

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Board of Directors of C.I.GROUP PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and separate statements of financial positions as at March 31, 2019 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and condensed notes to financial statements of C.I.GROUP PUBLIC COMPANY LIMITED and its subsidiary companies and also of C.I.GROUP PUBLIC COMPANY LIMITED. The management of the entity is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

Except as mentioned in the next paragraph, I conducted my review in accordance with Thai Standard on Review Engagements Code No. 2410 : "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Basis of qualified conclusion**

As mentioned to the note 9 to financial statements as at March 31, 2019, the Company has loan to other person, principal amount of Baht 26.88 million and accrued interest receivable amount of 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 two pieces of land. The handed over common shares of a company as collateral have been kept under the custody of the Company for confiscation. There is currently no settlement on the value of the assets to be obtained from the enforcement for the allowance for doubtful accounts of loans and accrued interest receivables.

As mentioned to the note 13 to financial statements. I can not to reviewd enough evidences in the value of investment in associate as presented in the consolidated financial statements as at March 31, 2019 and December 31, 2018 amount of Baht 38.21 million and amount of Baht 46.58 million respectively, because of the associate company out of rehabilitation plan on July 31, 2018 and the Company perform beginning equity method from originally recorded cost method. Currently, the Company is finding independent appraiser for assess fair value is building in progress and machinery during installation as financial reporting standards related for valuation within 1 year. The Company recorded investment in associate by equity method in the consolidated financial statements recognized share of profit on investment in associate for the three-month periods ended March 31, 2019 amount of Baht 3.57 million by book value of net assets as at March 31, 2019 of associate company. However, the financial statement of the associate is the Company recognize. I have reviewed and presentation a qualified opinion on those financial reports of cannot reviewed cost of building in progress amount of Baht 74.29 million and machinery during installation amount of Baht 283.02 million. The management of the entity has clarified that the plant has been started after the machine has been installed before 2014, so there is no evidence of payment. Such matter may result change in the value of investments associate and share of profit on investment in associate, if fair value measurement of asset complete. Its incapacitate other review to be satisfied to investments associate and share of profit on investment in associate.

**Qualified conclusion**

Except as mentioned in the basis of qualified conclusion paragraph, based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Accounting Standard No. 34 "Interim Financial Reporting".

SAM NAK-NGAN A.M.C. Co., Ltd.

(Mr. Ampol Chamnongwat)

Certified Public Accountant Registration No. 4663

Bangkok

May 13, 2019

## C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Notes	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<u>Assets</u>					
Current assets					
Cash and cash equivalents	5	9,488	20,658	5,515	15,245
Temporary investments	6	-	-	-	-
Trade and other receivables	4.1 and 7	271,563	199,249	279,283	205,619
Unpaid work value	8	69,127	34,233	69,127	34,233
Short-term loans to related parties	4.1	19,000	14,000	110,761	95,261
Default payment of loan to other person	9	38,910	38,910	38,910	38,910
Short-term loans to other parties	10	21,340	6,200	4,099	-
Inventories	11	300,248	179,383	300,088	179,116
Other current assets		27,989	14,631	27,153	13,723
Total current assets		757,665	507,264	834,936	582,107
Non-current assets					
Investments in subsidiary	12	-	-	30,556	30,556
Investments in associate	13	43,012	46,583	-	-
Bank depositpled as collateral	14	20,461	20,461	20,461	20,461
Long-term loan to related parites	4.1	-	-	109,444	102,059
Investment property	15	146,892	146,943	146,892	146,943
Property, plant and equipment	16	417,921	427,580	274,149	281,332
Deferred leasehold land	17	10,582	10,949	-	-
Intangible assets	18	2,775	5,287	2,415	4,905
Deferred tax assets	19	16,508	15,711	50,703	49,906
Other non-current assets		3,845	587	3,502	243
Total non-current assets		661,996	674,101	638,122	636,405
Total assets		1,419,661	1,181,365	1,473,058	1,218,512

