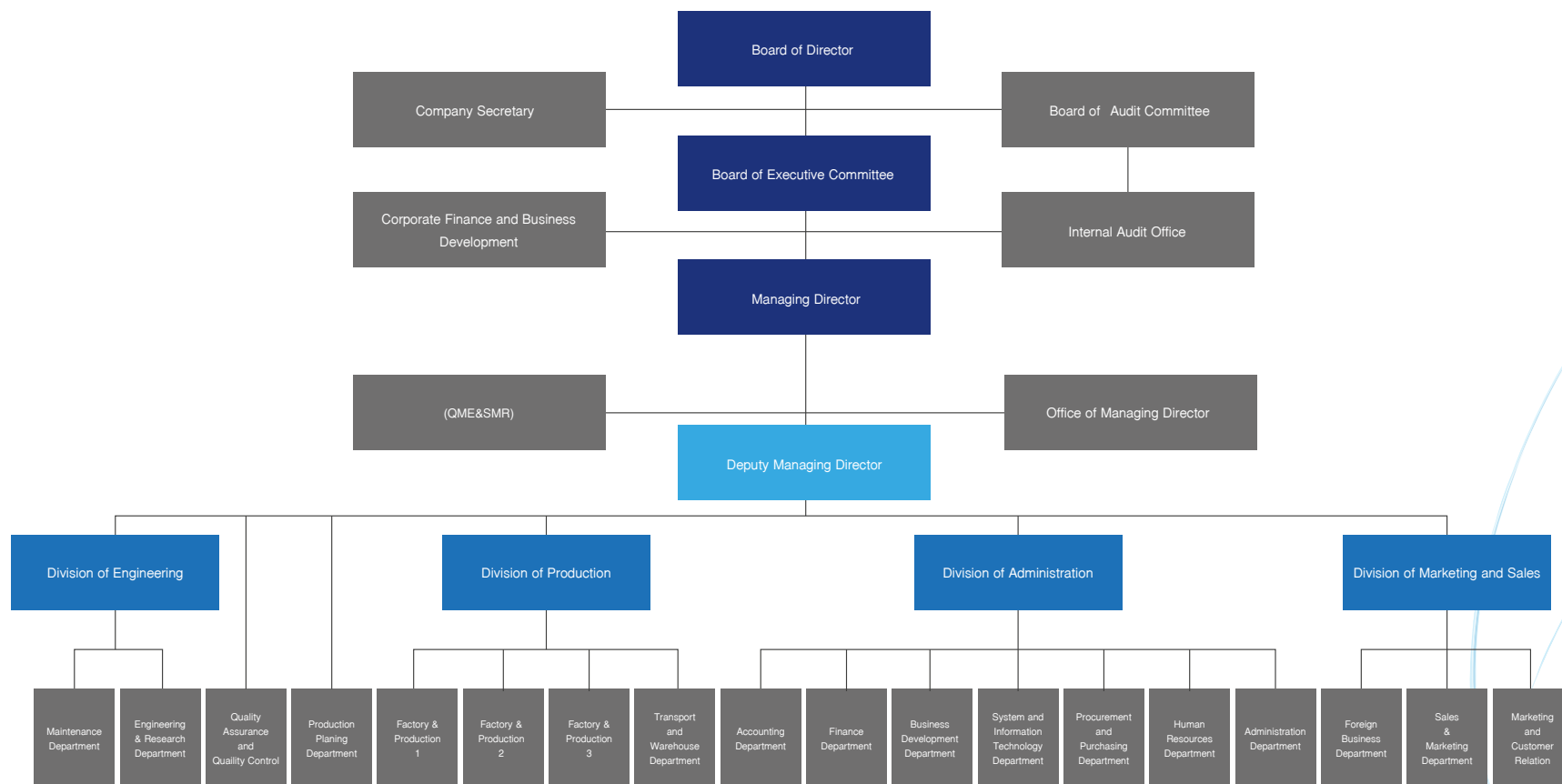
In 2011-2013 The executive remuneration is summarized as follows:

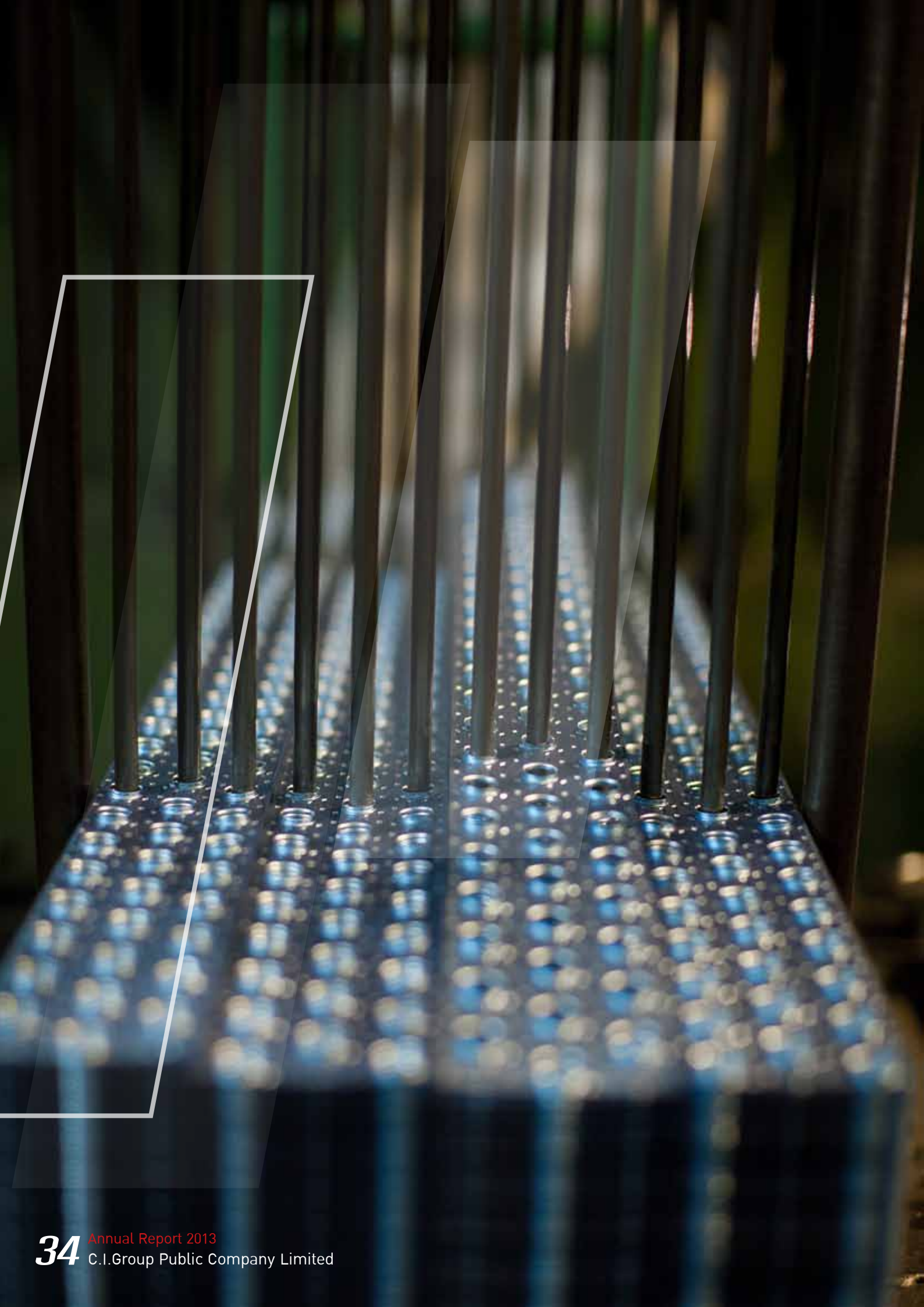
Type of Remuneration	2011	2012	2013
Salary	17,994,000	20,515,500	19,358,000
Incidental benefit	-	-	-
Other	511,200	565,200	494,352
Total	18,505,200	21,080,700	19,852,352
<i>Number of Executive</i>	9	9	9

Note: As of 31 December 2013, The Company has 4 Executive Managements and 5 Executive Committee. Other Remunerations consists of ESOP-1 and Provident Fund.

Organization Chart

Organization Chart
C.I.Group Public Company Limited





Board of Directors



Pol.Gen.Prung Boonpadung

Age 65 years old

Chairman of the Board of Directors

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 Police
- Commissioner Provincial Police Region 5 : Royal Thai Police

Other current positions :

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

Certified from Thai Institute of Directors (IOD) :

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



Mr. Aree Poomsanoh

Age 59 years old

Vice Chairman of the Board

And Chairman of the Executive Committee

% of share holding : 13.55 %

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

Working Experience :

- Chairman of the Board and Managing Director : C.I.Group Public Company Limited
- Director : Sirakorn Company Limited
- Director : AC Square Energy Company Limited

Other current positions :

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

Certified from Thai Institute of Directors (IOD) :

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



Mr. Taweesak Wangkorkiat

Age 62 years old

Directors and Member of the Executive Committee

% of share holding : 5.07 %

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

Working Experience :

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

Other current positions :

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

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004



Mr. Wongsawat Wongsawang

Age 63 years old

Director and Member of the Executive Committee

% of share holding : 0.80 %

Highest Education : Vocational Certificate (Mechanic)
Don Bosco Vocational School

Working Experience :

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

Other current positions :

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

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004



Mr. Theera Poomsanoh

Age 57 years old

Director and Member of the Executive Committee

% of share holding : 1.99 %

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

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 27/2004



Mrs. Chankapaw Dissakul

Age 48 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 Manager/ Administrative Manager : C.I.Group Public Company Limited
- Director and Executive Committee : De Lamai Company Limited

Other current positions :

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

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 60/2006



Mr. Songphol Annanon

Age 43 years old

Independent Director And Audit Committee

% of share holding : -none-

Highest Education : MSA in International Business,
Central Michigan University

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

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) class 90/2011



Mr. Nadith Rodphet

Age 44 years old

Independent Director and Audit Committee

% of share holding : -None-

Highest Education : MBA, Thammasat University

Working Experience :

- Country Finance Manager : Avande (Thailand) co.,ltd
- Internal Audit Manager & Financial Controller :
Millennium Auto Group
- Finance Director : SME Trade Promotion Company Limited
- Business Manager : Metro Infinitum (Thailand) Company Limited

Other current positions :

- Audit Committee : C.I.Group Public Company Limited
- Audit Committee : Scan Global Public Company Limited
- Financial Controller : Netizen Company Limited

Certified from Thai Institute of Directors (IOD) :

- Director Accreditation Program (DAP) Class 90/2011

Executive Management



Mr. Aree Poomsanoh

- **Position** : Managing Director and Chairman of the Board of Director
- **Highest Education** : B.A. (Administration), Sukhothai Thammathirat open University



Mr. Sawai Chatchairunguang

- **Position** : Deputy Managing Director and President of Corporate Finance and Business Development
- **Highest Education** : M.S (Accounting), Chulalongkorn University



Miss Rattanakamol Poomsanoh

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



Mr. Chalermchon Malisuwan

- **Position** : Division of Production Manager
- **Highest Education** : B.Eng. (Industrial), Kasetsart University



Mrs. Saowakon Udomrat

- **Position** : Accounting Department Manager
- **Highest Education** : B.S. (Accounting), Sripatum University

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

1. The Board of Directors will perform their duties with high attention and responsibility; independence and define clearly between roles of President of the Board of Directors and President of the Board of Executive Committee.
2. The Board of Directors have an important roles in set vision, strategies, policy and important plan which must consider on risks in order to implement an appropriate method of doing business together with must ensure that the company's financial system and accounting audit are reliable and accepted.
3. The Board of Directors shall be leader in ethic, a role model on CG's behavior of the company and shall monitor on conflict of interest management and related items.
4. Board of Directors may set up a committee to decide on important issues.
5. Board of Directors must evaluate themselves for ease of auditing.
6. Board of Directors will set up Ethics Code of Conduct for management and all employees.
7. Board of Directors must disclose financial and non-financial data in a timely and equally manner for all shareholders and stakeholders.
8. Board of Directors must ensure that all shareholders are treated equally and have access to necessary information and provide suitable means for them to contact the company.
9. Board of Directors must set up a fair and transparent system for management recruitments.
10. Operate business in accordance with applicable law, regulation, rule and requirement set out by Stock Exchange Committee (SEC), requirement of the Stock Exchange of Thailand, and comply with the resolution of the shareholder meeting.
11. Prevent the company from entering into the conflict of interest which may occur among the companies, establish confidences with the shareholder under the transparent and verifiable tradeoff approach.
12. The Board of Directors consist at least no less than three independent committees.
13. Provide the evaluation and risk control appropriately.

14. The Board of Directors should hold a meeting at least on quarterly basis regularly and special meeting is allowed to be held when necessary. The meeting agenda should be designed in advance pursuant to the company's regulation so that the Board members have enough time to examine the information prior to the meeting.

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

Leadership and Vision

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

Conflicts of Interest

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

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

Business Ethics

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

Balance of Power for Authority of Non-executive Directors

The company currently has overall 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.

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.

Approval of related transactions

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

Related transaction policy

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

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

Surveillance of Internal Information Use

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 dependents 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.

Governance in other areas

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

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

Shareholder's Right

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

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

Shareholders' Meetings

Program of Shareholder's Meeting

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

In the year 2013, the AGM fell on April 24th at 13.30 hrs. Tulip Room, 1st Floor Rama Garden Hotel No.9/9 Vibhawadi Rangsit Rd., Lak Si, Bangkok 10210. No extraordinary meeting was held this year.

Meeting Notice in Advance

For the 2013 AGM, the Board of Director's meeting No.1/2013 on 1st March, 2013 decided to call a shareholders' meeting on 24th April, 2013, its decision, meeting date, meeting agenda was disclosed in details ahead of time by announcing on SET's website to alert the shareholders before sending meeting notices.

The company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail meeting notices together with details of the agenda and accompanying documents, supplementary and supporting information for decision making, opinions of the board, complete minutes of the past meeting, the Annual Report, meeting documents, proxy forms with complete instruction, to the shareholders more than 7 days ahead of the meeting date. Also, Three days ahead of the meeting, the invitation was announced through newspaper for three days, to allow the shareholders enough time to prepare for the meeting. The AGM meeting notice and supporting documents were made available at CIG's website 30 days prior of the meeting date.

Organize of the Meeting

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

The chairman ensures that the meeting proceeds according to the order of the agenda and does not add an item without notifying shareholders in advance. If the meeting should decide to change the order of the agenda, it would need at least two-thirds of the vote of the shareholders in attendance. Alternatively, the shareholders with at least one-third of all the sold-shares may ask the meeting to consider other matters not mentioned in the meeting notice. At the 2013 AGM, the order of the agenda was not changed and there was no request to consider any other matter.

The minute of the meeting must be completely and accurately recorded. Voting completes each applicable agenda item. As a rule, shareholders' meetings last 2 hours. The 2013 AGM began at 13.30 hrs, with registration beginning at 12.00 hrs. At the meeting's opening, the shareholders and proxy holders in total of 69 shareholders which holding 217,317,080 shares or 36.11% of the total shares sold, which exceeded one-third of all the sold shares of 601,861,915 shares.

Disclosure of Shareholders' Meeting Outcomes

For the year 2013 AGM, the company duly submitted the summary of resolutions made to SET and the SET Board within the afternoon of the date of the meeting (April 24th, 2013). It also duly submitted the report of the shareholders' meeting with minutes, voting records, and every question raised by shareholders to SET and the SET Board within 14 days after the meeting which also could be access via the company's website.

Equitable Treatment of Shareholders

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

Proposing Additional Meeting Agenda Items and Nominating Directors

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

For the year 2013 AGM, the company posted such criteria on its website and posted an announcement on the website of SET from 27 September to 31 December 2012, so that the shareholders could propose meeting agenda items and/or nominate directors in advance. For the year 2014 AGM, the company posted such criteria on its website and posted announcement on the website of the SET from 12 September to 30 December 2014. However, it attracted no recommendation of such agenda items and no nomination of directors, and the Corporate Secretary has duly informed the Board meeting on the matter.

