

C.I.GROUP PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
DECEMBER 31, 2017

AUDITOR'S REPORT

To the Shareholders of C.I.GROUP PUBLIC COMPANY LIMITED

Qualified Opinion

I have audited the accompanying consolidated financial statements of C.I.Group Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of C.I.Group Public Company Limited for the same period.

In my opinion, except for the effect which may happen as discussed the Basis of Qualified Opinion paragraph. The financial statements referred to above present fairly, in all material respects, the financial position of C.I.Group Public Company Limited and subsidiaries and of C.I.Group Public Company Limited as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis of Qualified Opinion

As mentioned in Note 8 to the financial statements, as at December 31, 2017, the Company has loan to other person, the principal amount Baht 26.88 million and accrued interest receivable amount Baht 12.03 million. Due to the borrower default, the Company filed lawsuits against the borrower. The court has the verdict that orders the borrower to repay the debt to the Company. In case of fail, the collateral should be forced sale, if the forced sale amount is inadequate, the debtor's personal assets shall be forced sale. At present, the Company has been following up the confiscation of the debtor which are condominium and many pieces of land. The handed over common shares of a company as collateral have been kept under the custody of the Company for confiscation after condominium units and many pieces of land of the debtor have been confiscated.

The above factors cause the Company is unable to determine a suitable net realizable value of the receivable. Thus, no allowance for doubtful accounts has been provided. Therefore, I am unable to audit the "Default payment of loan to other person" account.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. The completeness of allowance for diminution in inventories.

As at December 31, 2017, as described in Note 9 to the financial statements, the Company has provided allowance for diminution in inventories amount of Baht 16.22 million. According to Note 3.6, the Company has provided allowance for diminution in inventories by considering the current condition of inventories whether it is deteriorated or obsolete, which may result in the completeness of recording allowance for diminution in inventories.

I have audited the accuracy and completeness of inventories data to be set up the allowance for diminution in inventories and the accounting policy of allowance for diminution in inventories including the valuation of inventories which stated at cost or net realizable value, whichever is the lower. All audited to ensure the allowance for diminution in inventories are properly recorded and complete.

2. The completeness of the revenue recognition from export sales.

According to Note 3.1 sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyers. The statements of comprehensive income for the year ended December 31, 2017, the Company has export sales amount of Baht 330.06 million accounted for 36.66% of total revenues. The terms of export sales have many conditions. Each of the conditions, the significant risks and rewards of ownership to buyers are different, which may result in the accuracy and completeness of the revenue recognition from export sales.

I have assessment and testing of revenue recognition system, account receivable and settlement, examined the related supporting documents of the revenues recording from export and cut-off. All audited to ensure the revenue recognition from export sales are properly recorded and complete.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Dr.Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

Dr. Virach & Associates Office Co., Ltd.

Bangkok : March 12, 2018

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

ASSETS

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2017	2016	2017	2016
Current Assets					
Cash and cash equivalents	3.2 and 4	31,920,295	50,608,087	29,007,587	47,304,322
Short-term investments	3.3 and 5	660,000	660,000	660,000	660,000
Trade and other receivables	3.4 and 6	203,540,630	218,552,081	207,017,440	218,659,793
Short-term loans to related parties	7	18,000,000	10,000,000	37,261,500	13,011,500
Default payment of loan to other person	8	38,910,289	38,910,289	38,910,289	38,910,289
Inventories	3.6 and 9	178,131,003	128,035,125	177,852,409	126,526,418
Other current assets		8,378,661	2,462,683	8,166,255	2,211,967
Non-current assets classified as held for sale	3.7 and 10	1,355,020	1,329,839	1,355,020	1,329,839
Total Current Assets		480,895,898	450,558,104	500,230,500	448,614,128
Non-current Assets					
Investments in subsidiaries	3.8 and 11	-	-	53,984,700	52,985,000
Other long-term investments					
Investments in other company	12.1	30,000,000	30,000,000	-	-
Bank deposits with obligation	12.2	36,630,400	-	36,630,400	-
Total other long-term investments		66,630,400	30,000,000	36,630,400	-
Long-term loan to subsidiary	13	-	-	132,500,000	183,500,000
Investments property	3.9 and 14	61,055,610	61,101,753	61,055,610	61,101,753
Property, plant and equipment	3.10 and 15	502,274,120	526,760,942	376,549,941	391,508,588
Deferred leasehold land	16	12,423,077	19,294,213	-	-
Intangible assets	3.11 and 17	3,064,262	4,467,803	3,001,615	4,388,100
Deferred tax assets	3.14 and 28	15,929,823	13,383,574	44,556,747	42,693,142
Other non-current assets					
Withholding tax		98,911	15	98,146	-
Deposit		10,249,688	5,326,975	4,049,688	5,326,975
Others		1,588,173	1,628,734	734,560	807,454
Total other non-current assets		11,936,772	6,955,724	4,882,394	6,134,429
Total Non-current Assets		673,314,064	661,964,009	713,161,407	742,311,012
TOTAL ASSETS		1,154,209,962	1,112,522,113	1,213,391,907	1,190,925,140

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2017	2016	2017	2016
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	110,692,839	115,871,946	110,692,839	115,871,946
Trade and other payables	19	206,518,631	157,300,250	201,834,874	152,188,883
Advances received from construction		9,746,005	-	9,746,005	-
Current portion					
Financial lease liabilities	3.12 and 21	1,476,943	1,413,891	1,476,943	1,413,891
Land lease liabilities		889,000	889,000	-	-
Short-term loans from other company	20	25,723,638	-	25,723,638	-
Accrued income tax		-	5,544,591	-	5,544,591
Other current liabilities		3,504,910	3,558,682	1,762,516	2,179,671
Total Current Liabilities		358,551,966	284,578,360	351,236,815	277,198,982
Non-current Liabilities					
Financial lease liabilities	3.12 and 21	1,235,081	2,712,024	1,235,081	2,712,024
Land lease liabilities		5,333,000	6,222,000	-	-
Provision for long-term employee benefits	3.13 and 22	37,121,945	30,206,398	37,061,416	30,140,932
Other non-current liabilities		80,000	108,000	3,000	3,000
Total Non-current Liabilities		43,770,026	39,248,422	38,299,497	32,855,956
TOTAL LIABILITIES		402,321,992	323,826,782	389,536,312	310,054,938

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		2017	2016	2017	2016
Shareholders' Equity					
Share capital	23 and 24				
Authorized share capital					
1,297,174,248 common stocks of Baht 0.50 par value		648,587,124		648,587,124	
1,297,152,948 common stocks of Baht 0.50 par value			648,576,474		648,576,474
Issued and paid-up share capital					
864,786,382 common stocks of Baht 0.50 par value		432,393,191	432,393,191	432,393,191	432,393,191
Premium on common stocks		565,026,751	565,026,751	565,026,751	565,026,751
Premium on sale treasury stock		15,534,581	15,534,581	15,534,581	15,534,581
Retained earnings (deficits)					
Appropriated					
Legal reserve	25	12,707,000	12,707,000	12,707,000	12,707,000
Unappropriated		(273,759,726)	(236,961,539)	(201,805,928)	(144,791,321)
Total Equity of the Parent		751,901,797	788,699,984	823,855,595	880,870,202
Non-controlling interests		(13,827)	(4,653)	-	-
Total Shareholders' Equity		751,887,970	788,695,331	823,855,595	880,870,202
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,154,209,962	1,112,522,113	1,213,391,907	1,190,925,140

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2017	2016	2017	2016
REVENUES					
Revenues from sales		832,949,258	884,602,140	832,947,538	884,568,389
Revenues from services		37,851,854	41,795,283	22,138,184	19,592,770
Other incomes		29,444,529	31,263,906	31,839,181	33,713,469
Total Revenues		900,245,641	957,661,329	886,924,903	937,874,628
EXPENSES					
Cost of sales		712,944,000	744,907,127	712,997,502	744,899,076
Cost of services		39,162,761	36,608,367	19,964,970	15,620,510
Selling expenses		58,489,634	61,473,883	58,151,575	58,818,518
Administrative expenses		106,308,209	101,289,007	86,863,238	88,168,039
Doubful debts		8,134,525	(996,838)	53,266,190	(1,363,679)
Directors' remuneration	26	2,865,000	2,960,000	2,865,000	2,960,000
Finance costs		6,983,245	7,102,714	6,982,464	7,102,714
Total Expenses	27	934,887,374	953,344,260	941,090,939	916,205,178
Profit (loss) before income tax expenses		(34,641,733)	4,317,069	(54,166,036)	21,669,450
Income tax expenses (revenues)	28	(1,468,274)	6,281,928	(785,631)	6,281,928
Profit (loss) for the years		(33,173,459)	(1,964,859)	(53,380,405)	15,387,522