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

## C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	20	83,167	97,921	83,167	97,921
Short-term loans from other parties	21	141,809	51,999	141,809	51,999
Trade and other payable	22	424,194	247,874	420,324	239,074
Advances received from construction	8	12,723	21,592	12,723	21,592
Current portion of finance lease liabilities	23	1,127	1,292	1,127	1,292
Current portion of liabilities under land lease agreement		889	889	-	-
Other current liabilities		5,030	2,758	4,633	1,200
Total current liabilities		668,939	424,325	663,783	413,078
Non-current liabilities					
Liabilities under finance lease agreement	23	968	21	968	21
Liabilities under land lease agreement		4,444	4,444	-	-
Employee benefit obligations	24	41,080	40,198	40,922	40,060
Other non-current liabilities		1,185	80	3	3
Total non-current liabilities		47,677	44,743	41,893	40,084
Total liabilities		716,616	469,068	705,676	453,162
Shareholders' equity					
Share capital	25				
Authorized share capital					
1,297,174,248 ordinary shares @ Baht 0.50		648,587	648,587	648,587	648,587
Issued and paid-up share capital					
864,786,382 ordinary shares @ Baht 0.50		432,393	432,393	432,393	432,393
Premium on ordinary shares		565,027	565,027	565,027	565,027
Premium on sale treasury stock		15,535	15,535	15,535	15,535
Retained earnings (deficit)					
Appropriated					
Legal reserve		12,707	12,707	12,707	12,707
Unappropriated		(322,617)	(313,365)	(258,280)	(260,312)
Total shareholders' equity of company		703,045	712,297	767,382	765,350
Non-controlling interests		-	-	-	-
Total shareholders' equity		703,045	712,297	767,382	765,350
Total liabilities and shareholder's equity		1,419,661	1,181,365	1,473,058	1,218,512

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

**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenue from operation					
Revenue from sales		198,741	258,258	192,421	258,258
Revenue from services		66,252	61,677	63,731	55,153
Total revenues from operation		264,993	319,935	256,152	313,411
Cost from operation					
Cost of sales		(155,657)	(218,671)	(155,480)	(218,671)
Cost of services		(66,694)	(57,560)	(62,468)	(52,157)
Total cost from operation		(222,351)	(276,231)	(217,948)	(270,828)
Gross profit		42,642	43,704	38,204	42,583
Other income		3,844	7,472	3,784	7,997
Selling expenses		(14,017)	(17,493)	(13,915)	(17,179)
Administrative expenses		(26,210)	(20,211)	(14,701)	(16,618)
Management benefits	4.3	(8,359)	(7,964)	(7,759)	(7,964)
Finance cost		(4,378)	(3,566)	(4,378)	(3,563)
Profit (loss) before share of loss on investment in associate and income tax		(6,478)	1,942	1,235	5,256
Share of loss on investment in associates		(3,571)	-	-	-
Profit (loss) before income tax		(10,049)	1,942	1,235	5,256
Income tax revenues (expenses)	27	797	(1,764)	797	(1,081)
Profit (loss) for the period		(9,252)	178	2,032	4,175
Profit (loss) for the period attributable to :					
Equity holders of the Company		(9,252)	178	2,032	4,175
Non-controlling interests		-	-	-	-
Profit (loss) for the period		(9,252)	178	2,032	4,175
Total comprehensive income attributable to :					
Equity holders of the Company		(9,252)	178	2,032	4,175
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		(9,252)	178	2,032	4,175
Basic earnings (loss) per share					
Equity holders of the Company (Unit : Baht)	28	(0.0107)	0.0002	0.0023	0.0048

**Unaudited**  
**Limited Review Only**

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

**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

Consolidated financial statements

(Unit : Thousand Baht)

	Issued and paid-up share capital	Premiums on share capital	Premiums on share treasury Stock	Retained earnings (deficit)		Total shareholders' equity of the Company	Non - controlling interests	Total
				Appropriated legal reserve	Unappropriated			
Balance as at January 1, 2018	432,393	565,027	15,535	12,707	(273,760)	751,902	(14)	751,888
Profit for the period	-	-	-	-	178	178	-	178
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	178	178	-	178
Adjust on non-controlling interests	-	-	-	-	-	-	14	14
Balance as at March 31, 2018	432,393	565,027	15,535	12,707	(273,582)	752,080	-	752,080
Balance as at January 1, 2019	432,393	565,027	15,535	12,707	(313,365)	712,297	-	712,297
Loss for the period	-	-	-	-	(9,252)	(9,252)	-	(9,252)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(9,252)	(9,252)	-	(9,252)
Balance as at March 31, 2019	432,393	565,027	15,535	12,707	-322,617	703,045	-	703,045