Facilitating Shareholders at the Meeting

For the year 2013 AGM, the company facilitated all shareholders by manning officers to welcome and take care of them, and provided adequate convenience. The meeting venue was well chosen to facilitate all shareholders. Officers were set to verify documents. On the meeting days, registration opened 2 hours ahead of the meeting and extended until the period before the last meeting agenda. A barcode system quickened registration. Finally, the shareholders had access to a reception and fell free to have some snacks which the company had set for treating them.

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

Appointing Proxy

To maintain the rights of shareholders who cannot attend the 2013 AGM in person, they can appoint proxies or delegate their votes to the assigned independent director of the company in attendance. To this end, the company has specified these independent directors' name in proxy form defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The company shall treat proxies as if they were shareholders. Thirty days ahead of each meeting, the company discloses the proxy form, which is attached along with details and procedures on its website. Shareholders may make further inquiries about this by phone or other channels such as the company's website or e-mail.

Stakeholder's Role

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

Shareholders

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

Employee

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

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

Guidelines

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

Business Partner

The company pays great attention to business partners which are important stakeholders. The company treats all business partners equally based on fair competition with respect and mutual cooperation. The company maintains business relationship and honors all contracts. Purchasing system is carefully monitored and transparent for auditing.

Guidelines

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

- 6.) All employees related to purchasing or procurement is responsible for good governance between the company and suppliers in a sustainable basis.

Creditor

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

Guidelines

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

Customer

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

The company utilizes quality management system, Security, safety, health and environment in the operation to focus on quality management process to deliver products and services to create customer satisfaction. The company put safety as the first priority by adopting standards such as ISO 9001:2008 / CSA / UL into practice.

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

The Company's process of listening to our customers includes

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

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

Competitor

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

Guidelines

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

Community and Society

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

Respect for International Human Rights Principles

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

Guidelines

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

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

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

Guidelines

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

Employee Safety and Welfare

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

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

Receiving and Offering Customary Gifts, Assets or other Benefits

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

Guidelines

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

Disclosure of Information and Transparency

Financial and Non-Financial Reports

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

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

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 Central Management at call 02-976-5290 or via email: secretary@coilinter.com

Complaint-Filling and Access to Information

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

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

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

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

A. The Corporate Secretary : secretary@coilinter.com

B. The Corporate Audit (Internal Audit): internalaudit@coilinter.com

For the year 2013, no complaints on ethics were made.

Board Responsibility

Segregation of the Chairman and the President & CEO Position

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

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

Board Meeting

The company has policy that the Board of Directors shall convene the meeting at least every three months, and additional meeting is permitted when necessary. At any meeting, the agenda shall be predetermined precisely and the letter of meeting appointment shall be mailed seven days in advance so that the Directors shall have enough time to investigate the related matter and topics reasonably prior to commencement of meeting. 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 7 meetings in the FY 2013 which are 6 BOD and 1 AGM. The directors could propose idea and opinion open and freely. For which agenda that may relate or has any conflict of interest to the directors, the said directors will not vote or even not attend the meeting during the agenda.

Self-Assessment of the Board

The company has decided the self-assessment of the Committees to align with the company's CG principles which complied with the SET's. It was to be a vital tool for improving Board performance, provide reference data for the corporate governance rating, cover the assessment of all committees, as well as serving as information for the monitoring/assessment from external auditors. The Self-Assessment Form has criteria by calculating into percentage of each item's total point as follows:

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

The findings from the self-assessments were as follows:

Self-Assessment of the Individual Directors consisted of 6 categories:

- 1.) Construction and Qualification of Director
- 2.) Role, Duties and Responsibilities of the Director
- 3.) Directors' Meeting
- 4.) Accountability and Actions of the Director
- 5.) Relationship with Management
- 6.) Self-Assessment of the Director and Development of the Management.

Overall results were good for most directors, with an average score at 73.58%.

Assessment of the Audit Committee's Performance

Under the company's Audit Committee Charter 2013 on performance assessment, the Audit Committee Manual for State Enterprises under the Ministry of Finance, and SET's Good Governance handbook for internal auditors and the audit committee section 1.1: responsibility of the Audit Committee, the Audit Committee must assess its performance by undertaking self-assessment at least once a year. The individual self-assessment or the entire Committee's assessment is presented yearly to the Board, specify in problems leading to unfulfilled objectives. The Audit Committee's meeting No.1/2014 on 27 February, 2014, passed a resolution to use the assessment form since it conform to the good governance stipulated by SET, with a waiver of cross-assessments because there were only three audit committee members. The Audit Committee's Meeting No. 1/2014 dated 27 January, 2014, passed a resolution to approve the assessment of the Audit Committee's performance 2013 with the following details:

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

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

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

Directors and Executive Remuneration

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

Director's Compensation

The 2013's Annual General Meeting of the shareholders on 24 April, 2013 had resolution to approve Director and Audit Committee's remuneration for the year 2013 not exceeded THB 8,000,000 per year. For the year 2013, there were details of compensation as follows:

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

Policy on Serving as Directors of Other Companies

In the year 2013, CIG had 2 affiliates, so the company put highly attention to adopt group management structure for synergy and alignment of policies. To achieve this, the company has appoints directors or management team members to serve as directors in these companies to supervise policies and business management which align with the company's for the benefit and value addition for all stakeholders. The objectives for such appointments are as follows:

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

Recently, the company has directors who are in the Director's Pool 3 persons and control to ensure that executives or outsiders who are currently our directors not be assigned to manage the company's subsidiaries more than 5 companies to decrease risk of conflict of interest and ensure conformance to applicable laws and related regulation.

Directors' Development

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

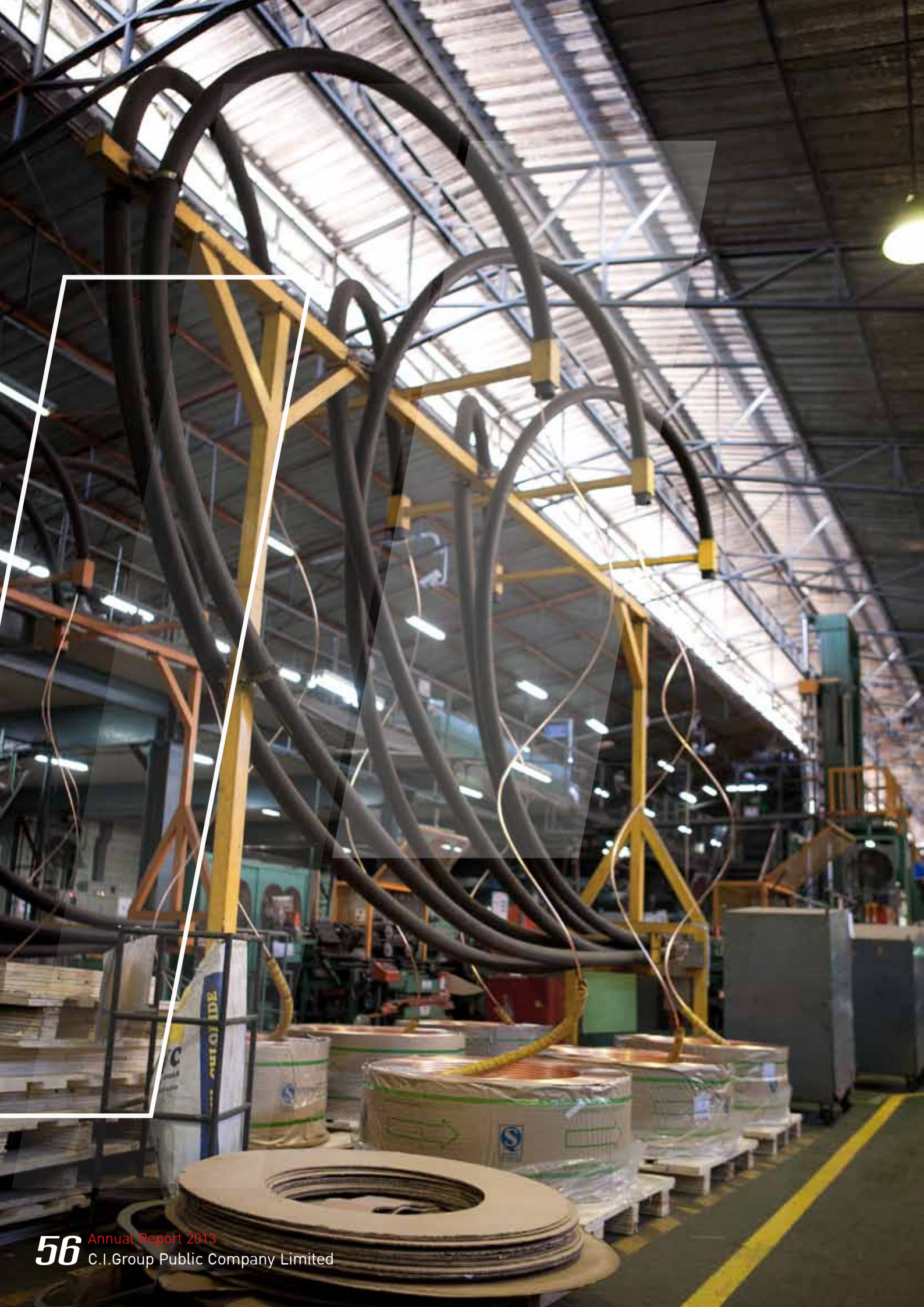
Related Transaction and Acquisition/Sales of Company's Assets

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.

Control Over Affiliates and/or Subsidiaries

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



Related-transactions

Detailed Related-transactions

As during 2011 — 2013, the company and its subsidiaries transactions with party that may cause the interest conflict, the company has to undertake the following transactions with necessity and reasonability;

Related Individual/ Juristic Person who may cause conflict of interest	Relationship	Description	Related-transactions Amount (million Baht)			Necessity and reasonability of transactions
			2011	2012	2013	
1. 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	83.00	81.35	79.40	For using as working capital
		Interest receivable	2.24	1.98	1.98	

Measures or Approval Procedures for Related-transaction

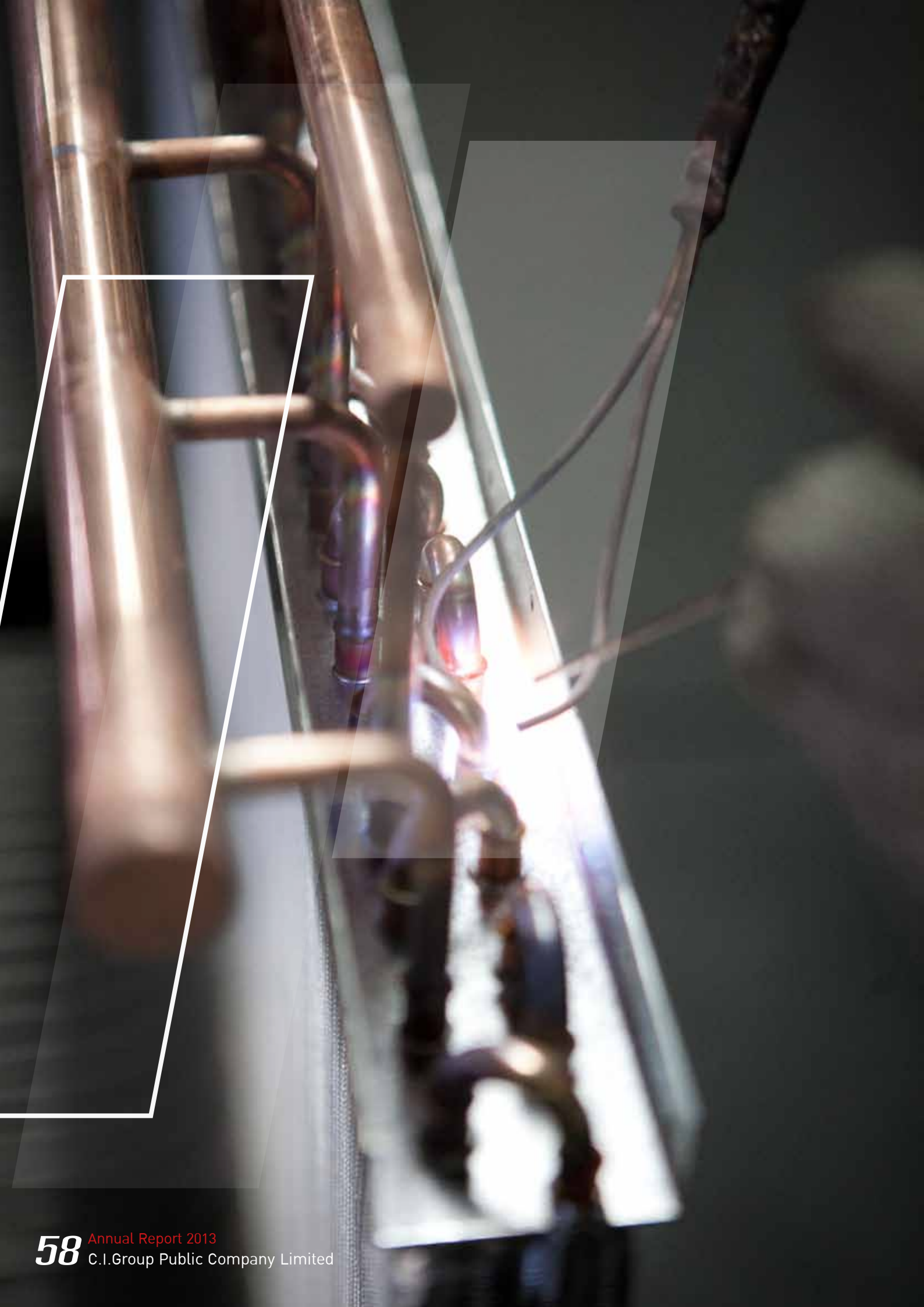
In the inter-transaction procedures, it's necessary to be reasonable to allow the optimum interest of the company. That contingent inter-transaction should be considered based on reasonability and necessity. Pay and wages should be made in accordance with the fair price in the market and should be approved by the audit committee

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

Future Related-Transaction Policy

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

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



Report of The Board of Directors’ Responsibilities for Financial Statements

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

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

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

In the Board of Directors’ opinion, the Company’s internal control system is satisfactory and can assure the reliability of both the Company’s financial statements and the consolidated financial statements of the Company and its affiliated companies as of 31 December 2013.

Pol.Gen.



(Prung Boonpadung)

Chairman of the Board of Directors



(Aree Poomsanoh)

Chairman of the Executive Committee

Management Discussion and Analysis

Description and Analysis of Financial and Performance

Conclusion of Operational Performance for the Fiscal Year 2013

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

Operation Performance

1. Overall Performance

For the year 2013, overall electricity industrial demand was decelerated in almost every section especially domestic demand and recovering of export section was lower than expected. The electricity and electronics industrial are a group that has an important role on making revenue into the country. Last year, export and domestic sales value of this industrial was about MB 2 Million per year which almost are production for export MB 1.6-1.7 Million.

For the next one to two years, the electricity and electronics industrial is expected to bring automation system to use in production lines more and more to decrease reliable on human resources. While the Small and Medium Enterprise (SME) need to improve together with human development which will need higher skill to work with new technology. Lately, Thailand is facing a lot of risk factors such as lack of human resources, high wages, flood and limited on investment which could be seen from big flood by the end of 2011 that 30% of factories in the Electricity and Electric Industry be destroyed and loss business opportunity to the neighbor countries as customers turned to buy from competitors besides. Up until now, there are a lot of orders that Thailand was lose to others though manufacturers could produce as normal.

Like the others, the company was affected from flood in the end of year 2011. Moreover, market situation both domestic and export was not perform well enough, that made the company could not reach its target at all. However, the company's overall operation performance was a bit better than the year before. The company and its affiliate got net loss in the year 2013 and 2012 MB5.64 and MB78.17 respectively. In the year 2013, sales revenue was MB1,015.75. When compare with the year 2012, gross profit margin was increased 5.53% and costs of goods sold was decreased from 95.04% to 89.51%.