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
	Notes	2017	2016	2017	2016
Other comprehensive income (loss)					
Actuarial losses from employee benefit plan	22	(4,542,752)	-	(4,542,752)	-
Components of income tax		908,550	-	908,550	-
Actuarial losses from employee benefit plan-net of tax		(3,634,202)	-	(3,634,202)	-
Other comprehensive losses for the years		(3,634,202)	-	(3,634,202)	-
Total comprehensive income (loss) for the years		(36,807,661)	(1,964,859)	(57,014,607)	15,387,522
Profit (Loss) Attributable to					
Equity holders of the parent		(33,163,985)	(1,959,396)	(53,380,405)	15,387,522
Non-controlling interests		(9,474)	(5,463)	-	-
		(33,173,459)	(1,964,859)	(53,380,405)	15,387,522
Total Comprehensive Income (Loss) Attributable to					
Equity holders of the parent		(36,798,187)	(1,959,396)	(57,014,607)	15,387,522
Non-controlling interests		(9,474)	(5,463)	-	-
		(36,807,661)	(1,964,859)	(57,014,607)	15,387,522
Earnings (Loss) per Share of the Parent					
Basic Earnings (Loss) per Share	3.15	(0.038)	(0.002)	(0.062)	0.018
The number of common stocks used in computation earnings (loss) per share (shares)		864,786,382	864,772,852	864,786,382	864,772,852

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

CONSOLIDATED

		BAHT						
		Shareholders' equity of the parent					Non-	
		Issued and	Premium on	Premium on	Retained earnings (deficits)		Total	
		paid-up	common	sale treasury	Legal reserve	Unappropriated	equity of	controlling
		share capital	stocks	stock			the parent	interests
Note								Total
<u>Year 2016</u>								
Beginning balances as at January 1, 2016		432,384,316	565,015,214	15,534,581	12,707,000	(235,002,143)	790,638,968	810
Capital increase	23	8,875	11,537				20,412	
Total comprehensive loss for the year 2016						(1,959,396)	(1,959,396)	(5,463)
Ending balances as at December 31, 2016		432,393,191	565,026,751	15,534,581	12,707,000	(236,961,539)	788,699,984	(4,653)
<u>Year 2017</u>								
Beginning balances as at January 1, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(236,961,539)	788,699,984	(4,653)
Increase in non-controlling interests								300
Comprehensive loss for the year 2017 :-								
Total comprehensive loss for the year						(33,163,985)	(33,163,985)	(9,474)
Actuarial losses from employee benefit plan						(3,634,202)	(3,634,202)	-
Total comprehensive loss for the year 2017						(36,798,187)	(36,798,187)	(9,474)
Ending balances as at December 31, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(273,759,726)	751,901,797	(13,827)

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

C. I. GROUP PUBLIC COMPANY AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

SEPARATE FINANCIAL STATEMENTS

		BAHT					
		Issued and paid-up share capital	Premium on common stocks	Premium on sale treasury stock	Retained earnings (deficits)		Total
	Note				Legal reserve	Unappropriated	
<u>Year 2016</u>							
Beginning balances as at January 1, 2016		432,384,316	565,015,214	15,534,581	12,707,000	(160,178,843)	865,462,268
Capital increase	23	8,875	11,537				20,412
Total comprehensive income for the year 2016						15,387,522	15,387,522
Ending balances as at December 31, 2016		432,393,191	565,026,751	15,534,581	12,707,000	(144,791,321)	880,870,202
<u>Year 2017</u>							
Beginning balances as at January 1, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(144,791,321)	880,870,202
Comprehensive loss for the year 2017 :-							
Total comprehensive loss for the year						(53,380,405)	(53,380,405)
Actuarial losses from employee benefit plan						(3,634,202)	(3,634,202)
Total comprehensive loss for the year 2017						(57,014,607)	(57,014,607)
Ending balances as at December 31, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(201,805,928)	823,855,595

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2017

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT (LOSS) BEFORE INCOME TAX	(34,641,733)	4,317,069	(54,166,036)	21,669,450
ADJUSTMENTS TO RECONCILE PROFIT (LOSS) BEFORE INCOME TAX				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	67,012,112	70,162,571	57,301,839	60,223,560
Amortization of right to use land	1,309,803	1,309,803	-	-
Amortization of computer softwares	1,582,433	1,644,824	1,535,377	1,599,970
Amortization of withholding tax	-	28,486	-	478
Gain on equipment disposal	-	(212,588)	-	(212,588)
Loss on unused equipment	689,236	296,336	561,954	292,555
Loss on impairment for non-current assets classified as held for sale	14,764	400,185	14,764	400,185
Loss on impairment for deferred leasehold land	5,561,333	-	-	-
Bad debts	-	1,911,690	-	1,911,690
Doubtful debt (reverse) - trade and other receivables	8,134,525	(996,838)	3,266,190	(1,363,679)
Doubtful debt - long-term loan to subsidiary	-	-	50,000,000	-
Unrealized (gain) loss on exchange rates	(267,407)	938,240	(267,419)	936,830
Unrealized loss on marketable trading securities	-	240,000	-	240,000
Decrease on provision for diminution in inventories	(927,642)	(1,209,193)	(883,413)	(1,209,193)
Long-term employee benefit expenses	3,440,245	4,848,176	3,445,182	4,834,829
Transfer equipment installation to maintenance expense	5,238	15,325	5,238	15,325
Transfer computer software under development to expense	-	634,858	-	634,858
Interest income	(3,024,864)	(3,773,346)	(5,926,124)	(7,124,317)
Interest expenses	6,983,245	7,102,714	6,982,464	7,102,714
PROFIT FROM OPERATIONS BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES ITEMS	55,871,288	87,658,312	61,870,016	89,952,667
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	6,769,781	(49,804,092)	11,101,027	(49,915,136)
Inventories	(49,045,236)	54,311,805	(50,319,578)	55,670,324
Other current assets	(5,915,978)	(550,913)	(5,954,288)	(494,628)
Other non-current assets	40,561	177,036	72,894	152,812
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	48,929,055	27,230,845	49,399,664	25,342,853
Advances received from construction	9,746,005	-	9,746,005	-
Other current liabilities	(53,772)	603,689	(417,155)	605,638
Provision for long-term employee benefits	(1,067,450)	(580,000)	(1,067,450)	(580,000)
Other non-current liabilities	(28,000)	54,000	-	3,000
CASH PROVIDED FROM OPERATING ACTIVITIES	65,246,254	119,100,682	74,431,135	120,737,530

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2017

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
	2017	2016	2017	2016
Income tax refunded	-	374,957	-	374,957
Income tax expenses paid	(5,812,912)	(6,513,896)	(5,812,161)	(6,498,863)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	59,433,342	112,961,743	68,618,974	114,613,624
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease bank deposits with obligation	(36,630,400)	38,000,000	(36,630,400)	38,000,000
Increase in short-term loans to related parties	(8,000,000)	(10,000,000)	(24,250,000)	(13,011,500)
Decrease short-term loans to other person and company	-	30,500,000	-	30,000,000
Decrease in long-term loans to subsidiary	-	-	1,000,000	458,473
Interest received	2,684,542	3,745,894	2,753,793	3,746,798
Increase in investments in subsidiary	-	-	(999,700)	-
Purchase of property, plant and equipment	(37,568,817)	(65,777,383)	(37,302,424)	(65,278,229)
Purchase of computer softwares	(207,500)	(25,017)	(177,500)	(25,017)
Proceeds from disposal of equipment	-	218,270	-	218,270
Payment deposit on equipment	(10,259,450)	(5,262,187)	(4,059,450)	(5,262,187)
NET CASH USED IN INVESTING ACTIVITIES	(89,981,625)	(8,600,423)	(99,665,681)	(11,153,392)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest expenses paid	(6,974,891)	(7,139,866)	(6,974,110)	(7,139,866)
Decrease in bank overdrafts and short-term loans				
from financial institutions	(4,581,448)	(90,860,483)	(4,581,448)	(90,860,483)
Increase in short-term loan from other company	25,723,638	-	25,723,638	-
Payment for financial lease	(1,413,891)	(2,896,979)	(1,413,891)	(2,896,979)
Payment for land lease liabilities	(889,000)	(889,000)	-	-
Proceeds from capital increase	-	20,412	-	20,412
Increase in non-controlling interests	300	-	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	11,864,708	(101,765,916)	12,754,189	(100,876,916)
Effects of exchange rates in cash and cash equivalents	(4,217)	(5,372)	(4,217)	(3,962)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,687,792)	2,590,032	(18,296,735)	2,579,354
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	50,608,087	48,018,055	47,304,322	44,724,968
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	31,920,295	50,608,087	29,007,587	47,304,322

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (3/3)

FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
Non-cash flows items :				
Assets payable for equipment	412,166	577,050	369,179	467,800
Transferred deposit to building under construction				
and equipment	5,326,975	1,809,186	5,326,975	1,809,186
Transferred equipment during installation to inventories	123,000	-	123,000	-
Transferred short-term loans to subsidiary to				
long-term loan to subsidiary	-	-	-	2,000,000
Transferred accrued interest from subsidiary to				
long-term loan to subsidiary	-	-	-	7,158,473
Transferred machinery and equipment to non-current assets				
classified as held for sale	39,945	1,730,024	39,945	1,730,024