**Unaudited**  
**Limited Review Only**

**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

Separate financial statements

(Unit : Thousand Baht)

	Issued and paid-up share capital	Premiums on share capital	Premiums on share treasury Stock	Retained earnings (Deficit)		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2018	432,393	565,027	15,535	12,707	(201,806)	823,856
Profit for the period	-	-	-	-	4,175	4,175
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	4,175	4,175
Balance as at March 31, 2018	432,393	565,027	15,535	12,707	(197,631)	828,031
Balance as at January 1, 2019	432,393	565,027	15,535	12,707	(260,312)	765,350
Profit for the period	-	-	-	-	2,032	2,032
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,032	2,032
Balance as at March 31, 2019	432,393	565,027	15,535	12,707	(258,280)	767,382

**Unaudited**

**Limited Review Only**

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

**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOW**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax	(10,049)	1,942	1,235	5,256
Adjustment to profit (loss) before income tax for cash received (payment) from operation				
Depreciation	14,811	15,600	12,138	12,910
Amortization of right to use land	367	209	-	-
Amortization expenses	462	392	440	380
Gain from sales of property, plant and equipment	-	(3)	-	(3)
Loss from written off assets dilapidation	421	70	411	70
Doubtful accounts trade receivables (reversal)	556	(821)	556	(602)
Reversal of estimated accrued expenses	-	(4,100)	-	(4,100)
Loss from sales of deffered leasehold land	-	1	-	-
(Gain) loss from unrealized on exchange rate	1,040	(1,193)	1,040	(1,193)
Impairment loss on temporary investments	-	660	-	660
Reversal loss on impairment for assets	-	(15)	-	(15)
Reversal doubtful debts - short-term loans to related parties	-	-	(7,385)	-
Loss from sales of non-current assets classified as held for sale	-	23	-	23
Reversal loss from declining in value of inventories	(3,243)	(491)	(3,243)	(491)
Employee benefit expenses	883	1,055	862	1,040
Interest income	(1,926)	(666)	(1,926)	(1,483)
Interest expenses	3,853	3,566	3,853	3,563
Share of loss on investment in associates	3,571	-	-	-
Profit from operating activities before changes in operating assets and liabilities	10,746	16,229	7,981	16,015

**Unaudited**

**Limited Review Only**

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



**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOW**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities (continue)				
Operating assets (increase) decrease				
Trade and other receivables	(73,002)	(11,857)	(72,189)	(8,881)
Unpaid work valve	(34,894)	(32,142)	(34,894)	(32,142)
Inventories	(117,622)	12,137	(117,729)	12,175
Other current assets	(11,056)	(3,130)	(11,086)	(3,087)
Other non-current assets	(71)	(4,440)	(72)	355
Operating liabilities increase (decrease)				
Trade and other payables	174,228	28,496	179,157	28,767
Advances received from construction	(8,869)	(3,426)	(8,869)	(3,426)
Other current liabilities	2,272	(796)	3,433	(777)
Employee benefit obligations	(1)	-	-	-
Other non-current liabilities	1,105	220	-	-
Cash received from operation activities	(57,164)	1,291	(54,268)	8,999
Income tax paid	(2,344)	(162)	(2,344)	(162)
Net cash received from (used in) operating activities	(59,508)	1,129	(56,612)	8,837
Cash flows from investing activities				
Decrease in fixed deposit used as collateral	-	23,170	-	23,170
Cash received for short-term loans to related parties	-	-	23,000	250
Cash payment for short-term loans to related parties	(5,000)	-	(38,500)	(8,000)
Cash received for long-term loans to other parties	23,000	-	-	-
Cash payment for short-term loans from other parties	(37,000)	-	(4,000)	-
Cash received from interest	1,248	1,904	126	258
Cash payment in investments in subsidiary	-	-	-	(1,000)
Cash payment in purchase of investment property	(964)	-	(964)	-
Cash payment in purchase of property, plant and equipment	(328)	(5,014)	(163)	(4,698)
Cash payment in purchase of intangible assets	-	(349)	-	-
Cash received from disposal of property, plant and equipment	-	3	-	3
Cash received from disposal of non-current assets classified as held for sale	-	17	-	17
Payment deposit on property, plant and equipment	(3,187)	-	(3,187)	-
Cash received from deferred leasehold land	-	300	-	-
Net cash received from (used in) investing activities	(22,231)	20,031	(23,688)	10,000