Overall cost was decreased from effectiveness of improving production processes together with sales and production amount were increased, so the company could manage with its fix costs well. Also, many expenses were decreased such as wages and salary, depreciation, sales promotion expenses, doubtful account and interest due to paying back principle to financial institution in order to decrease short term loan amount of the company.

2. Financial Performance for Each Business

Income

The Company's total income was MB1,065.461 which was increased 3.25% or MB33.565 when compared with the year 2012 that had total income MB1,031.896 by which could be classified by business as follows.

Unit : Million Baht

	2013	2012	Change
Production Business	1,027.492	1,006.305	2.10%
Hotel Business	25.665	25.535	0.51%
Trading	12.304	0.056	218.71%

As above, income from all businesses increased from the year 2012 as complement of the factory renovation which was affected from massive flood in the end of year 2011 that is readied to take order. On the other hand, the orders still could not fulfill the factory's capacity at all since losing some customers and world economic status still under watch out stage.

For the hotel business, after De Lamai Co., Ltd. has signed contracts with many agents and the weather of Samui Island quite well, so the hotel could attract more traveler which made higher income when compare with the year before. However, the company is not stop improvement but yet adjust strategies to continue decreasing costs and increase market channel.

Revenue From Sales and Services

Unit : Million Baht

	2013	2012	CHANGE	
			Amount	Percentage
Revenue from Sales and Services	1,015.75	958.86	56.89	5.93
Revenue from Domestic Sales	634.85	680.67	(45.82)	(6.73)
Revenue from Export Sales	308.15	200.44	107.71	53.74
Revenue from services	72.75	77.75	(5.00)	(6.43)
Less Costs of Sales and Administration	909.14	911.34	(2.20)	(0.24)
Gross Profit Margin	106.61	47.52	59.09	124.35

2. Cost of Sales and Gross Profit Margin

In 2013, the Company's total costs of sales was MB909.12 which was decreased 0.25% or MB 2.20 compared with that of the year 2012 which was MB911.34 due to renovation of the factory and some machines that increased effectiveness of production process. That's also made gross profit margin of the year 2013 was 10.49% which was increased 5.53% or 4.96 from the year 2012.

3. Sales and Administration expenses

In 2013, the Company's selling and administrative expense was MB119.18 which was decreased MB 29.96 or 20.09% from that of the year 2012, MB149.14. That was resulted from decreasing of wages and salary, depreciation, sales and administration expenses and doubtful debt etc.

4. Interest Expense

In 2013, the Company's interest expense was MB46.40 which was decreased MB7.90 or 14.55% from that of the year 2012, MB54.30. That was resulted from repayment of long-term loans to financial institutions.

Profitability Ratios

DETAIL	2009	2010	2011	2012	2013
Profitability Ratios					
Gross Profit Margin (%)	5.90	9.28	4.64	4.96	10.49
Operating Profit Margin (%)	(12.59)	(10.90)	(13.18)	(10.60)	(1.24)
Net Profit (%)	(4.72)	(8.75)	(11.75)	(8.21)	(0.53)
Return on Equity (%)	(6.24)	(16.42)	(24.51)	(15.02)	(1.28)
Return on Asset (%)	(2.57)	(6.58)	(8.59)	(5.94)	(0.44)

Return on Asset (ROA) was increased from (5.94)% in the year 2012 to (0.44)% in the year 2013 and Return on Equity (ROE) was increased from (15.02)% to (1.28)% in the year 2013 due to operation performance was improved. Net Loss was MB78.17 in the year 2012 to MB5.64 in the year 2013. The reasons beyond better operation performance of the company were:

Factors of Change to Profitability of the Company in 2013

1. Fluctuation of raw material prices per world market

The main raw materials prices in average were down from the year 2012 which made the company to decrease product price but as per basic of the industrial the company needs to keep raw material in hand not less than 2 month used amount. By that, it made the material in-hand costs higher than recently prices not less than 10% which makes sale price differ from real costs. In 3rd and 4th Quarter, the company could balance the defer better and the main raw material prices were declined, so the company could make higher gross profit margin than the past year. Therefore, the company frequently adjusts pricing policy, purchasing raw material and inventory control continuously.

2. Sales Revenue

Sale Revenue was increased, so increase capability of the company in managing with its fix costs. Thus, the company's profit was also increased. The increasing of the revenue in the year 2013 was from starting providing products to the major international customer as per the Long-Term Agreement.

3. Exchange Rate

Since the main raw materials has got import tax abatement, the company decided to change the purchasing policy by importing especially from China more which made the prices of materials fluctuated along with the world market prices and also the exchange rate. On the same hand, in term of export, the company would get profit high or low depend upon exchange rate also. Therefore, if export sales and purchasing raw material amount are balanced, the company would be able to balance change from exchange rate.

Financial Performance

1. Assets

In 2013, the Company's total assets were MB1,290.82 which were increased MB 24.57 or 1.94% from the year 2012 which were MB1,266.25, the main reason beyond was because increasing of account receivable.

2. Liabilities

In 2013, the Company's total debts were MB852.42 which was increased MB29.30 or 3.56% from the year 2012 which were MB823.13. The increase in debts was mainly resulted from increasing of short - term loans from financial institutions for working capital.

Asset Management Capability

(n) Assets

Net Inventory

INVENTORY ALLOWANCE

Million Baht

Beginning Inventory	11.860
Increased (Decreased) during year	
Ending Inventory	11.860

The company and affiliates had net inventory by the end of 2013 and 2012 MB192.92 and MB213.82 respectively. 82.37% of inventory was raw materials which could keep in-stock and be used to make parts, so the company did not need to set allowance at all for the year 2013. For finished goods, there was no allowance set either as the company would produce as per order.

Note: The Company has set a policy for allowance of finished goods that not move more than 1 year in total of 100% of its value.

(i) INVESTMENT IN AFFILIATE

ALLOWANCE FOR INVESTMENT LOSSES IN AFFILIATE (DE LAMAI)

YEAR	MILLION BAHT	ACCRUE (MILLION BAHT)
2011	20.00	42.00
2012	-	42.00
2013	40.00	82.00

In year 2013, the company agrees to set allowance for investment loss in affiliate MB40 more as per the reason explained prior.

(ii) ASSETS OF AFFILIATE

ALLOWANCE FOR IMPAIRMENT LOSSES OF AFFILIATE (DE LAMAI)

YEAR	MILLION BAHT	ACCRUE (MILLION BAHT)
2011	26.00	97.07
2012	-	97.07
2013	-	97.07

In the year 2013, the company trusted that allowance for impairment losses of affiliate was appropriate as was due to operation performance of the affiliate seem to be better from changing policy and developing internal management.

3. Account Receivable

As of 31 December 2013, Account Receivable of the company and affiliate defines by aging were:

Account Receivable Aging	Million Baht	%
Not Due	212.742	59.99
Over Due		
Less than 3 months	79.976	22.55
3 - 6 Months	3.257	0.92
6 - 12 Months	0.511	0.14
More than 12 Months	58.156	16.40
Total	354.643	100.00
Allowance for Doubtful Account	40.711	11.48

The company has set credit term policy for Grade A's customers who make high purchasing amounts and paying on time which is 90 days and 60 days for Grade B customers who has medium amount of purchasing and be the company's customers for not less than 2 years together with good payment history while setting credit amount to ensure of overdue amount is under control not make the company in risk. For the customers who are defines lower grade or just became customers, the company will sell products in cash as we could see that not due amount was very high, 60%. For overdue amount less than 3 months, normally were from collection periods of the company was different to payment period of customers, had only 22.55%. The company has processes to follow up with overdue payment more than 6 months systematically. The company continue following up with customers, analyze and adjust to ensure of payment period and credits are matches with customers capability which would make the company trust that will get paid for all bills. The company trusted that the allowance for doubtful account was enough as the referred amount was greater than overdue more than 12 months'.

Cash Adequacy

Cash Flow

In 2013, the Company's net cash flow from operations was MB92.97. For investment activities: the company bought new machines equipments and tools MB23.58 and computer program MB1.42. Thus, the total amount used in investment activities was MB24.82. For the financial activities, the Company had paid back short-term loans to financial institutions in total of MB2.65, cash inflow from fund raising MB0.91 with cash outflow for interest payment MB21.96, overdraft (O/D) and short-term loan to the financial institution MB51.40 and repaid some of its long-term loans in the total of MB90.83 which made the company's cash from financing activities in total of MB63.44. In brief, as of the end of the year 2013, the Company's cash and cash equivalents were MB13.77 in total increased from the year 2012 MB4.73.

As of 31st December 2013, the company has capital structure which inclusive of liabilities MB852.42 and equity MB438.40 that could be calculated Debt per Equity Ratio in equal to 1.94 times.

Main Effectuated Factors to Changing of Cash Flow from Activities

Short-Term Loan Repayment Ability

The company had Current Liability MB781.91 while having Current Asset MB633.65 which made capability to repay short-term loan was low. The company was under discussion with Financial Institutes to adjust loan structure by changing status from short to long-term loan on order to lower the company financial risk.

Cash Flow Adequacy

DETAIL	2009	2010	2011	2012	2013
<u>Liquidity Ratio</u>					
Current Ratio (times)	1.01	1.01	0.76	0.72	0.81
Quick Ratio (times)	0.43	0.46	0.27	0.29	0.42
Liquidity of Cash Flow Ratio (times)	0.24	(0.09)	0.02	0.24	0.13
Account Receivable Turnover (times)	2.66	3.83	3.45	3.83	3.32
Days Sales Outstanding (days)	135.30	93.98	104.42	94.11	108.29
Inventory Turnover Ratio (times)	18.10	23.33	22.79	21.49	29.65
Average Sale Period (days)	19.89	15.43	15.79	16.75	12.14
Account Payable Turnover (times)	4.67	5.60	5.90	6.72	5.64
Payment Period (days)	77.01	64.24	60.97	53.57	63.87
Cash Cycle (days)	78.18	45.18	59.25	57.29	56.56

The company's Current Ratio as of 31st December 2013 was 0.81 times increased from the year 2012 due to increasing of Current Asset and Current Liability which were 14.84% and 17.20% respectively. Also, the Quick Ratio, 0.42 times, was more than of the year 2012 from inventory of goods was increased 20.50%. The Liquidity of Cash Flow Ratio was 0.13 times lower than what's in the year 2012 due to having cash from activities lower.

The company's Cash Cycle as of 31st December 2013 was 56.56 days lower than last year 0.73 days from declining 4.61 days of Inventory Turnover where as Payment Period was 10.30 days longer.

Financial Policy and Leverage Ratios

DETAIL	2009	2010	2011	2012	2013
Leverage Ratios					
Debt to Equity Ratio (times)	1.40	1.60	2.18	1.98	1.94
Interest Coverage Ratio (times)	5.51	(1.05)	1.42	5.04	3.00
Debt Service Coverage Ratio (times)	3.04	(0.80)	0.21	(1.51)	3.98
Dividend Payout (%)	-	-	-	-	-

The company's Debt to Equity Ratio as of 31st, December 2013 was 1.94 times lower than of 2012 in total of 0.04 times due to total debt was higher but Interest Coverage Ratio decline 3.00 times as there was cash from activities less than the last year.

The year 2013, the Debt Service Coverage Ratio was increased from (1.51) in the year 2012 to 3.98 times from increasing of EBITDA.

Important conditions that the company need to fulfill in order to maintain loans from the financial institutes are keep Financial Ratios, Debt to Equity Ratio and Leverage Ratio inclusive of not changing in major shareholders' as were which up until now the company still be able to follow all the conditions state except some ratios that deviates from conditions agree due to investment in the affiliate. However, the company got allow from the financial institutes to accept our Leverage Ratios as were.

Factors Effect to Future Operation Performance

1. Wages

As the Thai Government has set a policy on minimum wage which is THB300 equally throughout the country in the year 2013, that's push the company to face lack of labor problem as normally most of the company's labors are from other provinces which no need to work in Bangkok or nearby provinces anymore to get higher wages. Furthermore, that's reason of higher production costs of the company. Therefore, the company is considering decreasing using human labor by turning to machinery besides.

2. Outstanding Payment

As of 31st, December 2013, the company's affiliate had outstanding payment in total of MB164.55 and guarantee asset with an Asset Management Company where as the company is obligated as a guarantee person. Recently, under negotiation process with the Asset Management Company to restructure debts.

3. Exchange Rate

If the US Dollar fluctuates, it will effect to the company's Sales Revenue and purchasing raw material costs since Copper and Aluminium costs, main raw materials of the company, are having big effect to the company's costs. Since, the exchange rate is one of a major cause related to profit/loss of the company, considering using financial tools systematically is one of our strategy to decrease risk of fluctuation of exchange rate. Tools that the company has been using are making Forward deal with the financial institutes; balancing purchasing raw material from abroad and export amount to compensate fluctuation of exchange rate, etc.

**Audit Fee**

Audit Fee for 2011-2013

Unit : Baht

	2011	2012	2013
Audit Fee	990,000	990,000	990,000
Non-Audit Fee	59,400	198,400	118,800

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

Independent Auditor's Report

To The Shareholders and Board of Directors of C.I. Group Public Company Limited

(1) I have audited the accompanying consolidated financial statements of C.I. Group Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2013, the related consolidated statements of changes in shareholders' equity, consolidated statement of comprehensive income and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the separate financial statements for the same period of C.I. Group Public Company Limited.

(2) ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(3) ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(4) ***Basis of Qualified Conclusion***

4.1 As mentioned in note 10 to the financial statements that as of December 31, 2013 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 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 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 cooperating with the execution officer to confiscate the construction for further auction. On June 28, 2012, the company submitted a request to the civil court to confiscate the construction newly added on the land. The court accepted the request. On September 13, 2012, the court ordered the execution officer to confiscate the construction and the land. The Company coordinated with the execution officer to confiscate the land and construction for auction.

On September 26, 2013, the execution officer announced the auction date of the land and construction, 1st auction on November 14, 2013, 2nd auction on December 4, 2013, 3rd auction on December 26, 2013, 4th auction on January 15, 2014, 5th auction on February 6, 2014, and 6th auction on February 27, 2014. The assessment price by the execution officer is approximately Baht 54.30 million. On November 14, 2013 the Company entered into the bid of land and construction, and the officer had approved the Company to be bidder at the price of Baht 60 million.

Later on February 7, 2014 the receivable disputed the bid to the South Bangkok Civil Court. The Court appointed to hearing on February 10, 2014 which was extended to March 31, 2014.

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

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 witnesses of the defendant. The court allowed and set date of questioning additional witness on May 25, 2012 and June 12, 2012.

On May 25, 2012, the lawyer of the defendant had his assistant submitted a request for the postponement of the case. The lawyer of the plaintiff opposed the postponement. The court asked the defendant and stated that the defendant want to negotiate the debt reduction with the plaintiff. Thus the court postponed the investigation of the witnesses to July 27, 2012 and cancelled the investigation of the witnesses on June 12, 2012.

On July 27, 2012, the lawyer of the defendant declared no additional interrogation the witnesses. The defendant request the postponement of the hearing of the court verdict for 4 months so as to negotiation with the plaintiff. The court appointed the hearing of the verdict on December 17, 2012. On the appointment date, the defendant requested for a negotiation of the debt payment. The court, on the principle that the case is compromise-able and is mutually beneficial if both parties can agree. The court postponed the hearing of the verdict to April 29, 2013. And, on April 29, 2013, the case is acquitted by the court. Later on May 28, 2013, the Company has appealed the First Instant Criminal Court verdict to the Appeal Court. The appeal has been accepted by the Appeal Court and scheduled the hearing of the verdict on December 9, 2013. The Appeal Court judge upholds the First Instant Criminal Court. Presently, the Company is petition filing to Supreme Court.

The above 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 received from the loan of Baht 80 million as from January 1, 2010, and will recognize the amount exceeding the accrued interest receivable as income in the period that the Company receives the payment.

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.

- 4.2 As mentioned in note 12.2 to the financial statements that I have not audited / reviewed 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.

For the quarter 1 of 2013, the Company recognized share of loss for the three-month period ended March 31, 2013, amounting to Baht 228,550.66 (presented in the consolidated financial statement). The financial statement for the three-month period ended March 31, 2013 of the associate of the subsidiary was prepared by the management of the subsidiary and has not been audited by auditors.