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

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. GENERAL INFORMATION

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	
- Head Office	1/1 Moo 7 Bangkoowad Road, Tambol Bangkoowad, Amphor Muang, Pathumthani Province.
- Branch	12/2 Moo 9 Bangkoowad Road, Tambol Bangkoowad, Amphor Muang, Pathumthani Province.
- Branch	526/1 Moo 3 Theparak Road, Tambol Theparak, Amphor Muang, Samutprakarn Province.
- Branch	789/75 Moo 1 Tambol Nong Kham, Amphor Si Racha, Chonburi Province.
1.3 Type of business	(1) Manufacturing and distributing air conditioning products and parts. (2) Invested in subsidiaries which operate business according to Note 11 to the financial statements.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 These consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

- 2.2** The consolidated financial statements included the financial statements of C.I.Group Public Company Limited and its subsidiaries as follows :

COMPANIES	PERCENTAGE OF HOLDING	
	DECEMBER 31, 2017	DECEMBER 31, 2016
C.I.G. (Thailand) Co., Ltd.	99.98	99.98
De Lamai Co., Ltd.	99.97	99.97
Siam Railway Development Co., Ltd.	99.97	-

- 2.3** Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.
- 2.4** The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.5** These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.6** The accounting standards that became effective in the current accounting year are as follows:

Thai Accounting Standards (TAS)

- | | |
|---------------------------|--|
| 1. TAS 1 (revised 2016) | Presentation of Financial Statements |
| 2. TAS 2 (revised 2016) | Inventories |
| 3. TAS 7 (revised 2016) | Statement of Cash Flows |
| 4. TAS 8 (revised 2016) | Accounting Policies, Changes in Accounting
Estimates and Errors |
| 5. TAS 10 (revised 2016) | Events After the Reporting Period |
| 6. TAS 11 (revised 2016) | Construction Contracts |
| 7. TAS 12 (revised 2016) | Income Taxes |
| 8. TAS 16 (revised 2016) | Property, Plant and Equipment |
| 9. TAS 17 (revised 2016) | Leases |
| 10. TAS 18 (revised 2016) | Revenue |
| 11. TAS 19 (revised 2016) | Employee Benefits |

12. TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
13. TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
14. TAS 23 (revised 2016)	Borrowing Costs
15. TAS 24 (revised 2016)	Related Party Disclosures
16. TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
17. TAS 27 (revised 2016)	Separate Financial Statements
18. TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
19. TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
20. TAS 33 (revised 2016)	Earnings Per Share
21. TAS 34 (revised 2016)	Interim Financial Reporting
22. TAS 36 (revised 2016)	Impairment of Assets
23. TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2016)	Intangible Assets
25. TAS 40 (revised 2016)	Investment Property
26. TAS 41 (revised 2016)	Agriculture
27. TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
28. TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
29. TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)

30. TFRS 2 (revised 2016)	Share-based Payment
31. TFRS 3 (revised 2016)	Business Combinations
32. TFRS 4 (revised 2016)	Insurance Contracts
33. TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
34. TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Assets
35. TFRS 8 (revised 2016)	Operating Segments
36. TFRS 10 (revised 2016)	Consolidated Financial Statements
37. TFRS 11 (revised 2016)	Joint Arrangements

- 38. TFRS 12 (revised 2016) Disclosure of Interests in Other Entities
- 39. TFRS 13 (revised 2016) Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

- 40. TSIC 10 (revised 2016) Government Assistance - No Specific Relation to Operating Activities
- 41. TSIC 15 (revised 2016) Operating Leases - Incentives
- 42. TSIC 25 (revised 2016) Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
- 43. TSIC 27 (revised 2016) Evaluating the Substance of Transactions in the Legal Form of a Lease
- 44. TSIC 29 (revised 2016) Service Concession Arrangements : Disclosure
- 45. TSIC 31 (revised 2016) Revenue - Barter Transactions Involving Advertising Services
- 46. TSIC 32 (revised 2016) Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

- 47. TFRIC 1 (revised 2016) Changes in Existing Decommissioning, Restoration and Similar Liabilities
- 48. TFRIC 4 (revised 2016) Determining Whether an Arrangement Contains a Lease
- 49. TFRIC 5 (revised 2016) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- 50. TFRIC 7 (revised 2016) Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
- 51. TFRIC 10 (revised 2016) Interim Financial Reporting and Impairment
- 52. TFRIC 12 (revised 2016) Service Concession Arrangements
- 53. TFRIC 13 (revised 2016) Customer Loyalty Programmes
- 54. TFRIC 14 (revised 2016) TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

55. TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
56. TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
57. TFRIC 18 (revised 2016)	Transfers of Assets from Customers
58. TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
59. TFRIC 21 (revised 2016)	Levies

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

- 2.7** The Federation of Accounting Professions has issued the new accounting standards but not yet effective.

Effective for fiscal years beginning on or after January 1, 2018

Thai Accounting Standards (TAS)

1. TAS 1 (revised 2017)	Presentation of Financial Statements
2. TAS 2 (revised 2017)	Inventories
3. TAS 7 (revised 2017)	Statement of Cash Flows
4. TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10 (revised 2017)	Events After the Reporting Period
6. TAS 11 (revised 2017)	Construction Contracts
7. TAS 12 (revised 2017)	Income Taxes
8. TAS 16 (revised 2017)	Property, Plant and Equipment
9. TAS 17 (revised 2017)	Leases
10. TAS 18 (revised 2017)	Revenue
11. TAS 19 (revised 2017)	Employee Benefits
12. TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
13. TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
14. TAS 23 (revised 2017)	Borrowing Costs

15. TAS 24 (revised 2017)	Related Party Disclosures
16. TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
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20. TAS 33 (revised 2017)	Earnings Per Share
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22. TAS 36 (revised 2017)	Impairment of Assets
23. TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2017)	Intangible Assets
25. TAS 40 (revised 2017)	Investment Property
26. TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standards (TFRS)

27. TFRS 2 (revised 2017)	Share-based Payment
28. TFRS 3 (revised 2017)	Business Combinations
29. TFRS 4 (revised 2017)	Insurance Contracts
30. TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
31. TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Assets
32. TFRS 8 (revised 2017)	Operating Segments
33. TFRS 10 (revised 2017)	Consolidated Financial Statements
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35. TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
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Thai Accounting Standard Interpretations (TSIC)

37. TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
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39. TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

- | | |
|----------------------------|---|
| 40. TSIC 27 (revised 2017) | Evaluating the Substance of Transactions in the Legal Form of a Lease |
| 41. TSIC 29 (revised 2017) | Service Concession Arrangements : Disclosure |
| 42. TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| 43. TSIC 32 (revised 2017) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (TFRIC)

- | | |
|-----------------------------|--|
| 44. TFRIC 1 (revised 2017) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 45. TFRIC 4 (revised 2017) | Determining Whether an Arrangement Contains a Lease |
| 46. TFRIC 5 (revised 2017) | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| 47. TFRIC 7 (revised 2017) | Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies |
| 48. TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment |
| 49. TFRIC 12 (revised 2017) | Service Concession Arrangements |
| 50. TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| 51. TFRIC 14 (revised 2017) | TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 52. TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| 53. TFRIC 17 (revised 2017) | Distributions of Non-cash Assets to Owners |
| 54. TFRIC 18 (revised 2017) | Transfers of Assets from Customers |
| 55. TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine |
| 56. TFRIC 21 (revised 2017) | Levies |

The management of the Group companies is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

The Company and subsidiaries recognized revenues from sales when the significant risks and rewards of ownership of the goods have passed to the buyers.

The Company and subsidiaries recognized revenues from services when those services are already rendered to customers.

The Company and subsidiaries recognized revenues from construction contract under percentage of completion method. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Revenues from additional work and other contracted work for which the working period do not exceed one year are recognized on the basis of work done and billed to the customer.

The Company and subsidiaries recorded revenues and expenses on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at the financial institutions due not more than 3 months from the date of acquisition with no obligation.

3.3 Short-term investments

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

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is made for estimated loss which may be incurred where collection is doubtful.

3.5 Unbilled receivables / Deferred construction revenues

Unbilled receivables consist of the cost of materials and labour, cost of sub-contract, other services and expenses including both net profit or loss computed net from the amount collected from customers.

The contracts which have construction value more than amount billed to customers will be presented as “Unbilled receivables” under current assets. For those contracts which have the amount billed more than the construction value will be presented as “Deferred construction revenues” under current liabilities.

3.6 Inventories

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

Construction contracts in progress consist of the cost of materials and labour, cost of sub-contract, other services and expenses of project.

The Company and subsidiaries set up provision for diminution in value of obsolete, deteriorated and non-salable inventories.

3.7 Non-current assets classified as held for sale

Non-current assets classified as held for sale are stated at book value or net fair value, whichever is the lower. The Company set up the provision for diminution in non-current assets classified as held for sale assets by estimating from the realizable sale value.

3.8 Investments

Investments in subsidiaries mean those companies in which the parent company in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries for the separate financial statements are presented by the cost method net after the allowance for impairment.