Unaudited

Limited Review Only

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

**C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOW**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Cash payment in interest expenses	(3,850)	(3,566)	(3,849)	(3,563)
Decrease in short-term loans from financial institutions	(14,968)	(17,166)	(14,968)	(17,166)
Cash received from finance lease liabilities	89,810	9,852	89,810	9,852
Cash paid for liabilities under land lease agreement	(406)	(316)	(406)	(316)
Adjust on non-controlling interests	-	14	-	-
Net cash received from (used in) financing activities	70,586	(11,182)	70,587	(11,193)
Effects of exchange rates in cash and cash equivalents	(17)	-	(17)	-
Net increase (decrease) in cash and cash equivalents	(11,170)	9,978	(9,730)	7,644
Cash and cash equivalents at the beginning of the period	20,658	31,920	15,245	29,008
Cash and cash equivalents at the ending of the period	9,488	41,898	5,515	36,652
<b>Supplemental cash flow information</b>				
Non-cash transactions				
- Purchases of assets which had not yet been paid	950	142	950	142
- Purchases of assets under finance lease liabilities	1,188	-	1,188	-
- Transferred supplies to inventories	-	381	-	381
- Transferred other current assets to property, plan and equipment	42	-	-	-
- Transferred intangible assets to property, plan and equipment	2,050	-	2,050	-
- Transferred non-current assets classified as held for sales to property, plant and equipment	-	1,330	-	1,330
- Receivables from sale deferred leasehold land	-	700	-	-
- Transferred other payables to short-term loans from other persons	1,140	-	99	-

**Unaudited**  
**Limited Review Only**

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

**C.I. GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**  
**(UNAUDITED/LIMITED REVIEW ONLY)**

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1. General information

The Company was registered as a corporate entity under the Civil and Commercial Code on August 20, 1991 and later registered as a public company on March 1, 2004, registration number 0107547000133 with its registered head office located at 1/1, Moo 7, Bangkoowad Road, Tambol Bangkoowad, Amphor Muang, Pathumthani Province, Thailand.

The Company main business activity is producing and distributing air conditioning products and parts and construction service.

Its subsidiary companies which operate business according in the note to financial statements No. 3.1.

2. Basis of interim financial statements preparation and accounting policies

2.1 These interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 These interim financial statements are prepared in the condensed format and in accordance with the Accounting Standard No. 34 (Revised 2018) on “Interim Financial Reporting” including interpretations and guidance promulgated by the Federation of Accounting Professions (“FAP”), related regulations and announcements of the Securities and Exchanges Commission. However, the Group has presented items in the statements of financial position, statements of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

2.3 The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2018. They do not include all of the financial information requires for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

- 2.4 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand Baht unless otherwise stated.
- 2.5 The Group use the significant accounting policies and the calculation method in the preparation of the interim financial statements for the three- month period ended March 31, 2019 which are consistent with those used in the annual financial statements for the year ended December 31, 2018.
- 2.6 New financial reporting standards

2.6.1 Financial reporting standards that became effective in the current year

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2018) and accounting treatment guidance issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.6.2 Financial reporting standard that will become effective in the future

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting practices that are mandatory for annual periods beginning on or after January 1, 2020. The Company has not yet early adopted these new and revised financial reporting standards which are as follows: -

<u>Reference standard No.</u>	<u>Name</u>	<u>Effective date</u>
<u>Thai Accounting Standards (TAS)</u>		
TAS 32	Financial Instruments: Presentation	January 1, 2020
<u>Thai Financial Reporting Standards (TFRS)</u>		
TFRS 7	Financial Instruments: Disclosures	January 1, 2020
TFRS 9	Financial Instruments	January 1, 2020
TFRS 16	Leases	January 1, 2020

<u>Reference standard No.</u>	<u>Name</u>	<u>Effective date</u>
<u>Thai Financial Reporting Interpretations (TFRIC)</u>		
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020

The management of the Group is in the process to assess the impact of this financial reporting standard to the financial statements in the year when it is adopted.