During quarter 2 of 2013, the subsidiary has an agreement signed with a non-related company in Thailand to sell all the investment (Ordinary shares of Chenzhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd.) for Baht 17.55 million which payment is to be made within 3 years. The buyer agreed that the subsidiary deducts the payments for the investment from payments of purchases of machinery that the Company (CI Group Public Company Limited.) would buy from the buyer at not less than 20% of the value

of the machinery until the amount is fully paid. The company in Thailand who bought the investment is not liable for payment of the investment after 3 years as specified in the agreement.

On June 30, 2013, the subsidiary recorded the sale of the investment by debited the buyer as other receivable and gain on sale of investment amounting to Baht 2.19 million in quarter 2 of 2013.

(5) *Qualified Opinions*

Except for the effects that may occur as described in the “(4) Basis of Qualified Conclusion” paragraph item 1 and item 2 as the following;

1. The net realizable value of the loan
2. 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 / reviewed financial statements of the associate company of the subsidiary and other auditors’ report.

In my opinion, the financial statements present fairly, in all material respects, the financial position of C.I. Group Public Company Limited and its subsidiaries and of C.I. Group Public Company Limited as of December 31, 2013, and the result of their operation and cash flows for the year then ended in accordance with financial reporting standards.

(6) *Emphasis of Matter*

Without qualifying my opinion, I drew attention to the following matters described in the notes to financial statement as the following;

6.1 Notes 12.1.1 and 13 to the financial statements that the Company invested in ordinary shares of De Lamai Co., Ltd. which operates in hotel business located on Samui island, Suratthani province in July 2008. The Company recorded the investment in the subsidiary by cost method at approximately Baht 146.55 million. Since the commence of the operation, the result of operations of the subsidiary has been in continuous loss. As at December 31, 2013 and 2012, the subsidiary has deficits of Baht 82.46 million and Baht 64.46 million respectively (Accumulated loss of Baht 182.46 million and Baht 164.46 million respectively). The Company has re-evaluated the value of the investment in the subsidiary and value in use of cash-generating assets of the subsidiary using Discounted Cash-flow method based on the business plans of the subsidiary and recorded the impairment of the investment in separate financial statement and impairment of the subsidiary’s cash-generating assets in consolidated financial statement for the periods as follows:

	ALLOWANCE FOR IMPAIRMENT (B A H T)			
	INVESTMENT		ASSETS OF THE SUBSIDIARY	
	AMOUNT	ACCUMULATIVE	AMOUNT	ACCUMULATIVE
Quarter 4 of 2008	-	-	28,569,229.96	28,569,229.96
Quarter 2 of 2010	15,000,000	15,000,000	20,500,000.00	49,069,229.96
Quarter 4 of 2010	7,000,000	22,000,000	22,000,000.00	71,069,229.96
Quarter 3 of 2011	20,000,000	42,000,000	26,000,000.00	97,069,229.96
Quarter 2 of 2013	40,000,000	82,000,000	-	97,069,229.96

Thus as of December 31, 2013 and 2012, the allowance for impairment of investment in subsidiary in separate financial statement are amounting to Baht 82 million and Baht 42 million respectively, and the allowance for impairment of the subsidiary’s cash-generating assets in consolidated financial statement is equally Baht 97.07 million.

6.2 Note 5.2 to the financial statements that as of December 31, 2013 and 2012 the Company has lent to the subsidiary Baht 79.40 million and Baht 81.35 million respectively 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 with the effective date from April 1, 2010.

6.3 Note 16 to the financial statements that on July 23, 2012, the subsidiary was informed by the financial institution that it has transferred all the outstanding loans amounting approximately Baht 164.55 million and collaterals to an asset management company. The Company reclassified the loan to "Default payment liabilities" in consolidated financial statement. However, the management is in negotiation to restructure the loan.

(7) Other matters

The consolidated and separate financial statements of C.I. Group Public Company Limited and its subsidiaries for the year ended December 31, 2012 were audited by another auditor in my office and reported in accordance with standards on auditing and expressed an qualified opinion dated February 28, 2013 that except for the effect that may occur from net realizable value of the loan to other person amounting to Baht 92.03 million if she is able to obtain evidences to evaluate the appropriate net realizable value and the effect of adjustment that may occur to the financial statements of Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd., if she is able to obtain the audited/ reviewed financial statements of the associate company of the subsidiary and other auditors' report. The consolidated and separate statements of financial position as of December 31, 2012, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.



(CHAIYUTH ANGSUWITHAYA)

Certified Public Accountant

Registration No. 3885

A.M.T & ASSOCIATES

Bangkok, Thailand

February 27, 2014

Statements of Financial Position

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

		BAHT					
		Consolidated Financial Statement			Separate Financial Statement		
<i>NOTE</i>		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			<i>(Restated)</i>	<i>(Restated)</i>		<i>(Restated)</i>	<i>(Restated)</i>
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	6	13,777,031.90	9,046,313.66	7,911,955.48	9,395,137.71	6,552,348.33	6,035,773.74
Short - term investments	7	900,000.00	900,000.00	600,000.00	900,000.00	900,000.00	600,000.00
Trade receivables and other receivables - net							
Trade receivables - net	8.1	313,932,072.65	217,544,110.89	255,091,326.78	309,887,038.82	215,582,195.71	253,475,522.13
Other receivable - others	8.2	5,977,919.05	6,274,650.39	19,608,361.51	5,860,831.81	5,878,295.03	19,320,016.62
- related companies	5.1	-	-	-	1,976,317.20	1,981,317.20	2,236,849.30
Inventories - net	9	192,918,959.02	213,817,848.09	342,075,460.96	192,717,268.86	213,486,381.85	341,684,548.12
Default payment of loan to other	10	92,027,397.26	92,027,397.26	92,027,397.26	92,027,397.26	92,027,397.26	92,027,397.26
Other current assets	11	14,113,835.38	12,134,175.53	15,369,522.41	4,202,275.24	888,795.27	6,494,533.44
TOTAL CURRENT ASSETS		633,647,215.26	551,744,495.82	732,684,024.40	616,966,266.90	537,296,730.65	721,874,640.61
NON-CURRENT ASSETS							
Long - term loans to related company	5.2	-	-	-	79,400,000.00	81,350,000.00	83,000,000.00
Investments in subsidiaries - net	12.1	-	-	-	89,535,841.00	127,535,841.00	124,535,841.00
Investments in associate of a subsidiary	12.2	-	15,363,188.29	17,206,675.71	-	-	-
Receivable on purchase of shares of associate company of the subsidiary	12.2	16,706,200.00	-	-	-	-	-
Property, plant and equipment - net	13	568,493,672.80	629,671,907.04	715,196,643.06	388,546,458.42	430,417,196.18	496,626,304.33
Deferred leasehold land - net	14	23,223,622.09	24,533,425.07	25,843,228.05	-	-	-
Intangible asset - net	15	10,529,093.73	12,560,430.91	13,985,307.86	10,286,440.36	12,176,923.77	13,424,850.21
Deferred income tax assets	3.3, 26	32,286,941.50	28,434,183.62	21,884,173.90	48,406,264.46	36,834,183.62	30,284,173.90
Other non-current assets		5,938,204.80	3,944,735.30	6,539,519.89	5,048,722.30	3,056,252.80	2,009,752.42
TOTAL NON-CURRENT ASSETS		657,177,734.92	714,507,870.23	800,655,548.47	621,223,726.54	691,370,397.37	749,880,921.86
TOTAL ASSETS		1,290,824,950.18	1,266,252,366.05	1,533,339,572.87	1,238,189,993.44	1,228,667,128.02	1,471,755,562.47

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

Statements of Financial Position

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

		BAHT					
		Consolidated Financial Statement			Separate Financial Statement		
<i>NOTE</i>		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			<i>(Restated)</i>	<i>(Restated)</i>		<i>(Restated)</i>	<i>(Restated)</i>
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Bank overdrafts and short-term loans							
from financial institutions	16	271,139,277.59	219,738,248.70	575,995,615.26	271,139,277.59	219,738,248.70	575,995,615.26
Trade and other payables							
Trade payables - others		185,336,502.92	137,253,477.33	165,707,348.83	179,238,087.48	133,974,841.56	162,420,291.96
Other payables - others	17	9,056,179.52	15,372,161.60	21,102,918.87	7,779,593.97	10,145,752.94	18,808,631.37
- related companies	6.3	-	-	-	-	-	-
Default payment liabilities	16	230,346,908.69	202,161,362.01	178,077,931.42		-	-
Current portion of long-term loans	16	70,820,506.00	72,737,557.00	26,091,295.00	70,820,506.00	72,737,557.00	26,091,295.00
Current portion of liabilities under							
financial lease	16, 18	127,642.79	289,944.86	268,199.00	-	-	-
Short-term loans	16	14,589,101.46	17,235,563.15	-	14,589,101.46	17,235,563.15	-
Accrued income tax		-	-	-	-	-	-
Other current liabilities	19	498,743.68	2,380,876.33	1,403,145.54	496,887.79	1,227,377.61	-
TOTAL CURRENT LIABILITIES		781,914,862.65	667,169,190.98	968,646,453.92	544,063,454.29	455,059,340.96	783,315,833.59
NON-CURRENT LIABILITIES							
Long-term loans from financial institutes - net	16	40,000,000.00	128,917,617.00	43,752,285.00	40,000,000.00	128,917,617.00	43,752,285.00
Liabilities under financial lease - net	16, 18	9,110.45	158,618.32	470,428.26	-	-	-
Liabilities under lease of land - net	32.4	10,000,000.00	10,000,000.00	10,000,000.00	-	-	-
Employee benefit obligation	20	20,448,564.00	16,828,242.00	13,205,174.00	20,425,199.00	16,812,469.00	13,200,479.00
Other non-current liabilities		50,000.00	52,500.00	58,146.00	-	-	-
TOTAL NON-CURRENT LIABILITIES		70,507,674.45	155,956,977.32	67,486,033.26	60,425,199.00	145,730,086.00	56,952,764.00
TOTAL LIABILITIES		852,422,537.10	823,126,168.30	1,036,132,487.18	604,488,653.29	600,789,426.96	840,268,597.59

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

Statements of Financial Position

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2013

		BAHT					
		Consolidated Financial Statement			Separate Financial Statement		
NOTE		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
SHAREHOLDERS' EQUITY							
Share capital - Baht 0.50 each							
Registered	22						
- Ordinary share 885,198,209 shares		442,599,104.50	442,599,104.50	442,599,104.50	442,599,104.50	442,599,104.50	442,599,104.50
Issued and paid up							
- December 31, 2011, ordinary share 552,002,812 shares				276,001,406.00			276,001,406.00
- December 31, 2012, ordinary share 600,148,239 shares			300,074,119.50			300,074,119.50	
- December 31, 2013, ordinary share 601,949,816 shares		300,974,908.00			300,974,908.00		
Premium on capital share		433,605,805.69	433,593,305.19	433,572,208.39	433,605,805.69	433,593,305.19	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	15,534,581.23	15,534,581.23
Retained earnings							
Appropriated - Legal reserve	23	12,707,000.00	12,707,000.00	12,707,000.00	12,707,000.00	12,707,000.00	12,707,000.00
Unappropriated		(324,425,424.26)	(318,801,293.04)	(240,642,050.20)	(129,120,954.77)	(134,031,304.86)	(106,328,230.74)
Other components of equity							
Total Equity of the parent		438,396,870.66	443,107,712.88	497,173,145.42	633,701,340.15	627,877,701.06	631,486,964.88
Non - controlling interests		5,542.42	18,484.87	33,940.27	-	-	-
TOTAL SHAREHOLDERS' EQUITY		438,402,413.08	443,126,197.75	497,207,085.69	633,701,340.15	627,877,701.06	631,486,964.88
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,290,824,950.18	1,266,252,366.05	1,533,339,572.87	1,238,189,993.44	1,228,667,128.02	1,471,755,562.47

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

Statements of Changes in Shareholders' Equity

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

CONSOLIDATED FINANCIAL STATEMENT

	<i>Notes</i>	Issued and	Premium on		Retained earnings (Deficit)		Other components of equity	Non	Total
		paid - up share capital	capital share	sale of treasury stock	Appropriated - Legal reserve	Unappropriated	Other comprehensive income (loss)	Controlling Interest	
Balance as of January 1, 2012		276,001,406.00	433,572,208.39	15,534,581.23	12,707,000.00	(262,526,224.10)	-	33,940.27	475,322,911.79
Effect on changes in accounting policy									
- Income tax	3.3	-	-	-	-	21,884,173.90	-	-	21,884,173.90
Balance as of January 1, 2012, restated		276,001,406.00	433,572,208.39	15,534,581.23	12,707,000.00	(240,642,050.20)	-	33,940.27	497,207,085.69
Changes in equity for the year									
Share increase	22	24,072,713.50	21,096.80	-	-	-	-	-	24,093,810.30
Non-controlling interest		-	-	-	-	-	-	-	-
Comprehensive income (loss) for the year		-	-	-	-	(78,159,242.84)	-	(15,456.00)	(78,174,698.84)
Balance as of December 31, 2012		300,074,119.50	433,593,305.19	15,534,581.23	12,707,000.00	(318,801,293.04)	-	18,484.27	443,126,197.15
Balance as of January 1, 2013		300,074,119.50	433,593,305.19	15,534,581.23	12,707,000.00	(347,235,476.66)	-	18,484.87	414,692,014.13
Effect on changes in accounting policy									
- Income tax	3.3	-	-	-	-	28,434,183.62	-	-	28,434,183.62
Balance of January 1, 2013, adjusted		300,074,119.50	433,593,305.19	15,534,581.23	12,707,000.00	(318,801,293.04)	-	18,484.87	443,126,197.75
Changes in equity for the year									
Share increase	22	900,788.50	12,500.50	-	-	-	-	-	913,289.00
Non-controlling interest		-	-	-	-	-	-	-	-
Comprehensive income (loss) for the year		-	-	-	-	(5,624,131.22)	-	(12,942.45)	(5,637,073.67)
Balance as of December 31, 2013		300,974,908.00	433,605,805.69	15,534,581.23	12,707,000.00	(324,425,424.26)	-	5,542.42	438,402,413.08

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

Statements of Changes in Shareholders' Equity

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

		BAHT						
		SEPARATE FINANCIAL STATEMENT						
		Issued and	Premium on		Retained earning (Deficit)		Other components of equity	
		paid - up	capital	sale of	Appropriated -		Other comprehensive	Total
Notes		share capital	share	treasury stock	Legal reserve	Unappropriated	income (loss)	
		276,001,406.00	433,572,208.39	15,534,581.23	12,707,000.00	(136,612,404.64)	-	601,202,790.98
	3.3	-	-	-	-	30,284,173.90	-	30,284,173.90
		276,001,406.00	433,572,208.39	15,534,581.23	12,707,000.00	(106,328,230.74)	-	631,486,964.88
Changes in equity for the year								
	22	24,072,713.50	21,096.80	-	-	-	-	24,093,810.30
		-	-	-	-	(27,703,074.12)	-	(27,703,074.12)
		300,074,119.50	433,593,305.19	15,534,581.23	12,707,000.00	(134,031,304.86)	-	627,877,701.06
Balance as of January 1, 2013								
	3.3	-	-	-	-	36,834,183.62	-	36,834,183.62
		300,074,119.50	433,593,305.19	15,534,581.23	12,707,000.00	(134,031,304.86)	-	627,877,701.06
Changes in equity for the year								
	22	900,788.50	12,500.50	-	-	-	-	913,289.00
		-	-	-	-	4,910,350.09	-	4,910,350.09
		300,974,908.00	433,605,805.69	15,534,581.23	12,707,000.00	(129,120,954.77)	-	633,701,340.15