3.9 Investments property

Investments property includes property, building and structure stated at acquisition cost. Depreciation of building and structure is calculated by the straight-line method based on the estimated useful life of assets within 10-20 years.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method over the estimated useful life of the following assets:

PARTICULARS	YEARS OF USEFUL LIFE
Building and building improvements	10 - 20
Machineries and spare parts	5 - 10
Furniture, fixtures and office equipment	3 - 10
Vehicles	5
Other	5

Assets under financial leases are recorded by the fair value at the inception of the lease. Depreciation is calculated by the straight - line method based on the estimated useful life of assets.

3.11 Intangible assets

Computer softwares amortized to expense by the straight-line method for 5 years.

Deferred expenses amortized to expense by the straight-line method for 10 years.

3.12 Leases

Financial leases

Financial leases are leases which transfer to the Company most of substantial risks and rewards of ownership other than legal title. At the inception of the leases, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals.

Interest or financial expenses are recognized in the statements of comprehensive income in proportion to the principal balance.

Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statements of comprehensive income according to the lease term.

3.13 Employee benefits

Short-term employee benefits

The Company and subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company and subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. The provident fund is contributed by payments from employees and the Company and subsidiaries. Contributions to the provident fund are recorded to expense in the statements of comprehensive income in the incurred period.

Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

3.14 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

Income tax expenses

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

3.15 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the annual net profit (loss) for the year by the number of weighted average common stocks held by outsiders during the years.

3.16 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Gains or losses on exchange are credited or charged to current operations of each year.

3.17 Use of accounting estimates and judgment

In preparation of financial statements in accordance with generally accepted accounting standards requires management to use judgment on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company and subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to provision for investments adjustment, allowance for doubtful accounts, provision for diminution in inventories, provision for impairment of non-current assets classified as held for sale, allowance for depreciation of plant and equipment, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

4. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash	339,492	421,456	288,591	312,201
Cheque on hand	515,146	-	515,146	-
Bank deposit	31,065,657	50,186,631	28,203,850	46,992,121
Total cash and cash equivalents	31,920,295	50,608,087	29,007,587	47,304,322

5. SHORT-TERM INVESTMENTS

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Marketable trading securities		
Aggregate cost	1,960,000	1,960,000
Provision for investments adjustment	(1,300,000)	(1,300,000)
Total short-term investments	660,000	660,000

As at December 31, 2017, one security of investments in marketable trading securities (listed company) which has cost amount of Baht 1.96 million and has provision for diminution in investments amount of Baht 1.30 million and has net value amount of Baht 0.66 million (closing price as at August 15, 2016). As at December 31, 2017, there was no bid price to measure its fair value due to that listed company has not submitted the financial statements on time. Therefore it has been suspended trading by The Stock Exchange of Thailand and it may be delisted according to The Stock Exchange of Thailand's Regulations.

6. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Notes receivable	3,324,356	3,464,101	3,324,356	3,464,101
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	149,425,907	148,699,354	149,015,922	147,326,674
Overdue within 3 months	33,409,476	58,101,450	33,326,676	58,063,050
Over 3 to 6 months	2,628,102	2,212,967	2,628,102	2,190,467
Over 6 to 12 months	6,342,417	557,128	6,342,417	557,128
Over 12 months	16,191,760	17,972,476	16,191,760	17,972,476
Total trade accounts receivable	211,322,018	231,007,476	210,829,233	229,573,896
<u>Less</u> Allowance for doubtful accounts	(21,473,842)	(18,339,317)	(21,238,666)	(17,972,476)
Trade accounts receivable-net	189,848,176	212,668,159	189,590,567	211,601,420
Other receivables	18,692,454	5,883,922	17,426,873	7,058,373
<u>Less</u> Allowance for doubtful accounts	(5,000,000)	-	-	-
Other receivables-net	13,692,454	5,883,922	17,426,873	7,058,373
Total trade and other receivables	203,540,630	218,552,081	207,017,440	218,659,793

As at December 31, 2017, a part of trade receivables of the Company was discounted to other company. The Company still has to guarantee total amount of discounted trade receivables (Note 20).

As at March 31, 2017, De Lamai Co., Ltd. has received the payment of leasehold and assets by post dated cheque amount of Baht 5 million but it was unable to collect. It is recorded as trade receivable and providing allowance for doubtful accounts in full amount (Note 11).

7. SHORT-TERM LOANS TO RELATED PARTIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENT		Interest rate (%)	
	2017	2016	2017	2016		
C.I.G. (Thailand) Co., Ltd						
Beginning principal balances	-	-	250,000	-		
<u>Add</u> : Additional loans extended during the year	-	-	-	250,000		
<u>Less</u> : Settlement during the year	-	-	-	-		
Ending principal balances	-	-	250,000	250,000	-	-
De Lamai Co., Ltd.						
Beginning principal balances	-	-	2,761,500	2,000,000		
<u>Add</u> : Additional loans extended during the years	-	-	8,000,000	2,761,500		
<u>Less</u> : Settlement during the year	-	-	-	-		
Transferred to long-term loan to subsidiary	-	-	-	(2,000,000)		
Ending principal balances	-	-	10,761,500	2,761,500	1.50	15.00
Siam Railway Development Co., Ltd.						
Beginning principal balance	-	-	-	-		
<u>Add</u> : Additional loans extended during the year	-	-	8,250,000	-		
<u>Less</u> : Settlement during the year	-	-	-	-		
Ending principal balance	-	-	8,250,000	-	1.50	-
Fakwanti Co., Ltd.						
Beginning principal balances	10,000,000	-	10,000,000	-		
<u>Add</u> : Additional loans extended during the years	8,000,000	10,000,000	15,525,412	10,000,000		
<u>Less</u> : Settlement during the year	-	-	(7,525,412)	-		
Ending principal balances	18,000,000	10,000,000	18,000,000	10,000,000	7.50-15.00	12.00
Total short-term loans to related parties	18,000,000	10,000,000	37,261,500	13,011,500		

8. DEFAULT PAYMENT OF LOAN TO OTHER PERSON

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Beginning balances		
Principal	26,882,892	26,882,892
Interest	12,027,397	12,027,397
Ending balances	38,910,289	38,910,289

The Company has loan to other person amounting to Baht 92.03 million (principal amounting to Baht 80 million and accrued interest receivable amounting to Baht 12.03 million) which the borrower has mortgaged land and construction in Phuket province as collateral. The appraised value of the collateral is Baht 110 million (as appraisal report dated March 25, 2010). In addition, the borrower has handed over 450,000 common shares of a company that operates a hotel business in Phuket province as additional collateral. Due to the borrower default payment, the Company filed lawsuits against the borrower in court. The court has the verdict that orders the borrower to repay the debt to the Company. In case of fail, the collateral should be forced sale, if the forced sale amount is inadequate; the debtor's personal assets shall be forced sale after on. Since March 2010, the Company has filed to execute the enforcement of the assets confiscation. On November 14, 2013, the Company entered into the bidding of land and construction, and the officer had approved the Company to be bidder at the price of Baht 60 million. In August 2014, the Company registered the receipt of the land and construction and recorded in the "Investments Property" account. For the balance of the loan amount of Baht 38.91 million, the Company has been following up the confiscation of other personal assets of the debtor which are condominium units and many pieces of land.

The handed-over common shares of a company as collateral have been kept under the custody of the Company's lawyer for confiscation after other personal assets, condominium units and many pieces of land, of the debtor have been confiscated.

In May 2016, the Central Bankruptcy Court has ordered receivership the debtor and on July 15, 2016, the Company has filed the requisition for repayment from the debtor's assets amount Baht 87.34 million.

On February 20, 2017, the officer has announced the auction of the debtor' land and some of land have been sold by the auction on April 20, 2017.

On August 1, 2017, the official receiver has called the first creditors' meeting, but the debtor did not apply for reimbursement to the official receiver in any way. The official receiver reported to court and asked the court to order the debtor to be bankrupted on September 5, 2017.

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.

9. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Raw materials	130,566,074	105,196,168	130,566,074	105,196,168
Goods in process	9,959,327	8,326,801	9,959,327	8,326,801
Finished goods	26,602,151	19,854,242	26,471,431	19,750,117
Goods in transit	17,739,002	4,789,753	17,739,002	4,789,753
Supplies	5,130,625	5,596,762	4,982,751	5,567,857
Construction contracts in progress	4,354,689	1,419,906	4,354,689	-
Total	194,351,868	145,183,632	194,073,274	143,630,696
<u>Less</u> Provision for diminution in inventories	(16,220,865)	(17,148,507)	(16,220,865)	(17,104,278)
Inventories-net	178,131,003	128,035,125	177,852,409	126,526,418

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

BAHT

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	2016	Increase	Transfer	2017
Non-current assets classified as held for sale	1,730,024	-	39,945	1,769,969
<u>Less</u> Provision for impairment	(400,185)	(14,764)	-	(414,949)
Non-current assets classified as held for sale-net	1,329,839			1,355,020

11. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARIES	Percentage of Holding		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
C.I.G. (Thailand) Co., Ltd.	99.98	99.98	52,985,000	52,985,000
De Lamai Co., Ltd.	99.97	99.97	146,547,841	146,547,841
Siam Railway Development Co., Ltd.	99.97	-	999,700	-
Total			200,532,541	199,532,841
<u>Less</u> Provision for diminution in investments			(146,547,841)	(146,547,841)
Total Investments in Subsidiaries			53,984,700	52,985,000

SUBSIDIARIES	Type of Business	Paid-up Capital		Dividend	
		2017	2016	2017	2016
C.I.G. (Thailand) Co., Ltd.	Manufacture and distributing air conditioning products	53,000,000	53,000,000	-	-
De Lamai Co., Ltd.	Hotel	100,000,00	100,000,00	-	-
Siam Railway Development Co., Ltd.	Maintenance locomotive of The State Railway of Thailand.	1,000,000	-	-	-

On January 16, 2017, the Company has invested in Siam Railway Development Company Limited, the common stock of 9,997 shares amount of Baht 999,700, to be 99.97% in shareholding proportion.

On December 23, 2016, De Lamai Co., Ltd. has signed contract to sell the leasehold and assets. The purchase and sale of lease structure and assets in the building and the buyer will operate both hotels from January 1, 2017, totaling Baht 200,000,000 (two hundred million Baht), payment by quarterly at Baht 5,000,000, a total of 40 periods (10 years) on the last day of the quarter.

When the buyer has made all payment to the seller, the seller agrees to transfer leasehold and assets to the buyer.

As at March 31, 2017, De Lamai Co., Ltd. received the payment of leasehold and assets by post dated cheque amount of Baht 5 million but it was unable to collect. The Company has terminated contract and notified the legal action in June 2017.

De Lamai Co., Ltd. has returned to operate hotels since April 1, 2017.

12. OTHER LONG-TERM INVESTMENTS

12.1 INVESTMENTS IN OTHER COMPANY

As at December 31, 2017 and 2016, the subsidiary has investment in Fakwantip Co., Ltd. totaling Baht 30 million.

On November 17, 2016, the rehabilitation plan manager of Fakwantip Co., Ltd. has submitted a request to the Central Bankruptcy Court to consider the proposal for changing the plan for the commercial operation date not exceeding on January 02, 2017, and repayment to the creditors. The rehabilitation plan manager will send a report and explanation to the court.

On March 15, 2017, the Central Bankruptcy Court agreed with the restructuring plan according to the resolution of the official creditors' meeting.

As at December 31, 2017, the Fakwantip Co., Ltd. has commercially operated and repayment to the creditors according rehabilitation plan.

On February 14, 2018, the rehabilitation plan manager of Fakwantip Co., Ltd. has submitted a request to the Central Bankruptcy Court to consider and order the cancellation of the rehabilitation plan of Fakwantip Co., Ltd. The Central Bankruptcy Court has set the hearing of the petition on April 30, 2018.

The financial statements of Fakwantip Co., Ltd. are awaiting the update of the rehabilitation plan.

12.2 FIXED DEPOSITS WITH OBLIGATION

The Company has pledged its deposit at bank as collateral for the repayment of loans and collateral for the issuance of bank guarantee of the Company.

13. LONG-TERM LOAN TO SUBSIDIARY

BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENT
De Lamai Co., Ltd.	
Beginning principal balance January 1, 2016	174,800,000
<u>Less</u> : Settlement during the year	(900,000)
	173,900,000
Transferred short-term loan	2,000,000
Transferred accrued interest	7,158,473
Loan according to acknowledgment of the borrower	183,058,473
<u>Add</u> : Additional loans extended during the year	941,527
The new loan agreement	184,000,000
<u>Less</u> : Settlement during the year	(500,000)
Ending principal balance December 31, 2016	183,500,000
<u>Less</u> : Settlement during the year	(1,000,000)
	182,500,000
<u>Less</u> : Allowance for doubtful account	(50,000,000)
Ending principal balance December 31, 2017	132,500,000

On July 15, 2016, the subsidiary has signed new loan agreements amount of Baht 184 million because it was unable to made repayment under the original loan agreement with amount of Baht 183.06 million, consisting of a principal amount of Baht 175.90 million, accrued interest receivable amount of Baht 7.16 million as part of the principal (calculated until June 30, 2016) and an additional loan of Baht 0.94 million for working capital. The repayments under the terms of the contract by period of three months from August 31, 2016 to June 30, 2031, bearing interest rate at 1.50 per annum.

14. INVESTMENTS PROPERTY

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	Land	Building and structure	Total
<u>Cost</u>			
As at January 1, 2016	15,524,856	45,700,357	61,225,213
Increase	-	-	-
As at December 31, 2016	15,524,856	45,700,357	61,225,213
Increase	-	-	-
As at December 31, 2017	15,524,856	45,700,357	61,225,213
<u>Accumulated depreciation</u>			
As at January 1, 2016	-	68,858	68,858
Increase	-	54,602	54,602
As at December 31, 2016	-	123,460	123,460
Increase	-	46,143	46,143
As at December 31, 2017	-	169,603	169,603
<u>Book Value</u>			
As at December 31, 2016	15,524,856	45,576,897	61,101,753
As at December 31, 2017	15,524,856	45,530,754	61,055,610
<u>Fair value</u>			
Year 2016	34,869,872	92,830,128	127,700,000
Year 2017	34,869,872	92,830,128	127,700,000

In 2015, the Company has appraised its land, building and structure by the independent appraiser in finding the fair value of investments property at Phuket of Baht 120,500,000 (book value for year 2017 amount of Baht 60,943,610) and investments property at Bangkok of Baht 7,200,000 (book value for year 2017 amount of Baht 112,000).

15. PROPERTY, PLANT AND EQUIPMENT

									BAHT
CONSOLIDATED	Land and land improvement	Building structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Facilities	Vehicles	Fixed assets under installation	Assets under financial leases	Total
<u>Cost</u>									
As at January 1, 2016	94,485,860	526,264,377	673,459,589	28,442,277	1,200,671	8,698,018	7,112,141	22,483,925	1,362,146,858
Purchases	36,173,773	677,496	5,600,220	2,012,799	135,309	-	23,564,022	-	68,163,619
Sold and amortization	-	-	(12,151,390)	(2,819,599)	(148,149)	-	-	-	(15,119,138)
Transfer to/from	-	-	13,463,797	5,790	-	11,943,925	(13,484,912)	(11,943,925)	(15,325)
Transfer to non-current assets classified as held for sale	-	-	(12,688,780)	-	-	-	-	-	(12,688,780)
As at December 31, 2016	130,659,633	526,941,873	667,683,436	27,641,267	1,187,831	20,641,943	17,191,251	10,540,000	1,402,487,234
Purchases	-	1,318,627	11,939,649	729,363	29,000	-	29,291,319	-	43,307,958
Sold and amortization	-	(649,826)	(4,205,808)	(1,122,045)	(43,089)	-	-	-	(6,020,768)
Transfer to/from	-	-	944,390	-	-	1,468,458	(1,072,628)	(1,468,458)	(128,238)
Transfer to non-current assets classified as held for sale	-	-	(1,260,492)	-	-	-	-	-	(1,260,492)
As at December 31, 2017	130,659,633	527,610,674	675,101,175	27,248,585	1,173,742	22,110,401	45,409,942	9,071,542	1,438,385,694
<u>Accumulated depreciation</u>									
As at January 1, 2016	-	221,320,093	474,163,825	24,331,113	1,171,275	7,025,818	-	6,312,845	734,324,969
Depreciation for the year 2016	33,226	17,977,342	45,181,344	1,905,810	22,893	2,550,335	-	2,437,019	70,107,969
Sold and amortization	-	-	(11,869,356)	(2,799,624)	(148,140)	-	-	-	(14,817,120)
Transfer to/from	-	-	-	-	-	4,776,580	-	(4,776,580)	-
Transfer to non-current assets classified as held for sale	-	-	(10,958,756)	-	-	-	-	-	(10,958,756)
As at December 31, 2016	33,226	239,297,435	496,517,057	23,437,299	1,046,028	14,352,733	-	3,973,284	778,657,062
Depreciation for the year 2017	33,226	17,386,652	42,779,870	1,884,507	39,492	3,267,529	-	1,574,693	66,965,969
Sold and amortization	-	(528,165)	(3,704,110)	(1,084,782)	(43,083)	-	-	-	(5,360,140)
Transfer to/from	-	-	-	-	-	842,308	-	(842,308)	-
Transfer to non-current assets classified as held for sale	-	-	(1,220,547)	-	-	-	-	-	(1,220,547)
As at December 31, 2017	66,452	256,155,922	534,372,270	24,237,024	1,042,437	18,462,570	-	4,705,669	839,042,344
<u>Allowance for impairment</u>									
As at December 31, 2016	-	(97,069,230)	-	-	-	-	-	-	(97,069,230)
As at December 31, 2017	-	(97,069,230)	-	-	-	-	-	-	(97,069,230)
<u>Book Value</u>									
As at December 31, 2016	130,626,407	190,575,208	171,166,379	4,203,968	141,803	6,289,210	17,191,251	6,566,716	526,760,942
As at December 31, 2017	130,593,181	174,385,522	140,728,905	3,011,561	131,305	3,647,831	45,409,942	4,365,873	502,274,120