### 3. Basis of preparation of the interim consolidated financial statements

3.1 The interim consolidated financial statements for the three-month period ended March 31, 2019 have been prepared by consolidating the financial statements of the Company and of three subsidiary companies (collectively called the “the Group”) The detail of structure and shareholding ratio of the Group is as follows:-

<u>Name of subsidiaries</u>	<u>Country of incorporation</u>	<u>Nature of business</u>	<u>Percentage of Shareholdings</u>	
			<u>As at March 31, 2019</u>	<u>December 31, 2018</u>
C.I.G. (Thailand) Co., Ltd.	Thailand	Air conditioning and refrigeration parts manufacturing and distribution; including maintenance and inspection services	99.98	99.98
CIG Development Co., Ltd.	Thailand	Hotel	99.97	99.97
Siam Railway Development Co., Ltd.	Thailand	Locomotive Maintenance	99.97	99.97

3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.

3.4 The accounting periods of subsidiary companies ended the same date as that of C.I. GROUP PUBLIC COMPANY LIMITED.

3.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

3.6 Investments in subsidiaries which the Company holds 99.95% onwards are prepare the consolidated financial statements. The Company calculated the investment in the subsidiary as 100%.

#### 4. Inter-transaction with related companies

The Company has business transactions with related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow:-

##### 4.1 Inter-assets and liabilities

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
<u>Cheque on hand</u>				
CIG Development Co., Ltd.	-	-	1	-
<u>Accrued income</u>				
CIG Development Co., Ltd.	-	-	1	1
Siam Railway Development Co., Ltd.	-	-	1	1
Total	-	-	2	2
<u>Accrued interest receivable</u>				
CIG Development Co., Ltd.	-	-	8,012	7,166
Siam Railway Development Co., Ltd.	-	-	571	429
C.I.G. (Thailand) Co., Ltd.	-	-	147	69
Fakwantip Co., Ltd.	2,847	2,278	2,847	2,278
Total	2,847	2,278	11,577	9,942
<u>Accrued directors' remuneration</u>				
Director	1,878	-	-	-
Total	1,878	-	-	-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
<u>Short-term loan</u>				
C.I.G. (Thailand) Co., Ltd.				
Beginning balance	-	-	21,000	250
Addition	-	-	-	21,000
Repayment	-	-	-	(250)
Ending balance	-	-	21,000	21,000
CIG Development Co., Ltd.				
Beginning balance	-	-	22,261	10,761
Addition	-	-	33,000	11,500
Repayment	-	-	(23,000)	-
Ending balance	-	-	32,261	22,261
Siam Railway Development Co., Ltd.				
Beginning balance	-	-	38,000	8,250
Addition	-	-	500	29,750
Ending balance	-	-	38,500	38,000
Fakwantip Co., Ltd				
Beginning balance	14,000	18,000	14,000	18,000
Addition	5,000	14,000	5,000	14,000
Repayment	-	(18,000)	-	(18,000)
Ending balance	19,000	14,000	19,000	14,000
Total	19,000	14,000	110,761	95,261

As at March 31, 2019 and December 31, 2018, the short-term loans to related companies for the whole amount is in promissory notes form, 12 month and at call and interest is carried by the rate of 1.50-15.00% per annum for the both periods.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
<u>Long-term loans</u>				
CIG Development Co., Ltd.				
Beginning balance	-	-	182,500	182,500
Ending balance	-	-	182,500	182,500
<u>Less</u> Allowance for doubtful account	-	-	(73,056)	(80,441)
Net	-	-	109,444	102,059

On July 15, 2016, the subsidiary has signed new loan agreements amount of Baht 184.00 million because it was unable to made repayment under the original loan agreement with amount of Baht 183.06 million, consisting of a principal amount of Baht 175.90 million, accrued interest receivable amount of Baht 7.16 million as part of the principal (calculated until June 30, 2016) and an additional loan amount of Baht 0.94 million for working capital. The repayments under the terms of the contract by period of three months from August 31, 2016 to June 30, 2031, bearing interest rate at 1.50 per annum.