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

Statements of Comprehensive Income

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

NOTE	Consolidated Financial Statement		Separate Financial Statement	
	For the years ended December 31		For the years ended December 31	
	2013	2012	2013	2012
		(Restated)		(Restated)
REVENUE				
Revenue from sales and services	1,015,745,014.89	958,868,882.38	980,908,006.11	933,661,175.67
Provision for allowance for obsolete inventories	-	13,808,005.98	-	13,808,005.98
Gain on disposal of investment in a subsidiary	2,411,562.37	-	-	-
Other income	47,304,096.13	59,219,378.65	46,584,308.38	58,836,064.88
Total revenues	1,065,460,673.39	1,031,896,267.01	1,027,492,314.49	1,006,305,246.53
EXPENSES				
Cost of sales and services	909,142,709.88	911,335,361.85	872,499,855.89	887,139,352.16
Selling expenses	27,244,002.62	28,952,737.41	26,526,043.22	26,948,147.05
Administrative expenses	91,933,603.42	120,188,679.29	73,194,126.34	96,301,712.07
Loss from impairment of investment in subsidiary	12.1.1	-	40,000,000.00	-
Financial costs	25	46,401,638.36	54,300,709.60	21,934,019.79
Total expenses		1,074,721,954.28	1,114,777,488.15	1,034,154,045.24
Share of loss on investment in associate of a subsidiary	12.2	228,550.66	1,843,487.42	-
Profit (loss) before income tax		(9,489,831.55)	(84,724,708.56)	(34,253,083.84)
Income tax income (expense)	3.3, 26	3,852,757.88	6,550,009.72	11,572,080.84
NET PROFIT (LOSS) FOR THE YEARS		(5,637,073.67)	(78,174,698.84)	4,910,350.09
Comprehensive income (loss) for the years		-	-	-
Total comprehensive income (loss) for the years		(5,637,073.67)	(78,174,698.84)	4,910,350.09
Total income (loss) attributable to				
Owners of the parent		(5,624,131.22)	(78,159,242.84)	4,910,350.09
Noncontrolling interest		(12,942.45)	(15,456.00)	-
Total comprehensive income (loss) attributable to				
Owners of the parent		(5,624,131.22)	(78,159,242.84)	4,910,350.09
Noncontrolling interest		(12,942.45)	(15,456.00)	-
BASIC EARNING (LOSS) PER SHARE				
Earnings (loss) per share of the Equity holders of the parent	30	(0.01)	(0.14)	0.01
Number of weighted average ordinary shares (share)		601,610,997	577,637,602	601,610,997
DILUTED EARNINGS (LOSS) PER SHARE				
Earnings (loss) per share of the Equity holders of the parent	30	(0.01)	(0.10)	0.01
Number of weighted average ordinary shares (share)		603,823,919	764,731,353	603,823,919

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

Statements of Cash Flows

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	NOTE	BAHT			
		Consolidated Financial Statement		Separate Financial Statement	
		For the years ended December 31		For the years ended December 31	
		2013	2012	2013	2012
		(Restated)	(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES :					
Total income (loss) for the years		(5,637,073.67)	(78,174,698.84)	4,910,350.09	(27,703,074.12)
Adjustments to reconcile comprehensive net profit (loss) to - net cash provided by (used in) operating activities					
Depreciation and amortization	13, 14, 15	89,514,059.31	92,969,716.95	68,669,168.50	71,610,381.99
Provision for doubtful accounts	8.1	1,839,428.45	11,820,559.98	1,745,428.45	11,820,559.98
Provision for allowance for obsolete inventories	9	-	(13,808,005.98)	-	(13,808,005.98)
Employee benefits	20	3,620,322.00	3,617,422.00	3,612,730.00	3,611,990.00
Loss from impairment of investment in subsidiary	12.1.1	-	-	40,000,000.00	-
Unrealized loss (gain) on exchange rate		1,485,426.42	(1,403,907.40)	1,485,426.42	(1,403,907.40)
Unrealized loss (gain) from investment	7	-	(300,000.00)	-	(300,000.00)
Loss (gain) on investment in the associate company		(1,571,562.37)	-	-	-
Loss (gain) on fixed assets disposal		(177,153.33)	131,717.02	(177,153.33)	131,717.02
Share of loss on investment in associate of a subsidiary	12.2	228,550.66	1,843,487.42	-	-
Interest expense	25	62,487,389.45	54,300,709.60	21,934,019.79	30,169,119.09
Income tax expense of current year	26	-	-	-	-
Deferred income tax expenses (income)		(3,852,757.88)	(6,550,009.72)	(11,572,080.84)	(6,550,009.72)
Net income from operations before changes of - operating assets and liabilities		147,936,629.04	64,446,991.03	130,607,889.08	67,578,770.86
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Accounts receivable trade		(93,538,300.95)	25,386,010.92	(91,361,182.30)	25,732,121.45
Other receivable - others		296,731.34	13,333,711.12	17,463.22	13,441,721.59
Other receivable - related companies		-	-	5,000.00	255,532.10
Inventories		20,898,889.07	142,065,618.85	20,769,112.99	142,006,172.25
Other current assets		(3,973,129.35)	3,235,400.88	(5,305,949.47)	5,605,738.17
Other non-current assets		-	2,594,784.59	-	(1,046,500.38)
Increase (decrease) in operating liabilities;					
Accounts payable trade		41,889,243.01	(26,709,319.11)	39,069,463.34	(26,700,898.01)
Other payable		6,675,303.19	16,758,173.55	6,552,216.36	(8,662,878.43)
Other current liabilities		(27,212,403.88)	(21,601,878.94)	(9,626,005.65)	1,397,464.46
Other non-current liabilities		(2,500.00)	-	-	-
Cash receipt (payment) in operating activities before Income taxes		92,970,461.47	219,509,492.89	90,728,007.57	219,607,244.06
Income taxes paid		-	-	-	-
Net cash provided by (used in) operating activities		92,970,461.47	219,509,492.89	90,728,007.57	219,607,244.06

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

Statements of Cash Flows

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

		Consolidated Financial Statement		Separate Financial Statement	
		0		0	
	NOTE	2013	2012	2013	2012
		(Restated)		(Restated)	
CASH FLOWS FROM INVESTING ACTIVITIES :					
Receive of short-term loan repayment from subsidiary	5.2	-	-	1,950,000.00	1,650,000.00
Payment of investment in subsidiary	12.1	-	-	(2,000,000.00)	(3,000,000.00)
Acquisition of property, plant and equipment	13	(23,584,457.27)	(2,150,133.62)	(23,497,719.69)	(1,638,865.02)
Disposal of equipment		190,000.00	60,000.00	190,000.00	60,000.00
Acquisition of computer software	15	(1,423,074.31)	(2,751,884.40)	(1,423,074.31)	(2,706,199.40)
Net cash provided by (used in) investing activities		(24,817,531.58)	(4,842,018.02)	(24,780,794.00)	(5,635,064.42)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(21,962,856.81)	(31,721,099.27)	(21,956,879.29)	(30,339,205.94)
Increase in bank overdrafts and short-term loans -					
from financial institutions		51,401,028.89	(198,662,866.79)	51,401,028.89	(200,257,366.56)
Cash received from short-term loan		(2,646,461.69)	17,235,563.15	(2,646,461.69)	17,235,563.15
Repayment of long-term loans		(90,834,668.00)	(24,188,460.00)	(90,834,668.00)	(24,188,406.00)
Payments of hire-purchase liability	18	(311,809.94)	(290,064.08)	-	-
Cash from share capital increase	22	913,289.00	24,093,810.30	913,289.00	24,093,810.30
Net cash provided by (used in) financing activities		(63,441,478.55)	(213,533,116.69)	(63,123,691.09)	(213,455,605.05)
Effects of exchange rates in cash and cash equivalents		19,266.90	-	19,266.90	-
Increase (decrease) in cash and cash equivalents, net		4,730,718.24	1,134,358.18	2,842,789.38	516,574.59
Cash and cash equivalents, at beginning of years	6	9,046,313.66	7,911,955.48	6,552,348.33	6,035,773.74
Cash and cash equivalents, at ending of years	6	13,777,031.90	9,046,313.66	9,395,137.71	6,552,348.33

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION;

Operating and investment activities not affecting cash

Increase in intangible assets by transferring from deposit account	-	2,650,232.00	-	2,650,232.00
Decrease in investment in the associate company of the subsidiary	15,363,188.29	-	-	-
Increase in other receivable - Purchase of investment	15,363,188.29	-	-	-

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

NOTES TO FINANCIAL STATEMENTS

C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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 THE FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with financial reporting standards including guidance promulgated by the Federation of Accounting Professional.

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.

And, as mentioned in note to the interim financial statement, item 12.2, in quarter 2 of 2013, the subsidiary has sold the investment in Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd., the associated company of the subsidiary to a non-related company in Thailand. The Company, thus, does not recognize the profit (loss) in the consolidated financial statement of quarter 2 of 2013.

An English language version of the interim 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 interim financial statements in Thai language shall prevail.

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

Company	Type of business	Relationship	Shareholding (%)	
			As of	As of
			Dec-31, 2013	Dec-31, 2012
<u>Subsidiaries</u>				
De Lamai Co., Ltd.	Hotel operations	Shareholding and joint directors	99.97	99.97
C.I.G. (Thailand) Co., Ltd.	Manufacture and sale of air-con products	Shareholding and joint directors	99.94	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 shareholding and joint directors	-	-

* As from quarter 2 of 2013, the subsidiary has sold the investment to an non-related company. The Companies have not been related since.

3. **ADOPTION OF NEW FINANCIAL REPORTING STANDARDS**

3.1 Financial reporting standards which are effective for the current year

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which are effective for financial statements periods beginning on or after January 1, 2013 as follows;

TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operation Segments

The adoptions of the above financial reporting standards in the current year do not have material effect on the financial statements.

3.2 Financial reporting standards which are not effective for the current year

Since year 2010 until the end of year 2013, the Federation of Accounting Professions has issued the revised and new accounting standard, financial reporting standards, accounting standard interpretation and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1 in the year indicated as follows:

		<u>Year effective</u>
Accounting Standard		
TAS	1 Presentation of Financial Statements (revised 2012)	2014
TAS	12 Income Taxes (revised 2012)	2014
TAS	17 Leases (revised 2012)	2014
TAS	18 Revenue (revised 2012)	2014
TAS	24 Related Party Disclosures (revised 2012)	2014
TAS	28 Investments in Associates (revised 2012)	2014
TAS	31 Interests in Joint Venture (revised 2012)	2014
TAS	34 Interim Financial Reporting (revised 2012)	2014
Financial Reporting Standard		
TFRS	2 Share - Based Payments (revised 2012)	2014
TFRS	3 Business Combinations (revised 2012)	2014
TFRS	4 Insurance Contracts (revised 2012)	2016
TFRS	5 Non - current Assets Held for Sale and Discontinued Operations (revised 2012)	2014
TFRS	8 Operating Segments (revised 2012)	2014
Accounting Standard Interpretations		
TSIC	15 Operating Leases – Incentives	2014
TSIC	27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TSIC	29 Service Concession Arrangements: Disclosures	2014
TSIC	32 Intangible Assets - Web Site Costs	2014
Financial Reporting Standard Interpretations		
TFRIC	1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC	4 Determining whether an Arrangements contains a Lease	2014
TFRIC	5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC	7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC	10 Interim Financial Reporting and Impairment	2014
TFRIC	12 Service Concession Arrangements	2014
TFRIC	13 Customer Loyalty Programmers	2014
TFRIC	17 Distributions of Non - cash Assets to Owners	2014
TFRIC	18 Transfers of Assets from Customers	2014

The management of the Company has assessed that TAS 1 (revised 2012), TAS 12 (revised 2012), TAS 17 (revised 2012), TAS 18 (revised 2012) , TAS 24 (revised 2012) , TAS 34 (revised 2012) and TFRS 8 (revised 2012) will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.

3.3 Effects on change of accounting policy

In the current year, the Company and its subsidiaries have changed the accounting policy of income tax by adopting the TAS 12 – Income tax, using a retrospective adjustments to the previous period financial statements using for comparative in the financial statements as if the Company and its subsidiaries have been recording the income tax and deferred income tax since before the change.

The monetary amount of the adjustments that affect the statement of positions as at December 31, 2012 and January 1, 2012 are as follows:

Consolidated financial statements						
As at December 31, 2012			As at January 1, 2012			
As previously reported	Effects from Change of Accounting policy	Adjusted	As previously reported	Effects from Change of Accounting policy	Adjusted	
ASSETS						
Deferred income						
tax assets -net	-	28,434,183.62	28,434,183.62	-	21,884,173.90	21,884,173.90
Shareholders'						
Equities						
Retained earnings						
-Unappropriated	(347,235,476.66)	28,434,183.62	(318,801,293.04)	(262,526,224.10)	21,884,173.90	(240,642,050.20)
Separate financial statements						
As at December 31, 2012			As at January 1, 2012			
As previously reported	Effects from Change of Accounting policy	Adjusted	As previously reported	Effects from Change of Accounting policy	Adjusted	
ASSETS						
Deferred income						
tax assets -net	-	36,834,183.62	36,834,183.62	-	30,284,173.90	30,284,173.90
Shareholders'						
Equities						
Retained earnings						
-Unappropriated	(170,865,488.48)	36,834,183.62	(134,031,304.86)	(136,612,404.64)	30,284,173.90	(106,328,230.74)

The monetary amount of the adjustments that affect the statements of income for the year ended December 31, 2012 are as follows:

For the year ended December 31, 2012						
	Consolidated financial statements			Separate financial statements		
	As previously Reported	Effects from Change of Accounting policy		As previously Reported	Effects from Change of Accounting policy	
			Adjusted			Adjusted
Income tax expense	-	(6,550,009.72)	(6,550,009.72)	-	(6,550,009.72)	(6,550,009.72)
Profit (loss) for the year	(84,724,708.56)	6,550,009.72	(78,174,698.84)	(34,253,083.84)	6,550,009.72	(27,703,074.12)
Earnings (loss) per share	(0.01)	-	(0.01)	(0.01)	-	(0.01)

The effects of change in accounting policy that reflect in the statements of comprehensive income for the year ended December 31, 2013 are as follows:

	BAHT	
	For the year December 31, 2013	
	Consolidated financial statements	Separate financial statements
Profit (loss) for the period -		
before change of accounting policy	(9,483,831.55)	(6,661,730.75)
Income tax - increase	3,852,757.88	11,572,080.84
Profit (loss) for the period -		
after change of accounting policy	(5,631,073.67)	(4,910,350.09)
Earnings per share - decrease (Baht)	0.01	0.02

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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.
- Service income is recognized after service has been rendered.
- Interest income is recognized on accrual basis in the statements of income.

4.2 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.

4.3 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.

4.4 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.

4.5 Inventories

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

4.6 Property, plant and equipment

- Land is stated at cost.
- Building, machinery and equipment are stated at cost net of accumulated depreciation and impairment loss (if any).
- 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;

	No of Years
Building structures	20
Building and improvement	10
Machinery and equipment	5-10
Furniture, fixtures and office equipment	3, 5, 10
Vehicle	5

4.7 Land not used in operation

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

4.8 Intangible assets

Intangible assets 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.

4.9 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.

4.10 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position 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.

4.11 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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 statement of financial position date are translated to Thai Baht at the commercial bank's buying or selling rates respectively ruling on the statement of financial position date. Foreign exchange differences arising on translation are recognized in the statement of income.

4.17 Income tax

Income tax expense for the year comprises current tax and deferred tax.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.18 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.

4.19 Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law is recognized as expenses in the income statement along the service period of employees. The Company's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in the statement of comprehensive income.

4.20 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.

4.21 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 accounting period.

5. 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, 2013 and December 31, 2012, are as follows:

ASSETS

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
5.1 Other Receivable				
<u>Interest receivable</u>				
De Lamai Co., Ltd.	-	-	1,976,317.20	1,976,317.20
<u>Advance payment</u>				
CIG (Thailand) Co., Ltd.	-	-	-	5,000.00
Total	-	-	1,976,317.20	1,981,317.20
5.2 Long-term loan				
De Lamai Co., Ltd.	-	-	79,400,000.00	81,350,000.00

Transactions of long-term loan to related party for the years ended December 31, 2013, are as follows;

	BAHT			
	Separate financial statements			Inter-companies
	Balance		Balance	interest cost
	Dec-31, 2012	Increase	Dec-31, 2013	policy
De Lamai Co., Ltd.	81,350,000.00	-	79,400,000.00	0% from April 2010 onward for 5 years and 2.88% and 4.75% p.a. 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.