SEPARATE FINANCIAL STATEMENTS	Land and land improvement	Building structure and improvement	Machinery and equipment	Furniture fixtures and office equipment	Vehicles	Fixed assets under installation	Assets under financial leases	Total
<u>Cost</u>								
As at January 1, 2016	94,037,376	164,522,904	669,050,950	23,081,538	6,612,243	7,112,141	22,483,925	986,901,077
Purchases	36,173,773	660,187	5,385,539	1,771,694	-	23,564,022	-	67,555,215
Sold and amortization	-	-	(11,116,265)	(2,789,376)	-	-	-	(13,905,641)
Transfer to/from	-	-	13,463,797	5,790	11,943,925	(13,484,912)	(11,943,925)	(15,325)
Transfer to non-current assets classified as held for sale	-	-	(12,688,780)	-	-	-	-	(12,688,780)
As at December 31, 2016	130,211,149	165,183,091	664,095,241	22,069,646	18,556,168	17,191,251	10,540,000	1,027,846,546
Purchases	-	1,296,861	11,783,582	648,420	-	29,269,715	-	42,998,578
Sold and amortization	-	(489,666)	(3,085,881)	(1,013,699)	-	-	-	(4,589,246)
Transfer to/from	-	-	944,390	-	1,468,458	(1,072,628)	(1,468,458)	(128,238)
Transfer to non-current assets classified as held for sale	-	-	(1,260,492)	-	-	-	-	(1,260,492)
As at December 31, 2017	130,211,149	165,990,286	672,476,840	21,704,367	20,024,626	45,388,338	9,071,542	1,064,867,148
<u>Accumulated depreciation</u>								
As at January 1, 2016	-	100,525,258	469,965,999	18,991,013	4,940,045	-	6,312,845	600,735,160
Depreciation for the year 2016	-	8,184,060	45,109,423	1,888,121	2,550,335	-	2,437,019	60,168,958
Sold and amortization	-	-	(10,834,386)	(2,773,018)	-	-	-	(13,607,404)
Transfer to/from	-	-	-	-	4,776,580	-	(4,776,580)	-
Transfer to non-current assets classified as held for sale	-	-	(10,958,756)	-	-	-	-	(10,958,756)
As at December 31, 2016	-	108,709,318	493,282,280	18,106,116	12,266,960	-	3,973,284	636,337,958
Depreciation for the year 2017	-	7,905,238	42,674,219	1,834,017	3,267,529	-	1,574,693	57,255,696
Sold and amortization	-	(462,967)	(2,601,636)	(991,297)	-	-	-	(4,055,900)
Transfer to/from	-	-	-	-	842,308	-	(842,308)	-
Transfer to non-current assets classified as held for sale	-	-	(1,220,547)	-	-	-	-	(1,220,547)
As at December 31, 2017	-	116,151,589	532,134,316	18,948,836	16,376,797	-	4,705,669	(688,317,207)
<u>Book Value</u>								
As at December 31, 2016	130,211,149	56,473,773	170,812,961	3,963,530	6,289,208	17,191,251	6,566,716	391,508,588
As at December 31, 2017	130,211,149	49,838,697	140,342,524	2,755,531	3,647,829	45,388,338	4,365,873	376,549,941

The Company has mortgaged its land with structure and machinery with commercial bank as collateral for loans obtained from the financial institutions (Note 18) with various commitments as specified in the loan contract, for example: the transfer of beneficiary to the lender, etc.

16. DEFERRED LEASEHOLD LAND

BAHT

PARTICULARS	CONSOLIDATED	
	2017	2016
Leasehold land - cost	32,270,526	32,270,526
<u>Less</u> Accumulated amortization	(14,286,116)	(12,976,313)
	17,984,410	19,294,213
<u>Less</u> Provision for impairment	(5,561,333)	-
Leasehold land - net	12,423,077	19,294,213
Amortization for the years	1,309,803	1,309,803

16.1 Leasehold recorded in the subsidiary amounting Baht 22 million is leases of land title deeds No. 7919 and 7920 Maret District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 26 years (June 2005 to June 2031).

16.2 Leasehold recorded in the subsidiary amounting Baht 10.27 million is leases of land title deeds No. 24160 with the building of the Room Hotel, Bophut District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 20 years (January 2010 to December 2029). On December 22, 2017, De Lamai Co., Ltd. has signed contract to sell the leasehold and assets. The buyer will start operating from January 1, 2018, totaling Baht 1,000,000, payment on the contract date of Baht 200,000. The remaining amount is paid monthly at Baht 100,000 per month for 8 months on the fifth day of the month. The first installment is start in February 5, 2018, onwards. The subsidiary received the payment of leasehold and assets the first installment in March 2018.

In 2017, the subsidiary has provided the allowance for impairment of leasehold because the subsidiary has signed contract to sell the leasehold of the Room Hotel that the carrying amount of assets exceeded its recoverable amount. The subsidiary recognized a loss on impairment of Baht 5.56 million.

17. INTANGIBLE ASSETS

BAHT

CONSOLIDATED	Computer softwares	Computer softwares under development	Deferred expenses	Total
<u>Cost</u>				
As at January 1, 2016	26,605,568	634,858	451,000	27,691,426
Purchases	25,017	-	-	25,017
Sold and amortization	-	(634,858)	-	(634,858)
As at December 31, 2016	26,630,585	-	451,000	27,081,585
Purchases	207,500	-	-	207,500
Sold and amortization	(120,000)	-	-	(120,000)
As at December 31, 2017	26,718,085	-	451,000	27,169,085
<u>Accumulated amortization</u>				
As at January 1, 2016	20,642,511	-	326,447	20,968,958
Amortization for the year 2016	1,599,970	-	44,854	1,644,824
As at December 31, 2016	22,242,481	-	371,301	22,613,782
Amortization for the year 2017	1,537,579	-	44,854	1,582,433
Sold and amortization	(91,392)	-	-	(91,392)
As at December 31, 2017	23,688,668	-	416,155	24,104,823
<u>Book Value</u>				
As at December 31, 2016	4,388,104	-	79,699	4,467,803
As at December 31, 2017	3,029,417	-	34,845	3,064,262

BAHT

SEPARATE FINANCIAL STATEMENTS	Computer softwares	Computer softwares under development	Total
<u>Cost</u>			
As at January 1, 2016	25,711,703	634,858	26,346,561
Purchases	25,017	-	25,017
Sold and amortization	-	(634,858)	(634,858)
As at December 31, 2016	25,736,720	-	25,736,720
Purchases	177,500	-	177,500
Sold and amortization	(120,000)	-	(120,000)
As at December 31, 2017	25,794,220	-	25,794,220
<u>Accumulated amortization</u>			
As at January 1, 2016	19,748,650	-	19,748,650
Amortization for the year 2016	1,599,970	-	1,599,970
As at December 31, 2016	21,348,620	-	21,348,620
Amortization for the year 2017	1,535,377	-	1,535,377
Sold and amortization	(91,392)	-	(91,392)
As at December 31, 2017	22,792,605	-	22,792,605
<u>Book Value</u>			
As at December 31, 2016	4,388,100	-	4,388,100
As at December 31, 2017	3,001,615	-	3,001,615

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Bank overdrafts	10,905,729	1,167,549
Promissory note	50,000,000	35,000,000
Trust receipt	49,787,110	79,704,397
Total	110,692,839	115,871,946

The Company has mortgaged its land with structure and machineries, as collateral for bank overdrafts and short-term loans (Note 15).

19. TRADE AND OTHER PAYABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Trade accounts payable	162,963,870	127,240,499	162,682,651	125,310,366
Post dated cheque	1,860,538	-	1,831,648	-
Accrued expenses	17,603,570	16,515,384	14,600,753	13,600,162
Advance received from customers	14,750,029	7,028,169	14,130,253	6,791,307
Other payables	9,340,624	6,516,198	8,589,569	6,487,048
Total	206,518,631	157,300,250	201,834,874	152,188,883

20. SHORT-TERM LOANS FROM OTHER COMPANY

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
	December 31, 2017
Beginning principal balance	-
<u>Add</u> : Additional loans extended during the year	25,723,638
Ending principal balance	25,723,638

As at December 31, 2017, the Company has short-term loans from other company from discounted trade receivables amount of Baht 25.72 million, interest rate at 5.50 per annum.

21. FINANCIAL LEASE LIABILITIES

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Within 1 year	1,476,943	1,413,891
Over 1 year not over 5 years	1,235,081	2,712,024
Total minimum amount to pay	2,712,024	4,125,915
<u>Less</u> Portion due within one year	(1,476,943)	(1,413,891)
Financial lease liabilities-net	1,235,081	2,712,024

The portion of long-term financial lease liabilities due within one year has been shown under current liabilities.