5.3 Significant related party transactions

The Company and its subsidiaries have material trading transactions for the nine-month periods ended September 30, 2013 and 2012, with their related parties as follow;

	BAHT		
	For the years		Inter-companies
	ended December 31,		Interest cost policy
	2013	2012	
Interest receive			0% from April 2010 onward for
De Lamai Co., Ltd.	-	-	5 years and 2.88% and 4.75%
			p.a. thereafter

Management remunerations for years ended December 31, 2013 and 2012. The Company and its subsidiaries recorded remunerations for directors and the management as follow:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Benefits – Short-term	6,822,908.00	4,637,333.32	3,140,000.00	3,140,000.00
Benefits – After retirement	1,689,681.50	1,592,480.50	1,479,147.00	1,377,825.00
Benefits – Long-term	-	-	-	-
Total	8,512,589.50	6,229,813.82	4,619,147.00	4,517,825.00

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand	354,228.70	267,782.13	203,412.20	145,029.85
Cash at banks - savings accounts	11,088,891.48	6,275,696.89	6,908,813.79	3,934,287.70
Cash at banks - current accounts	2,333,911.72	2,502,834.64	2,282,911.72	2,473,030.78
Total	13,777,031.90	9,046,313.66	9,395,137.71	6,552,348.33

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

7. SHORT-TERM INVESTMENTS

Short-term investments consisted of investment in trading securities, as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trading securities - Ordinary share</u>				
Beginning balance, net book value	900,000.00	600,000.00	900,000.00	600,000.00
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
Unrealized gain (loss) from valuation of -				
Investments	-	300,000.00	-	300,000.00
Ending balance, net book value	900,000.00	900,000.00	900,000.00	900,000.00
Total short-term investments	900,000.00	900,000.00	900,000.00	900,000.00

8. TRADE AND OTHER RECEIVABLES

8.1 TRADE RECEIVABLES - NET

Trade receivables – net, of the Company as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Trade receivable – others	354,643,673.59	256,416,283.38	349,216,721.56	253,166,450.00
<u>Less</u> : Allowance for doubtful				
accounts	(40,711,600.94)	(38,872,172.49)	(39,329,682.74)	(37,584,254.29)
Trade receivable – net	313,932,072.65	217,544,110.89	309,887,038.82	215,582,195.71

As at December 31, 2013 and 2012 the Company and its subsidiary have overdue accounts receivable which aging is as follows;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Within credit terms	212,742,168.23	154,255,653.91	209,665,127.61	153,059,291.26
Overdue				
Less than 3 months	79,976,708.91	39,230,254.88	79,776,929.82	39,071,513.88
3 to 6 months	3,257,395.22	7,585,936.28	3,184,432.48	7,357,554.28
6 to 12 months	511,005.26	20,837,758.78	420,165.26	20,605,858.78
Over 12 months	58,156,395.97	34,506,679.53	56,170,066.39	33,072,231.80
Total	354,643,673.59	256,416,283.38	349,216,721.56	253,166,450.00
Less : Allowance for -				
doubtful accounts	(40,711,600.94)	(38,872,172.49)	(39,329,682.74)	(37,584,254.29)
Net	313,932,072.65	217,544,110.89	309,887,038.82	215,582,195.71

Transactions of allowance for doubtful accounts during the year ended December 31, 2013 , are as follow:

	BAHT	
	Consolidated financial statements	Separate financial statements
Beginning balance	38,872,172.49	37,584,254.29
Increase during the year	1,839,428.45	1,745,428.45
Ending balance	40,711,600.94	39,329,682.74

8.2 OTHER RECEIVABLES

Other receivables as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at		As at	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Other companies				
Prepaid expenses	1,537,816.24	2,464,376.19	1,420,729.00	2,088,020.83
Advance on purchase and	4,440,102.81	3,810,274.20	4,440,102.81	3,790,274.20
Total	5,977,919.05	6,274,650.39	5,860,831.81	5,878,295.03

9. INVENTORIES - NET

Inventories as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Raw materials	132,411,471.76	147,783,768.22	132,411,471.76	147,783,768.22
Work in process	12,521,191.31	44,987,395.30	12,521,191.31	44,987,395.30
Finished goods	33,514,730.89	27,812,736.15	33,313,040.73	27,481,269.91
Goods in transit	26,331,583.16	5,093,966.52	26,331,583.16	5,093,966.52
Total	204,778,977.12	225,677,866.19	204,577,286.96	225,346,399.95
Less: Allowance for - diminution in inventory	(11,860,018.10)	(11,860,018.10)	(11,860,018.10)	(11,860,018.10)
Inventories – net	192,918,959.02	213,817,848.09	192,717,268.86	213,486,381.85

Transactions of allowance for diminution of the inventory value during the year ended December 31, 2013, are as follow:

	BAHT	
	Consolidated financial statements	Separate financial statements
Beginning balance	11,860,018.10	11,860,018.10
Addition (deduction) during the year	-	-
Ending balance	11,860,018.10	11,860,018.10

In October 2011, there was 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 affected from floods 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 in 2011 approximately Baht 18.46 million. However, the loss will be compensated by the Company's all risks insurance coverage. The Company recognized the compensation of the claim from the insurance company in the first quarter of 2013.

10. **DEFAULT-PAYMENT LOAN TO OTHER**

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Loan	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00
Accrued interest received	12,027,397.26	12,027,397.26	12,027,397.26	12,027,397.26
Total	92,027,397.26	92,027,397.26	92,027,397.26	92,027,397.26

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 additional 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 principal 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 cooperating with the execution officer to confiscate the construction for further auction. On June 28, 2012, the company submitted a request to the civil court to confiscate the construction newly added on the land. The court accepted the request. On September 13, 2012, the court ordered the execution officer to confiscate the construction and the land. The Company coordinated with the execution officer to confiscate the land and construction for auction.

On September 26, 2013, the execution officer announced the auction date of the land and construction, 1st auction on November 14, 2013, 2nd auction on December 4, 2013 3rd auction on December 26, 2013, 4th auction on January 16, 2014, 5th auction on February 6, 2014, and 6th auction on February 27, 2014. The assessment price by the execution officer is approximately Baht 54.30 million.

On November 14, 2013 the Company entered into the bid of land and construction, and the officer had approved the Company to be bidder at the price of Baht 60 million.

Later on February 7, 2014 the debtor disputed the bid to the South Bangkok Civil Court. The Court appointed to hearing on February 10, 2014 which was extended to March 31, 2014.

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

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 an other 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 allowed 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 witnesses of the defendant. The court allowed and set date of questioning additional witness on May 25, 2012 and June 12, 2012.

On May 25, 2012, the lawyer of the defendant had his assistant submitted a request for the postponement of the case. The lawyer of the plaintiff opposed the postponement. The court asked the defendant and stated that the defendant want to negotiate the debt reduction with the plaintiff. Thus the court postponed the investigation of the witnesses to July 27, 2012 and cancelled the investigation of the witnesses on June 12, 2012.

On July 27, 2012, the lawyer of the defendant declared no additional interrogation the witnesses. The defendant request the postponement of the hearing of the court verdict for 4 months so as to negotiation with the plaintiff. The court appointed the hearing of the verdict on December 17, 2012. On the appointment date, the defendant requested for a negotiation of the debt payment. The court, on the principle that the case is compromise-able and is mutually beneficial if both parties can agree. The court postponed the hearing of the verdict to April 29, 2013. And, on April 29, 2013, the case is acquitted by the court. Later on May 28, 2013, the Company has appealed the First Instant Criminal Court verdict to the Appeal Court. The appeal has been accepted by the Appeal Court and scheduled the hearing of the verdict on December 9, 2013. The Appeal Court judge upholds the First Instant Criminal Court. Presently, the Company is petition filing to Supreme Court.

The above 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 received from the loan of Baht 80 million as from January 1, 2010, and will recognize the amount exceeding the accrued interest receivable as income in the period that the Company receive the payment.

11. OTHER CURRENT ASSETS

Other current assets as of December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Value added tax	7,713,281.08	8,595,151.25	2,509,409.81	370,536.45
Withholding tax withheld	1,121,826.60	-	1,692,865.43	-
Others	5,278,727.70	3,539,024.28	-	518,258.82
Total	14,113,835.38	12,134,175.53	4,202,275.24	888,795.27

12. INVESTMENT IN RELATED COMPANIES

12.1 INVESTMENT IN SUBSIDIARIES

As of December 31, 2013 and 2012, the Company has invested in the subsidiary company as follows;

Company Name	Type of business	Million Baht							
		Paid-up capital (Million Baht)		Proportion of shareholding (%)		Investment in subsidiary company			
						Cost		Net Book Value	
		Dec 31-13	Dec 31-12	Dec 31-13	Dec 31-12	Dec 31-13	Dec 31-12	Dec 31-13	Dec 31-12
De Lamai Co., Ltd.	Hotel	100	100	99.97	99.97	146.55	146.55	(82.46)	(64.49)
C.I.G. (Thailand) Co., Ltd.	Manufacture and sell air-con products	25	23	99.96	99.96	24.99	22.99	18.16	17.75
Less : Allowance for impairment of investments						(82.00)	(42.00)		
Investment in subsidiaries - net						89.54	127.54		

12.1.1 The Company invested in ordinary shares of De Lamai Co., Ltd. which operates in hotel business located on Samui island, Suratthani province in July 2008. The Company recorded the investment in the subsidiary by cost method at approximately Baht 146.55 million. Since the commence of the operation, the result of operations of the subsidiary has been in continuous loss. As at December 31, 2013 and December 31, 2012, the subsidiary has deficits of Baht 101.97 million and Baht 64.46 million respectively (Accumulated loss of Baht 182.46 million and Baht 201.97 million respectively). The Company has re-evaluated the value of the investment in the subsidiary and value in use of cash-generating assets of the subsidiary using Discounted Cash-flow method based on the business plans of the subsidiary and recorded the impairment of the investment in separate financial statement and impairment of the subsidiary's cash-generating assets in consolidated financial statement for the periods as follows:

	ALLOWANCE FOR IMPAIRMENT (B A H T)			
	INVESTMENT		ASSETS OF THE SUBSIDIARY	
	AMOUNT	ACCUMULATIVE	AMOUNT	ACCUMULATIVE
Quarter 4 of 2008	-	-	28,569,229.96	28,569,229.96
Quarter 2 of 2010	15,000,000	15,000,000	20,500,000.00	49,069,229.96
Quarter 4 of 2010	7,000,000	22,000,000	22,000,000.00	71,069,229.96
Quarter 3 of 2011	20,000,000	42,000,000	26,000,000.00	97,069,229.96
Quarter 2 of 2013	40,000,000	82,000,000	-	97,069,229.96

Thus as at December 31, 2013 and 2012, the allowance for impairment of investment in the separate financial statement of the subsidiary is amounting to Baht 82 million and Baht 42 million respectively.

12.1.2 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 December 31, 2011, the paid-up capital was Baht 20 million (40% of the registered capital). Later in January 2012, May 2012 and October 2012, there were calls of the capital payment of Baht 1 million each. The increase of share capital in 2012 was totaling Baht 3 million. Thus, as of December 31, 2012, the capital of the subsidiary was Baht 23 million (equivalent to 46% of the registered capital.) Later in March 2013, the company increases its share capital for Baht 2 million which the subsidiary has Baht 25 million in share capital (equivalent to 50% of the registered capital.) The Company holds 99.97% shares in the subsidiary. The investment in the subsidiary was approved by the Executive Board of Directors meeting on February 4, 2011.

12.2 INVESTMENT IN ASSOCIATE OF THE SUBSIDIARY

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 recognized share of loss in consolidated financial statement amounting to Baht 339,524.29. The financial statements for the period from May 18, 2011 to December 31, 2011 prepared by the management of the subsidiary which has not been audited/ reviewed by auditor. Later in May 2012, the Company received financial statements of the associate company of the subsidiary which was audited by auditor in the People Republic of China. The audited financial statements have no material difference from the financial statements prepared by the management which were part of the company's financial statements of 2011.

In 2012, the Company recognized share of loss for the year ended December 31, 2012, amounting to Baht 1,843,487.42 (in consolidated financial statement). The financial statements for the year ended December 31, 2012 prepared by the management of the subsidiary which has not been audited by auditor.

For the quarter 1 of 2013, the Company recognized share of loss for the three-month period ended March 31, 2013, amounting to Baht 228,550.66 (presented in the consolidated financial statement). The financial statement for the three-month period ended March 31, 2013 of the associate of the subsidiary was prepared by the management of the subsidiary and has not been audited by auditors.

During quarter 2 of 2013, the subsidiary has an agreement signed with a non-related company in Thailand to sell all the investment (Ordinary shares of Chenzhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd.) for Baht 17.55 million which payment is to be made within 3 years. The buyer agreed that the subsidiary deducts the payments for the investment from payments of purchases of machinery that the Company (CI Group Public Company Limited.) would buy from the buyer at not less than 20% of the value of the machinery until the amount is fully paid. The company in Thailand who bought the investment is not liable for payment of the investment after 3 years as specified in the agreement.

Thus in June 2013, the subsidiary recorded sale of the investment by debited the buyer as other receivable amounting to Baht 17.55 million and recognized the gain on sale of investment amounting to Baht 2.19 million in quarter 2 of 2013.

The detail of the investment in associate of the subsidiary as of December 31, 2013 and 2012 , are as follows;

Company Name	Type of business	Million baht							
		Investment in associate company							
		Paid-up capital (Million Baht)		Proportion of shareholding (%)		Cost		Equity	
		Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
Chen Zhou XIAI Heating & Refrigeration Equipment Manufacture Co., Ltd.	Manufacture and sale of air conditioning products, parts and coil	20	20	25 through a subsidiary	25 through a subsidiary	-	17.55	-	15.36
Investment in associate of the subsidiary – net						-	17.55	-	15.36

13. PROPERTY, PLANT AND EQUIPMENT - NET

Land, properties, plant and equipment as of December 31, 2013 and 2012, consisted of;

	BAHT						
	Consolidated financial statements						
	Land	Building Structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Facilities	Vehicles	Machinery under installation
<u>COST</u>							
Balance per book Dec-31, 2012	83,964,441.89	554,334,042.18	655,567,978.19	34,982,123.54	1,435,985.06	20,240,904.02	262,681.97
Increase	-	340,206.18	2,611,200.56	1,053,611.60	10,690.65	3,064,422.15	16,921,103.12
Transfer in	-	-	3,574,759.90	-	-	-	-
Transfer out/ Disposal	-	-	(15,575.00)	(46,149.93)	-	(5,895,401.86)	(3,574,759.90)
Balance per book Dec-31, 2013	83,964,441.89	554,674,248.36	661,738,363.65	35,989,585.21	1,446,675.71	17,409,924.31	13,609,025.19
<u>Less : ACCUMULATED DEPRECIATION</u>							
Balance per book Dec-31, 2012	-	(172,010,733.69)	(402,493,021.88)	(29,553,413.52)	(1,240,121.54)	(18,749,729.18)	-
Increase	-	(26,591,724.64)	(54,018,687.85)	(3,224,466.48)	(154,659.64)	(1,129,991.20)	-
Transfer out/ Disposal	-	-	1,354.96	444.28	-	5,895,388.86	-
Balance per book Dec-31, 2013	-	(198,602,458.33)	(456,510,354.77)	(32,777,435.72)	(1,394,781.18)	(13,984,331.52)	-
<u>Allowance for impairment</u>							
Balance per book Dec-31, 2012	-	(97,069,230.00)	-	-	-	-	-
Increase	-	-	-	-	-	-	-
Balance per book Dec-31, 2013	-	(97,069,230.00)	-	-	-	-	-
<u>Property, plant and equipment - net</u>							
Dec-31, 2012	83,964,441.89	285,254,078.49	253,074,956.31	5,428,710.02	195,863.52	1,491,174.84	262,681.97
Dec-31, 2013	83,964,441.89	259,002,560.03	205,228,008.88	3,212,149.49	51,894.53	3,425,592.79	13,609,025.19
<u>Depreciation</u>							
For the year ended Dec-31, 2012							83,538,333.07
Dec-31, 2013							85,124,439.21

BAHT

Separate financial statements

	Land	Building Structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Machinery Under Installation	Total
<u>COST</u>							
Balance per book Dec-31, 2012	83,515,957.92	163,995,286.07	649,274,237.78	26,701,929.52	18,192,354.19	262,681.97	941,942,447.45
Increase	-	-	2,521,397.75	1,024,695.25	3,027,196.26	16,921,103.12	23,494,392.38
Decrease	-	-	(14,000.00)	-	(5,895,401.86)	-	(5,909,401.86)
Transfer in	-	-	3,574,759.90	-	-	-	3,574,759.90
Transfer out/ Disposal	-	-	(1,575.00)	(640.00)	-	(3,574,759.90)	(3,576,974.90)
Balance per book Dec-31, 2013	83,515,957.92	163,995,286.07	655,354,820.43	27,725,984.77	15,324,148.59	13,609,025.19	959,525,222.97
<u>Less : ACCUMULATED DEPRECIATION</u>							
Balance per book Dec-31, 2012	-	(74,403,102.80)	(397,237,515.87)	(22,981,404.40)	(16,903,228.20)	-	(511,525,251.27)
Increase	-	(9,334,022.17)	(53,129,603.73)	(1,966,801.40)	(920,274.08)	-	(65,350,701.38)
Decrease	-	-	-	444.28	5,895,388.86	-	5,895,833.14
Transfer in	-	-	-	-	-	-	-
Transfer out/ Disposal	-	-	1,354.96	-	-	-	1,354.96
Balance per book Dec-31, 2013	-	(83,737,124.97)	(450,365,764.64)	(24,947,761.52)	(11,928,113.42)	-	(570,978,764.55)
<u>Property, plant and equipment - net</u>							
Dec-31, 2012	83,515,957.92	89,592,183.27	252,036,721.91	3,720,525.12	1,289,125.99	262,681.97	430,417,196.18
Dec-31, 2013	83,515,957.92	80,258,161.10	204,989,055.79	2,778,223.25	3,396,035.17	13,609,025.19	388,546,458.42

Depreciation

For the year ended Dec-31, 2012

67,656,256.15

Dec-31, 2013

65,355,610.78

Depreciation for the years ended December 31, 2013 and 2012, presented in cost of goods sold, selling and administrative expenses consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of sale	83,318,968.10	80,245,527.62	63,974,251.10	64,904,790.01
Selling and administrative	1,805,471.11	3,292,805.45	1,381,359.68	2,751,466.14
Total	85,124,439.21	83,538,333.07	65,355,610.78	67,656,256.15

There were no interest payments for the Company to capitalize as part of the machinery under installation for the years ended December 31, 2013 and 2012.

As of December 31, 2013 and 2012, there are fully depreciated assets that are still in use for operation amounting to Baht 166.77 million and Baht 156.48 million respectively.

As of December 31, 2013, the Company mortgaged parts of the 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 16 to the financial statements.

The review of the value of investment in subsidiary company and value in use of cash-generating assets of the subsidiary, using Discounted Cash Flow method as mentioned in note 12.1.1 to the financial statement, the Company provided provision for impairment of assets of the subsidiary in the consolidated financial statement of different periods resulting in the amount of allowance for impairment of cash-generating assets of the subsidiary in the consolidated financial statement as of December 31, 2013 and 2012 amounting to equally Baht 97.07 million.

14. DEFERRED LEASEHOLD LAND - NET

Deferred leasehold land of the Company as of December 31, 2013 and 2012, consisted of:

	BAHT	
	Consolidated financial statements	
	Dec-31, 2013	Dec-31, 2012
Leasehold land – cost	32,270,526.30	32,270,526.30
Less : Accumulated amortization	(9,046,904.21)	(7,737,101.23)
Leasehold land – net	23,223,622.09	24,533,425.07

Leasehold of land recorded in the subsidiary amounting Baht 22 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.

15. INTANGIBLE ASSETS - NET

Intangible assets, computer software as of December 31, 2013 and 2012, consisted of:

	BAHT			
	Consolidated financial statements			
	Balance Dec-31, 2012	Increase	Decrease	Balance Dec-31, 2013
<u>At Cost</u>				
Computer software	27,445,407.00	362,625.00	-	27,808,032.00
Computer software under development	5,764,182.00	1,060,449.31	-	6,824,631.31
Total	33,209,589.00	1,423,074.31	-	34,632,663.31
<u>Less</u> : Accumulated amortization	(20,909,010.97)	(3,409,311.49)	-	(24,318,322.46)
Intangible assets – net	12,300,578.03	(1,986,237.18)	-	10,314,340.85
<u>At Cost</u>				
Others	451,000.00	-	-	451,000.00
<u>Less</u> : Accumulated amortization	(191,147.12)	(45,100.00)	-	(236,247.12)
Others – net	259,852.88	(45,100.00)	-	214,752.88
Total Intangible assets - net	12,560,430.91	(2,031,337.18)	-	10,529,093.73

	BAHT			
	Separate financial statements			
	Balance Dec-31, 2012	Increase	Decrease	Balance Dec-31, 2013
<u>At Cost</u>				
Computer software	26,551,542.40	362,625.00	-	26,914,167.40
Computer software under development	5,764,182.00	1,060,449.31	-	6,824,631.31
Total	32,315,724.40	1,423,074.31	-	33,738,798.71
<u>Less</u> : Accumulated amortization	(20,138,800.63)	(3,313,557.72)	-	(23,452,358.35)
Intangible assets – net	12,176,923.77	(1,890,483.41)	-	10,286,440.36

16. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities as of December 31, 2013 and 2012, consisted of :-

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
CURRENT				
Bank overdrafts				
- Secured	417,540.64	7,753,195.28	417,540.64	7,753,195.28
- Unsecured	-	-	-	-
Total	417,540.64	7,753,195.28	417,540.64	7,753,195.28
Short-term loans from financial institutions				
- Secured	158,000,000.00	136,000,000.00	158,000,000.00	136,000,000.00
- Unsecured	-	-	-	-
Total	158,000,000.00	136,000,000.00	158,000,000.00	136,000,000.00
Liabilities under trust agreements	112,721,736.95	75,985,053.42	112,721,736.95	75,985,053.42
Total bank overdraft and short-term loan				
<i>from financial institution</i>	271,139,277.59	219,738,248.70	271,139,277.59	219,738,248.70
Short-term loans from other company				
- Secured	14,589,101.46	17,235,563.15	14,589,101.46	17,235,563.15
- Unsecured	-	-	-	-
Total Short-term loans from other company	14,589,101.46	17,235,563.15	14,589,101.46	17,235,563.15
Total bank overdraft and short-term loan				
<i>from financial institution and other company</i>	285,728,379.05	236,973,811.85	285,728,379.05	236,973,811.85
Current portion of long-term loan				
- Secured	70,820,506.00	72,737,557.00	70,820,506.00	72,737,557.00
- Unsecured	-	-	-	-
	70,820,506.00	72,737,557.00	70,820,506.00	72,737,557.00
Default payment liabilities				
- Secured	230,346,908.69	202,161,362.01	-	-
- Unsecured	-	-	-	-
	230,346,908.69	202,161,362.01	-	-
Current portion of hire-purchase liability	127,642.79	289,944.86	-	-
Total current	587,023,436.53	512,162,675.72	356,548,885.05	309,711,368.85

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
NON-CURRENT				
Long-term loans from financial -institutions				
- Secured	40,000,000.00	128,917,617.00	40,000,000.00	128,917,617.00
- Unsecured	-	-	-	-
	40,000,000.00	128,917,617.00	40,000,000.00	128,917,617.00
Hire-purchase liability	9,110.45	158,618.32	-	-
Total non-current	40,009,110.45	129,076,235.32	40,000,000.00	128,917,617.00
Grand Total	627,032,546.98	641,238,911.04	396,548,885.05	438,628,985.85

The durations to maturity of the interest-bearing liabilities are as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Due within one year	587,023,436.53	512,162,675.72	356,548,885.05	309,711,368.85
Due after one year but within five years	40,009,110.45	129,076,235.32	40,000,000.00	128,917,617.00
Due after five years	-	-	-	-
Total	627,032,546.98	641,238,911.04	396,548,885.05	438,628,985.85

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

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Land	36,505,969.50	36,505,969.50	36,505,969.50	36,505,969.50
Deferred leasehold land	23,223,622.09	24,533,425.07	-	-
Building and plant	240,847,275.28	262,402,976.91	61,702,148.63	67,645,970.44
Machinery	97,220,465.46	129,230,848.24	97,220,465.46	129,230,848.24
Total	397,797,332.33	452,673,219.72	195,428,583.59	233,382,788.18

The Company

In May 2010, the Company has an agreement with a bank to change the certain conditions of the promissory loan facility of Baht 200 million. The Company issued a short-term promissory note for a Baht 192 million loan at the interest rate of MOR, of the bank, plus 1% per annum. The monthly repayment of at least Baht 4 million each for 48 months commencing May 2010 to April 2016. After the Company fully repay the loan under the loan agreement, the bank will transfer the loan facility that has been repaid by the Company to the loan facility of Baht 200 million which the Company can use as working capital with the same conditions.

As at December 31, 2013 and 2012, the Company has overdraft accounts and short-term loans from various local financial institutions, carrying interest at the rates ranging from 1.75% per annum to 7.375% per annum. Such loans, overdraft accounts and other credit lines are collateralized by the mortgage of a portion of land, and building with construction 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.

As of December 31, 2013 and 2012, the Company has the undrawn credit facilities amounting to Baht 204.75 million and Baht 190.24 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 million, 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 unfavorable situation of tourism business in Thailand which caused un-confidence to foreign tourists during the past periods, on December 31, 2012, the subsidiary failed to repay loan installments of Baht 7.3 million to a bank which the management negotiated with the bank and expected response from the bank.

On July 23, 2012, the subsidiary was informed by the financial institution that it has transferred all the outstanding loans amounting approximately Baht 164.55 million and collaterals to an asset management company. The Company reclassified the loan to "Default payment liabilities" in consolidated financial statement. However, the management is in negotiation to restructure the loan.

17. OTHER PAYABLES

Other payables of the company as of December 31, 2013 and 2012, consisted of:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Other companies				
Cash received in advance from sales	1,750,238.69	521,304.05	1,750,238.69	521,304.05
Accrued expenses	7,300,959.49	12,130,844.07	6,029,355.28	9,461,714.89
Other payables	4,981.34	2,720,013.48	-	162,734.00
Total	9,056,179.52	15,372,161.60	7,779,593.97	10,145,752.94

18. HIRE - PURCHASE LIABILITIES

Long-term hire purchase liabilities as of December 31, 2013 and 2012, consisted of:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Principal of hire-purchase liabilities	3,417,744.00	3,417,744.00	-	-
Less : Deferred interest	-	(24,920.82)	-	-
Hire-purchase liability	3,417,744.00	3,392,823.18	-	-
Less : Principal paid	(3,280,990.76)	(2,944,260.00)	-	-
Balance	136,753.24	448,563.18	-	-
Less : Current portion of long-term hire-purchase liabilities	(127,642.79)	(289,944.86)	-	-
Total	9,110.45	158,618.32	-	-

As of December 31, 2013 and 2012, the repayment detail of hire-purchase liabilities of the Company and its subsidiary is as follow;

	BAHT					
	Consolidated financial statements					
	December 31, 2013			December 31, 2012		
	Principal	Deferred interest	Total	Principal	Deferred interest	Total
Due for payment within one year	136,753.24	-	136,753.24	289,944.86	22,414.06	312,358.92
Due for payment over one year but within 5 year	-	-	-	158,618.32	2,506.76	161,125.08
Total	136,753.24	-	136,753.24	448,563.18	24,920.82	473,484.00

According to conditions in curtain 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, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Value added tax – output tax	-	191,376.98	-	-
Withholding tax	498,743.68	2,189,499.35	496,887.79	1,227,377.61
Total	498,743.68	2,380,876.33	496,887.79	1,227,377.61

20. EMPLOYEE BENEFITS OBLIGATION

Movements in the present value of the provision under defined benefit obligation for the years ended December 31, 2013 and 2012 were as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	For the years-ended		For the years-ended	
	Dec-31, 2013	Dec-31, 2012	Dec-31, 2013	Dec-31, 2012
Employee benefits obligation as of beginning of years	16,828,242.00	13,210,820.00	16,812,469.00	13,200,479.00
Benefits paid	-	-	-	-
Current service cost and interest cost	3,620,322.00	3,617,422.00	3,612,730.00	3,611,990.00
Gain (loss) from actuarial assumptions	-	-	-	-
Employee benefits obligation as of ending of years	20,448,564.00	16,828,242.00	20,425,199.00	16,812,469.00

Expenses recognized in gain or loss for the years ended December 31, 2013 and 2012 are as follow;

	BAHT			
	Consolidated financial statements		Separate financial statements	
Current service cost	3,129,988.00	3,099,653.00	3,123,008.00	3,094,585.00
Interest cost	490,334.00	517,769.00	489,722.00	517,405.00

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as at December 31, 2013 are as follows:

	Consolidated financial statements	Separate financial statements
Discount rate	3.40 %	3.40 %
Expected rate of salary increase	5.00 %	5.00 %
Voluntary resignation rate	0-30.60 %*	0-30.60 %*
Mortality rate	TMO 1997 **	TMO 1997 **

* Based on weighted rate by age group of employee

** Referred to Thai Mortality Ordinary Tables of 1997 (TMO 1997 : Thai Mortality Ordinary Tables of 1997)

21. WARRANTS

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

21.1 WARRANTS - 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.

21.2 WARRANTS – CIG-W4

On April 24, 2013, the Annual General Meeting of the shareholders has a resolution to issue warrants to purchase ordinary shares of the Company to the existing shareholders not over 603,686,215 units at no selling price. The distribution of the warrants to the existing shareholders at the ratio of 1 existing share : 1 unit of CIG-W4 at no selling value. The 2 units of CIG-W4 can be exercised to buy an ordinary share of the capital increase at the price Baht 1 per share.

The Company issued warrants to purchase the Company's ordinary shares on April 30, 2013 for 601,836,915 units at no selling price. The distribution of the warrants to the existing shareholders at the ratio of 1 existing share : 1 unit of CIG-W4 with the duration of 1 year and 6 months. The first exercise date is May 31, 2013 and the last exercise date is October 29, 2014.

In quarter 4 of 2013, there were exercise for the ordinary shares. Thus, balance of warrants as of December 31, 2013 are as follow;

	Number of Units	
	CIG-W4	ESOP-1
Allotted warrants	601,836,915	25,100,000
<u>Less</u> : Exercised to convert to common share		
As of December 31, 2013	(50,000)	(23,859,486)
Balance of allotted warrants	601,786,915	1,240,514

	Duration of the warrants (Year)	
	1 year and 6 months	1 Year
Exercise rate (unit : share)	2 : 1	01 : 01.1
Exercise price to buy 1 common share (Baht)	Baht 1	Baht 0.50
First exercise date	May 31, 2013	Aug 2, 2010
Last exercise date	October 29, 2014	June 14, 2013

22. SHARE CAPITAL

22.1 On June 18, 2013, the Company has registered the increase of the paid-up share capital amounting to Baht 12,306 (common share 24,612 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant in 2nd quarter of year 2013 at 21,000 units at par value Baht 0.50.

22.2 On June 5, 2013, the Company has registered the increase of the paid-up share capital amounting to Baht 44,144.50 (common share 88,289 shares at par value Baht 0.50 each) from the exercise of CIG-W4 warrant in 2nd quarter of year 2013 at 50,000 units at par value Baht 0.50 and the exercise of ESOP-1 warrant of 54,000 units at par value Baht 0.50.

22.3 On April 2, 2013, the Company has registered the increase of the paid-up share capital amounting to Baht 398,045 (common share 796,090 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant of 739,000 units at par value Baht 0.50.