Vehicle Leasing Agreement

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
Agreement dates	Period		Amount in Agreement (Million Baht)	Rental per Month (Baht)	Notes
	Started	Ended			
January 2014	February 2014	January 2017	0.38	10,418	- Hire purchase
January 2014	February 2014	January 2017	0.38	10,418	- Hire purchase
January 2014	February 2014	January 2017	0.38	10,418	- Hire purchase
October 2014	October 2014	September 2019	2.58	42,986	- Hire purchase
October 2014	October 2014	September 2019	2.61	43,555	- Hire purchase
April 2015	April 2015	March 2019	0.66	13,652	- Hire purchase
August 2015	September 2015	August 2019	0.61	12,801	- Hire purchase
December 2015	February 2016	January 2020	0.95	19,727	- Hire purchase

22. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Defined benefit obligation				
Balances as at January 1,	30,206,398	25,938,222	30,140,932	25,886,103
Actuarial losses (recognized in other comprehensive income)	4,542,752	-	4,542,752	-
Benefit paid during the year	(1,067,450)	(580,000)	(1,067,450)	(580,000)
Current service cost	2,388,745	3,769,156	2,330,161	3,721,580
Interest cost	1,116,966	1,115,621	1,115,021	1,113,249
Cancelled long-term employee benefits	(65,466)	(36,601)	-	-
Balances as at December 31,	37,121,945	30,206,398	37,061,416	30,140,932

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Discount rate	2.96 - 3.32 % per annum	3.76 % per annum	2.96 - 3.08% per annum	3.76 % per annum
Future salary increase rate	2.94 - 5.00 % per annum	5.00 - 6.00 % per annum	2.94 - 4.14 % per annum	5.00 % per annum
Average staff turnover rate	0 - 45.00 % per annum	0 - 44.39 % per annum	0 - 45.00 % per annum	0 - 44.39 % per annum

23. SHARE CAPITAL

On April 24, 2017, the Ordinary General Shareholders' Meeting for 2017 was held and approved the resolutions as follows;

- Approved to decrease of the Company's authorized share capital of Baht 648,576,474 to Baht 540,489,270 due to expired of warrant CIG-W5 and to approve amendment to Clause 4 of the Company's Memorandum of Association in accordance with the decrease of authorized share capital.

The Company has registered the capital decrease with the Ministry of Commerce on May 3, 2017.

- Approved to increase of the Company's authorized share capital of 216,195,708 shares with a par value of Baht 0.50 per share, equal to Baht 108,097,854 to accommodate the exercise of CIG-W7 and to approve amendment to Clause 4 of the Company's Memorandum of Association in accordance with the increase of authorized share capital.

The Company has registered the capital increase with the Ministry of Commerce on May 4, 2017.

- Approved issuance and allocation of the increased common stocks of not exceeding 216,195,708 shares with a par value of Baht 0.50 per share in accordance with the increase registered capital of the Company to accommodate the exercise of CIG-W7. It is assigned to the Board of Directors of the Company and/or the Authorized Directors and/or the person assigned by the Board of Directors of the Company and/or the Authorized Directors to have his power to consider and to determine remaining capital for unexercised warrants as seen appropriate.

On April 29, 2016, the Ordinary General Shareholders' Meeting for 2016 was held and approved the resolutions as follows;

- Approved to decrease of the Company's authorized share capital of Baht 43,238,430 according to the General Mandate of Private Placement by the General Shareholders' Meeting No. 1/2015, from Baht 583,718,825 to Baht 540,480,395 and to approve amendment to Clause 4 of the Company's Memorandum of Association in accordance with the decrease of authorized share capital.

The Company has registered the capital decrease with the Ministry of Commerce on May 10, 2016.

- Approved to increase of the Company's authorized share capital of 216,192,158 shares with a par value of Baht 0.50 per share, equal to Baht 108,096,079 to accommodate the exercise of CIG-W6 and to approve amendment to Clause 4 of the Company's Memorandum of Association in accordance with the increase of authorized share capital.

The Company has registered the capital increase with the Ministry of Commerce on May 11, 2016.

- Approved issuance and allocation of the increased common stocks of not exceeding 216,192,158 shares with a par value of Baht 0.50 per share in accordance with the increase registered capital of the Company to accommodate the exercise of CIG-W6. It is assigned to the Board of Directors of the Company and/or the Authorized Directors and/or the person assigned by the Board of Directors of the Company and/or the Authorized Directors to have his power to consider and to determine remaining capital for unexercised warrants as seen appropriate.

On October 6, 2016, the Company has registered the increase of the paid-up share capital with the Ministry of Commerce amount of Baht 432,393,191 (864,786,382 shares of Baht 0.50 par value) from the exercise of CIG-W5 at 17,750 units, paid-up share capital increase of Baht 8,875 and premium on common stocks increase of Baht 11,537.

24. WARRANTS

CIG-W7 WARRANTS

On April 24, 2017, the Ordinary General Shareholders' Meeting for 2017 was held and approved issuance and offering of warrants No. 7 (CIG-W7) to existing shareholders of the Company in the amount of not exceeding 216,192,708 units at zero Baht and offer to purchase common stocks of the Company to existing shareholders at the ratio of 5 existing shares : 1 unit of CIG-W7.

The number of shares issued for the exercise of CIG-W6 and CIG-W7 combined will not exceed 50 percent of the paid up capital. The Board of Directors or authorized persons has the right to consider and adjust any conditions and details of CIG-W7. One unit of CIG-W7 can be exercised to buy a common stock at Baht 2 per share. The record date for eligible shareholders who have the right to receive CIG-W7 was on April 3, 2017. The first exercise date is June 30, 2017 and the last exercise date is February 14, 2019.

As at December 31, 2017, no exercise has been made.

CIG-W6 WARRANTS

On April 29, 2016, the Ordinary General Shareholders' Meeting for 2016 was held and approved issuance and offering of warrants No. 6 (CIG-W6) to existing shareholders of the Company in the amount of not exceeding 216,192,158 units at zero Baht.

- In case of CIG-W5 holders not exercise CIG-W5 in March - April 2016 at the ratio of 4 existing common stocks per 1 unit of CIG-W6 (delete any fraction of shares).
- In case of CIG-W5 holders exercised in March - April 2016 at the ratio of 5 existing common stocks per 1 unit of CIG-W6 (delete any fraction of shares).

The number of shares issued for the exercise of CIG-W5 and CIG-W6 combined will not exceed 50 percent of the paid up capital. The Board of Directors or authorized persons has the right to consider and adjust any conditions and details of CIG-W6. One unit of CIG-W6 can be exercised to buy a common stock at Baht 1.50 per share. The record date for eligible shareholders who have the right to receive CIG-W6 was on May 11, 2016. The first exercise date was June 30, 2016 and the last exercise date is May 31, 2018.

As at December 31, 2017, no exercise has been made.

CIG-W5 WARRANTS

On April 20, 2015, the Ordinary General Shareholders' Meeting for 2015 was held and approved to issue and offer warrants to purchase common stocks of the Company to existing shareholders of the Company in the amount of not over 216,192,158 units at the ratio of 4 existing shares : 1 unit to buy share at Baht 1.15 per share. The record date for eligible shareholders who have the right to receive warrants No. 5 (CIG-W5) was on April 28, 2015, and the book closing date for collecting the name of shareholders on April 29, 2015.

The Company has been approved to issue warrants to purchase the Company's common stocks on May 7, 2015 for 216,185,556 units at no selling price. The distribution of the warrants to the existing shareholders at the ratio of 4 existing shares to 1 unit of warrant with the duration of 1 year and 4 months and 25 days. The first exercise date was May 31, 2015 and the last exercise date was September 30, 2016.

As at September 30, 2016, warrant 17,750 units have been exercised. The remaining of warrant to purchase common stocks 216,167,806 units were expired.

The Company has registered the increase of the paid-up share capital with the Ministry of Commerce from Baht 432,384,316 to Baht 432,393,191 on October 6, 2016.

The warrants allocated to the existing shareholders amount of 216,192,158 units, only 17,750 units were subscribed. The remaining 216,174,408 units were cancelled. The Company decreased its shares capitals that were not sold with the Ministry of Commerce on May 3, 2017.

25. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside for legal reserve at least 5% of annual net profit less deficits (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend.

In 2017 and 2016, the Company has provided legal reserve amount of Baht 12.71 million of both years.

26. DIRECTORS' REMUNERATION

On April 24, 2017, the Ordinary General Shareholders' Meeting for 2017 was held and approved to pay the directors' remuneration for 2017 at the maximum of Baht 8 million.

On April 29, 2016, the Ordinary General Shareholders' Meeting for 2016 was held and approved to pay the directors' remuneration for 2016 at the maximum of Baht 8 million.

27. EXPENSES BY NATURE

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Decrease (increase) in change of finished goods and work in progress	(8,380,435)	8,862,065	(8,353,840)	8,818,303
Raw materials and consumables used	518,275,325	493,402,430	517,944,946	492,586,066
Purchase of goods for sale	12,367,732	43,450,656	11,412,100	41,553,997
Director and management benefit expenses	25,127,800	20,326,600	22,927,800	20,326,600
Employee benefit expenses	189,106,223	180,139,219	182,639,890	170,107,730
Depreciation and amortization expenses	69,904,348	73,117,198	58,837,216	61,823,530
Finance costs	6,983,245	7,102,714	6,982,464	7,102,714
Other expenses	121,503,136	126,943,378	148,700,363	113,886,238
Total	934,887,374	953,344,260	941,090,939	916,205,178

28. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2017 and 2016 were calculated from the accounting profit (loss), adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes.

The Company and subsidiaries' income taxes were calculated at the rate of 20 percent.

Income taxes expenses recognized in the comprehensive income statements consist:

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
The corporate income tax for the years	169,424	6,746,356	169,424	6,746,356
Deferred taxes from temporary differences	(1,637,698)	(464,428)	(955,055)	(464,428)
Income tax expenses (revenues)	(1,468,274)	6,281,928	(785,631)	6,281,928

As at December 31, 2017 and 2016, the deferred tax assets arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Accumulated temporary differences in the statements of comprehensive income				
Provision for adjustment in marketable trading securities	1,300,000	1,300,000	1,300,000	1,300,000
Allowance for doubtful debt - trade receivables	21,238,666	17,972,476	21,238,666	17,972,476
Provision for diminution in inventories	16,220,865	17,104,278	16,220,865	17,104,278
Provision for impairment for non-current assets classified as held for sale	414,949	400,185	414,949	400,185
Provision for diminution in investments in subsidiary	-	-	146,547,841	146,547,841
Provision for long-term employee benefits	32,518,664	30,140,932	32,518,664	30,140,932
Tax deficits not exceeding 5 accounting years	3,413,219	-	-	-
Total	75,106,363	66,917,871	218,240,985	213,465,712
Temporary differences in other comprehensive income				
- recognized in retained earnings				
Provision for long-term employee benefits	4,542,752	-	4,542,752	-
Total	79,649,115	66,917,871	222,783,737	213,465,712
Deferred tax assets calculated from tax rate of 20%	15,929,823	13,383,574	44,556,747	42,693,142

29. FOREIGN CURRENCY TRANSACTIONS

The Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED				SEPARATE FINANCIAL STATEMENTS			
	2017		2016		2017		2016	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	3,203.63	104,164.84	2,678.48	95,511.32	3,203.63	104,164.84	2,678.48	95,511.32
AUD	61.09	1,532.27	32.34	826.19	61.09	1,532.27	32.34	826.19
Others		32.68		75.20		32.68		51.19
Total		105,729.79		96,412.71		105,729.79		96,388.70
<u>Liabilities</u>								
USD	3,774.19	123,971.56	3,537.86	127,371.75	3,773.81	123,958.93	3,537.86	127,371.75
EUR	1.33	52.57	99.16	3,781.68	1.33	52.57	99.16	3,781.68
Total		124,024.13		131,153.43		124,011.50		131,153.43

30. PROVIDENT FUND

The Company and its subsidiary have set up a provident fund for the employees under the Provident Fund Act, B.E. 2530 (1987), in order to be their welfare as well as security whenever resignation or retirement as defined by the Company's regulation, with partly contribute by its employees and another part by the Company at the rate 3% on their salaries. The Company has also appointed TISCO Asset Management Company Limited to manage such fund.

The Company and subsidiary's contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2017 and 2016 are as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
C.I. Group Pcl.	2,773,573	2,806,336	2,773,573	2,806,336
C.I.G. (Thailand) Co., Ltd.	-	26,791		
Total	2,773,573	2,833,127		

31. COMMITMENT AND CONTINGENT LIABILITIES

31.1 The Company has commitment and contingent liabilities as follows:

MILLION

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016
Letters of guarantee issued by commercial banks		
- BAHT	38.30	1.67
Letters of credit		
- USD	0.29	0.67

31.2 As at December 31, 2017 and 2016, the Company has capital expenditure commitment for the purchase of machinery and equipment contract amount of Baht 9.27 million and Baht 5.63 million, respectively.

31.3 As at December 31, 2017, the subsidiary has capital expenditure commitment for the purchase of land contract amount of Baht 23.58 million.

31.4 The Company has signed a lease contract of land for warehouse at 12/2 Moo 9 Bangkoowad Road, Amphor Muang, Pathumthani, by having lease period of 12 years from July 17, 2008 to July 17, 2020, The Company has to pay monthly rental amount of Baht 40,000.

32. FINANCIAL INFORMATION BY SEGMENTS

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2017			
	Air-conditioning products and parts	Services	Hotel services	Total
Local revenues	502,884	22,138	15,714	540,736
Export revenues	330,065	-	-	330,065
Total	832,949	22,138	15,714	870,801
Cost of sales and services	(712,944)	(19,965)	(19,198)	(752,107)
Gross profit (loss) by segment	120,005	2,173	(3,484)	118,694
Non-allocation expenses				(175,797)
Loss from operations				(57,103)
Other incomes				29,445
Finance costs				(6,983)
Income tax revenues				1,468
Loss for the year				(33,173)
Property, plant and equipment - net	376,551		125,723	502,274

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2016				
	sales		Services	Hotel services	Total
	Air-conditioning products and parts	Other			
Local revenues	513,703	17,827	19,593	22,203	573,326
Export revenues	353,072	-	-	-	353,072
Total	866,775	17,827	19,593	22,203	926,398
Cost of sales and services	(734,061)	(10,846)	(15,621)	(20,988)	(781,516)
Gross profit by segment	132,714	6,981	3,972	1,215	144,882
Non-allocation expenses					(164,726)
Loss from operations					(19,844)
Other incomes					31,264
Finance costs					(7,103)
Income tax expenses					(6,282)
Loss for the year					(1,965)
Property, plant and equipment - net	391,511		135,250		526,761

33. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties under the following relationship:

RELATED PARTIES	RELATIONSHIP
C.I.G. (Thailand) Co., Ltd.	Subsidiary of the Company
De Lamai Co., Ltd.	Subsidiary of the Company
Siam Railway Development Co., Ltd.	Subsidiary of the Company
Fakwantip Co., Ltd	Investments in other company of the subsidiary

The significant transactions with related parties are as follow:

33.1 Sales and expenses with related parties for the years ended December 31,

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Rental income				
De Lamai Co., Ltd.	-	-	12,000	5,000
Siam Railway Development Co.,Ltd.	-	-	11,000	-
Interest income				
De Lamai Co., Ltd.	-	-	2,820,440	3,360,324
Siam Railway Development Co.,Ltd.	-	-	86,630	-
Fakwantip Co., Ltd	2,684,472	393,370	2,684,472	393,370
Purchase of spare parts				
C.I.G. (Thailand) Co., Ltd.	-	-	62,501	121,900

33.2 Balances of receivable and payable from sales, purchase and service rendered to related parties.

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Trade accounts receivables				
De Lamai Co., Ltd.	-	-	9,618	-
Accrued incomes				
De Lamai Co., Ltd.	-	-	9,000	2,000
Accrued interest receivable				
De Lamai Co., Ltd.	-	-	4,193,547	1,390,450
Siam Railway Development Co.,Ltd.	-	-	28,932	-
Fakwantip Co., Ltd	305,002	27,452	305,002	27,452
Short-term loans to related parties				
C.I.G. (Thailand) Co., Ltd.	-	-	250,000	250,000
De Lamai Co., Ltd.	-	-	10,761,500	2,761,500
Siam Railway Development Co.,Ltd.	-	-	8,250,000	-
Fakwantip Co., Ltd	18,000,000	10,000,000	18,000,000	10,000,000

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Long-term loans to subsidiary				
De Lamai Co., Ltd.	-	-	182,500,000	183,500,000
Other non-current liabilities				
De Lamai Co., Ltd.	-	-	3,000	3,000

34. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position as follows :

34.1 Accounting policies

Accounting policies are disclosed in Note 3 to the financial statements.

34.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable consists of:
 - Revenues of the Company and its subsidiaries resulting from sale to few major customers with very high proportion.
 - Revenues of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

34.3 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

34.4 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

34.5 Fair value of financial instruments

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

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value. Loans carrying interest rates close to the market rate.

35. EVENTS AFTER THE REPORTING PERIOD

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

On January 23, 2018, the Extra-Ordinary General Shareholders' Meeting No.1/2018 was held and approved to call for addition capital at Baht 10 per share from Baht 30 per share to Baht 40 per share amount 100,000 shares, worth amount Baht 1,000,000 which the company has received payment for such shares from the shareholders in January 2018.

De Lamai Co., Ltd.

On February 6, 2018, the Extra-Ordinary General Shareholders' Meeting No.1/2018 was held and approved to change the name of the company from De Lamai Co., Ltd. to CIG Development Co., Ltd. The company has registered the name change with the Ministry of Commerce on February 14, 2018.

36. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on March 12, 2018.