- 22.4 On March 5, 2013, the Company has registered the increase of the paid-up share capital amounting to Baht 44,706 (common share 89,412 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant in 1st quarter of year 2013 at 83,000 units at par value Baht 0.50.
- 22.5 On February 5, 2013 the Company has registered the increase of the paid-up share capital amounting to Baht 401,587 (common share 803,174 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant in 1st quarter of year 2013 at 745,579 units at par value Baht 0.50.
- 22.6 On December 4, 2012, the Company has registered the increase of the paid-up share capital amounting to Baht 24,500 (common share 49,000 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant in 4th quarter of year 2012 at 45,486 units at par value Baht 0.50.
- 22.7 On November 2, 2012, the Company has registered the increase of the paid-up share capital amounting to Baht 26,931.50 (common share 53,863 shares at par value Baht 0.50 each) from the exercise of ESOP-1 warrant in 4th quarter of year 2012 at 50,000 units at par value Baht 0.50.
- 22.8 On September 5, 2012, the Company has registered the increase of the paid-up share capital amounting to Baht 26,371 (common share 52,742 shares at par value Baht 0.50 each) from the exercise warrant CIG-W2 in 3rd quarter of year 2012 at 791,150 units at par value Baht 0.90.
- 22.9 On June 21, 2012, the Company has registered the increase of the paid-up share capital amounting to Baht 23,720,727.50 (common share 47,441,455 shares at par value Baht 0.50 each) from the exercise warrant CIG-W2 in 2nd quarter of year 2012 at 176,156,337 units at par value Baht 0.50.
- 22.10 On April 5, 2012, the Company has registered the increase of the paid-up share capital with the Ministry of Commerce amounting to Baht 126,060.50 (common share 252,121 shares at par value Baht 0.50 each) from the exercise warrant CIG-W2 in quarter 2 of 2012 at 936,158 units at par value Baht 0.50.
- 22.11 On February 7, 2012 the Company has registered to increase the paid-up share capital amounting to Baht 148,123 (common share 296,246 shares at par value Baht 0.50 each) from the exercise warrant CIG-W2 to purchase common share on January 2012 at 1,100,000 units at par value Baht 0.50.

23. 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.

24. 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 in the consolidated financial statements by business for the years ended December 31, 2013 and 2012 are as follows:

BAHT								
Consolidated financial statements								
For the year ended December 31								
	Manufacture of air-conditioning products and parts				Hotel services		Consolidated Financial Statement	
	Revenue from sale		Revenue from service		Revenue from service		2013	2012
	2013	2012	2013	2012	2013	2012		
Domestic sales	634,850,001.14	680,673,723.39	47,789,686.00	52,545,929.00	24,950,767.78	25,207,706.71	707,590,454.92	758,427,359.10
Export sales	308,154,559.97	200,441,523.28	-	-	-	-	308,154,559.97	200,441,523.28
Total	943,004,561.11	881,115,246.67	47,789,686.00	52,545,929.00	24,950,767.78	25,207,706.71	1,015,745,014.89	958,868,882.38
Reversal (provision) for obsolete inventories							-	13,808,005.98
Gain on sale of investment in subsidiary							2,411,562.37	-
Loss from severe flooding							-	-
Other income							47,304,096.13	59,219,378.65
Cost of sales and service							(909,142,709.88)	(911,335,361.85)
Selling expenses							(27,244,002.62)	(28,952,737.41)
Administrative expenses							(91,933,602.49)	(120,188,679.29)
Share of profit (loss) from investment in associate of subsidiary							(228,550.66)	(1,468,168.32)
Financial costs							(46,401,638.36)	(54,300,709.60)
Income tax income (expenses)							3,865,700.33	6,550,009.72
Net profit (loss)							(5,624,130.29)	(78,174,698.84)

Statements of income segmented in the separate financial statements by business for the for the years ended December 31, 2013 and 2012 are as follows:

BAHT								
Separate financial statements								
For the year ended December 31								
	Manufacture of air-conditioning products and parts				Hotel services		Separate financial statements	
	Revenue from sale		Revenue from services		Revenue from services		2013	2012
	2013	2012	2013	2012	2013	2012		
Domestic sales	624,963,760.14	680,673,723.39	47,789,686.00	52,545,929.00	-	-	672,753,446.14	733,219,652.39
Export sales	308,154,559.97	200,441,523.28	-	-	-	-	308,154,559.97	200,441,523.28
Total	933,118,320.11	881,115,246.67	47,789,686.00	52,545,929.00	-	-	980,908,006.11	933,661,175.67
Reversal (provision) for obsolete inventories							-	13,808,005.98
Loss from impairment of investment in subsidiary							(40,000,000.00)	-
Other income							46,584,308.38	58,836,064.88
Cost of sales and service							(872,499,855.89)	(887,139,352.16)
Selling expenses							(26,526,043.22)	(26,948,147.05)
Administrative expenses							(73,194,126.34)	(96,301,712.07)
Share of profit (loss) from investment in associate of subsidiary							-	-
Financial costs							(21,934,019.79)	(30,169,119.09)
Income tax income (expenses)							11,572,080.84	6,550,009.72
Net profit (loss)							4,910,350.09	(27,703,074.12)

Major customer information

The Company has earned its revenue from “Manufacture of air-conditioning products and parts” segment for the year ended December 31, 2013 from 3 customers for approximately Baht 644.84 million of the total revenue of the Company.

25. FINANCIAL COST

	BAHT			
	Consolidated financial statements		Separate financial statements	
	for the years December 31			
	2013	2012	2013	2012
Interest expense to financial institutions	46,401,638.36	54,300,709.60	21,934,019.79	30,169,119.09
Capitalized financial costs	-	-	-	-
Total	46,401,638.36	54,300,709.60	21,934,019.79	30,169,119.09

26. INCOME TAX EXPENSE

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the year 2011 and 2012 at the rate 30% and 23% respectively and the rate 20% from 2013 onward.

The company has corporate income tax privilege for its investment in coil manufacturing project at its Chonburi factory at the rate 100% of normal rate for 7 years as from 2008.

Income tax expense for the years ended December 31, 2013 and 2012, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income tax of current period	-	-	-	-
Deferred income tax Expense (Revenue)				
from temporary difference	(3,865,700.33)	-	(11,572,080.84)	-
Effects of deferred income tax from change of tax rates	-	-	-	-
Income tax expense presented in the -				
statement of income	(3,865,700.33)	-	(11,572,080.84)	-

The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the years ended December 31, 2013 and 2012 is presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounting profit before corporate income tax	(9,489,831.55)	(84,724,708.56)	(6,661,730.75)	(34,253,083.84)
Corporate income tax rates	20%	23%	20%	23%
Accounting profit before corporate income tax				
Multiply by tax rates	-	-	-	-
Effects to deferred income tax				
From change of income tax rates	-	-	-	-
Income tax effects that is nondeductible in				
Calculation of profit:				
- Revenue exempted in tax calculation	-	-	-	-
-Non deductible expenses	(3,865,700.33)	-	(11,572,080.84)	-
Income tax expense presented in the Statement of				
Income	(3,865,700.33)	-	(11,572,080.84)	-

Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT		
	Consolidated financial statements		
	As at	As at	As at
	December 31, 2013	December 31, 2012	January 1, 2012
Deferred income tax assets			
Unrealized gain (loss) on investment in trading securities	212,000.00	212,000.00	272,000.00
Allowance for doubtful accounts	7,909,608.44	7,516,850.86	5,479,932.75
Allowance for declining value of inventory	2,372,003.62	2,372,003.62	5,133,604.82
Employee benefit obligation	3,908,696.80	3,362,493.80	2,640,095.80
Benefits from accumulated tax loss	17,703,996.24	14,970,835.34	8,358,540.53
Total	32,106,305.10	28,434,183.62	21,884,173.90
Deferred income tax liabilities	-	-	-
Total	32,106,305.10	28,434,183.62	21,884,173.90

	BAHT		
	Separate financial statements		
	As at	As at	As at
	December 31, 2013	December 31, 2012	January 1, 2012
Deferred income tax assets			
Unrealized gain (loss) on investment in trading securities	212,000.00	212,000.00	272,000.00
Allowance for doubtful accounts	7,633,224.80	7,516,850.86	5,479,932.75
Allowance for declining value of inventory	2,372,003.62	2,372,003.62	5,133,604.82
Allowance for impairment in investments	16,400,000.00	8,400,000.00	8,400,000.00
Employee benefit obligation	4,085,039.80	3,362,493.80	2,640,095.80
Benefits from accumulated tax loss	17,703,996.24	14,970,835.34	8,358,540.53
Total	48,406,264.46	36,834,183.62	30,284,173.90
Deferred income tax liabilities	-	-	-
Total	48,406,264.46	36,834,183.62	30,284,173.90

27. EXPENSES BY NATURE

The significant expenses classified by nature for the years ended December 31, 2013 and 2012 are as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Changes in finished goods and work in process	26,634,433.17	42,212,294.17	26,634,433.17	42,212,294.17
Consumption of raw materials and supplies	84,502,158.51	648,409,007.91	84,372,382.43	645,791,966.19
Personnel expenses (Excludes directors and management)	146,290,591.60	177,717,915.81	141,475,243.70	167,250,649.72
Management remunerations	26,460,379.00	6,991,207.48	23,036,352.00	3,150,000.00
Depreciation and amortization	83,596,553.21	87,987,328.05	68,669,168.50	71,610,381.99
Transportation expense	2,147,240.44	2,456,763.31	2,129,540.44	2,409,897.31
Advertising and promotion	81,020.00	205,317.94	10,400.00	163,417.94
Provision for doubtful accounts	581,869.70	1,473,074.42	581,869.70	1,473,074.42
Unrealized gain (loss) on investment in trading securities	-	(300,000.00)	-	(300,000.00)

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 year ended December 31, 2013 the required information is as follows:

	BAHT		
	Separate financial statements		
	Promoted business	Non-promoted	Total
	Income tax exemption	business	
Revenues			
Revenue from sales and services	276,986,102.31	703,921,903.80	980,908,006.11
Other income	32,907,516.91	13,676,791.47	46,584,308.38
Total revenues	309,893,619.22	717,598,695.27	1,027,492,314.49

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:

- Exemption from payment of import duty for machinery import as approved by Board of Investment.
- Exemption from payment of import duty for raw materials imported for re-exporting for a certain period as from the first import date.
- 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 (LOSS) PER SHARE

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

	For the year ended December 31			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net income (loss) (Baht)	(5,624,130.29)	(78,159,242.84)	4,910,350.09	(27,703,074.12)
Weighted average number of ordinary shares (Shares)	601,610,997	577,637,602	601,610,997	577,637,602
Basic earnings (loss) per share (Baht)	(0.01)	(0.14)	0.01	(0.05)

DILUTED EARNINGS (LOSS) PER SHARE

Consolidated financial statements

For the years ended December 31

	Net earnings (loss)		Weighted average number of		Earnings (loss) per share	
	(Baht)		(Share)		(Baht)	
	2013	2012	2013	2012	2013	2012
Basic earnings (loss) per share						
Net earnings (loss)	(5,624,130.29)	(78,159,242.84)	601,610,997	577,637,602	(0.01)	(0.14)
Effect of dilutive potential ordinary shares						
Warrants						
2013 : 2,054,514 Units	-	-	2,212,922			
2012 : 2,761,254,289 Units	-	-	-	187,093,751		
Diluted earnings (loss) per share						
Net earnings (loss) of ordinary shareholders (assuming conversion of potential ordinary shares to ordinary shares)	(5,624,130.29)	(84,724,708.56)	603,823,919	764,731,353	(0.01)	(0.10)

Separate financial statements

For the years ended December 31

	Net earnings (loss)		Weighted average number of		Earnings (loss) per share	
	(Baht)		(Share)		(Baht)	
	2013	2012	2013	2012	2013	2012
Basic earnings (loss) per share						
Net earnings (loss)	4,910,350.09	(27,703,074.12)	601,610,997	577,637,602	0.01	(0.05)
Effect of dilutive potential ordinary shares						
Warrants						
2013 : 2,054,514 Units	-	-	2,212,922			
2012 : 2,761,254,289 Units	-	-	-	187,093,751		
Diluted earnings (loss) per share						
Net earnings (loss) of ordinary shareholders (assuming conversion of potential ordinary shares to ordinary shares)	4,910,350.09	(34,253,083.84)	603,823,919	764,731,353	0.01	(0.04)

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 statement of financial position 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, 2013 and 2012, the minimum commitment for the long-term lease, which the Company should paid in the future are as follow :-

	AMOUNT (BAHT)	
	As at	
	December 31, 2013	December 31, 2012
Amount due within one year	480,000.00	480,000.00
Amount due after 1 year but within 5 years	1,920,000.00	1,920,000.00
Amount due after 5 years	760,000.00	1,600,000.00
Total	3,160,000.00	4,000,000.00

32.3 As at December 31, 2013 and 2012, the Company had commitment under the L/C agreement with several financial institutions in total amount of Baht 102.93 million and Baht 37.27 million respectively.

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 at December 31, 2013 and 2012 the minimum commitment for the long-term lease, which the company should paid in the future is as follow;

	AMOUNT (BAHT)	
	As at	
	Dec-31, 2013	Dec-31, 2012
Amount due within one year	2,000,000.00	-
Amount due after 1 year but within 5 years	3,556,000.00	3,778,000.00
Amount due after 5 years	4,444,000.00	6,222,000.00
Total	10,000,000.00	10,000,000.00

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 covering the period from January 2010 to December 2029. The rental is Baht 200,000 per month (after withholding tax.) The rental is increased by 10% every each three years.

As of December 31, 2013 and 2012, the minimum commitment for the long-term lease, which the subsidiary should paid in the future is as follow;

	AMOUNT (BAHT)	
	As at	
	Dec-31, 2013	Dec-31, 2012
Amount due within one year	2,778,947.37	2,778,947.37
Amount due after 1 year but within 5 years	11,949,473.68	14,728,421.05
Amount due after 5 years	42,340,931.37	42,340,931.37
Total	57,069,352.42	59,848,299.79

33. CONTINGENT LIABILITIES

As at December 31, 2013, 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 0.56 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. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by an authorized director of the Company on February 27, 2014.

Company Profile

Company Name	C.I.Group Public company Limited
Initial	CIG
Business Type	Produce parts, coils, for all heat exchanger products such as air-condition, refrigeration, heat pump, air handling unit and etc, for both export and local market
Registration Number	0107547000133
Registered Capital	483,393,859.50 Bahts (As of December 31, 2013) Paid up capital 300,974,908 Bahts Par value 0.50 Baht per share
Head Office	1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290-9 Fax : 0-2976-5023
Branch Office	789/75 Moo 1 Pinthong Industrial Estate Nong-Kham, Sriracha, Chonburi Tel : 0-3829-6920-4 Fax : 0-3829-6919
Branch Office	526/1-3 Moo 3 Soi. Than Phu Ying, Thepharak Rd., Thepharak, Muang Samutprakan 10270 Tel : 0-2758-3034-6 Fax : 0-2758-3085
Home Page	http://www.coilinter.com
REFERRED PERSONS	
Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel : 0-2229-2800 Fax : 0-2359-1259
Auditor	Mr.Chaiyut Angsuwittaya or Mrs.Natsaluck Sarochanunjeen, license no. 3885 and 4563 respectively, 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 491/27 Silom Plaza, Silom Rd., Bangrak, Bangkok 10500 Tel : 0-2234-1676,0-2234-1678 Fax : 0-2237-2133

SUBSIDIARY COMPANIES

Company Name	De Lamai Co., Ltd.
Business Type	Hotel
Registration Number	0845547005846
Registered Capital	100,000,000.00 Bahts (as of December 31, 2013) Paid up capital 100,000,000.00 Bahts
Head Office	171/4-9 Moo 4 Maret Koh Samui, Suratthani Tel : 0-7791-3250 Fax : 0-7791-3255
Website	http://www.samayabura.com
Company Name	CIG (Thailand) Co., Ltd.
Business Type	Produce and sell air-condition and all other refrigeration parts
Registration Number	0135554002471
Registered Capital	25,000,000.00 Bahts (as of December 31, 2013) Paid up capital 25,000,000.00 Bahts
Head Office	1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023, 0-2598-2332



C.I.Group Public Company Limited
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