As at March 31, 2019 and December 31, 2018 the subsidiary was unable to made repayment above conditions. The management considerations allowance for doubtful loan amount of Baht 73.06 million and Baht amount of 80.44 million respectively.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Other non-current liabilities				
CIG Development Co., Ltd.	-	-	3	3

#### 4.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	<u>Pricing policy</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the three-month period ended March 31,</u>			
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Inter-transaction with subsidiaries</b>					
(Eliminated from consolidated financial statements)					
Rental income	Contract price	-	-	6	6
Interest income	The rate to the promissory note	-	666	1,635	1,417
<b>Inter-transaction with subsidiaries</b>					
Interest income	The rate to the promissory note	569	-	569	-

#### 4.3 Director and Management benefit expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	8,142	7,582	7,542	7,582
Post-employment benefits	217	382	217	382
Total	8,359	7,964	7,759	7,964



Director and Management benefit expenses represent the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

#### 4.4 Relationship among the companies

Consisted of :-

<u>Company's Name</u>	<u>Relationship</u>
C.I.G. (Thailand) Co., Ltd.	Subsidiary company by shareholding and common management
CIG Development Co., Ltd.	Subsidiary company by shareholding and common management
Siam Railway Development Co., Ltd.	Subsidiary company by shareholding and common management
Fakwantip Co., Ltd.	Associate company of the subsidiary
Mr. Suchat Pattanawittayanon	Director company of the subsidiary

#### 5. Cash and cash equivalent items

Consisted of:-

	(Unit :Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Cash	310	345	234	170
Savings deposits	5,932	8,404	2,085	3,217
Current deposits	108	98	57	47
Fixed deposits	58	31	58	31
FCD deposits	2,525	8,322	2,525	8,322
Cheque on hand-related parties	-	-	1	-
Cheque on hand-other parties	555	3,458	555	3,458
Total	9,488	20,658	5,515	15,245

6. Short-term investments

Consisted of :-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Marketable trading securities		
Aggregate cost	1,960	1,960
<u>Less</u> Provision for investments adjustment	(1,300)	(1,300)
<u>Less</u> Allowance for investments impairment	(660)	(660)
Net	-	-

As at March 31, 2019 and December 31, 2018, 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 September 30, 2018, there was no bid price to measure its fair value due to that listed company has not submitted the financial statements on time. Therefore it has been suspended trading by The Stock Exchange of Thailand and it may be delisted according to The Stock Exchange of Thailand's Regulations. However, the Company set up the allowance for investments impairment in the whole amount.

7. Trade and other receivable

Consisted of :-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Trade receivables-other parties	200,878	211,589	195,738	206,449
Notes receivables	2,559	2,742	2,558	2,243
Total trade and notes receivables	203,437	214,331	198,296	208,692
<u>Less</u> Allowance for doubtful accounts	(25,672)	(25,116)	(20,672)	(20,116)
Total trade and notes receivables-net	177,765	189,215	177,624	188,576

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Other receivables-other parties	1,084	634	344	354
Accrued income-related parties	-	-	2	2
Accrued income-other parties	4	33	4	-
Accrued interest receivable-related parties	2,847	2,278	11,577	9,942
Accrued interest receivable-other parties	617	453	594	430
Prepaid expenses	5,288	3,497	5,179	3,208
Deposits to supplier	80,789	1,102	80,789	1,102
Other	3,169	2,037	3,170	2,005
Total other receivables	93,798	10,034	101,659	17,043
Total trade and other receivables	271,563	199,249	279,283	205,619

As of March 31, 2019 and December 31, 2018, The trade account receivables, value amount of Baht 82.75 million and amount of Baht 58.21 million respectively, were transfer the right of collection to a company in the note to financial statements No.21. The Company still be responsible on this trade account receivable, if the liquidation is default.

Trade and notes receivables were classified by aging as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Notes receivables	2,559	2,743	2,558	2,242
Trade receivables				
Within credit term	117,750	128,987	117,750	128,920
Overdue				
- Not over 3 months	54,573	54,799	54,445	54,744
- Over 3 months but not over 6 months	1,050	726	1,050	714
- Over 6 months but not over 12 months	2,328	1,660	2,316	1,656
- Over 12 months	25,177	25,416	20,177	20,416
Total	203,437	214,331	198,296	208,692
Less Allowance for doubtful accounts	(25,672)	(25,116)	(20,672)	(20,116)
Net	177,765	189,215	177,624	188,576

The normal credit term granted to customers of the Group is 30-120 days.

The movement of allowance for doubtful debts-trade accounts and other receivable-other parties for the three-month period ended March 31, 2019 and 2018 were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at March 31,</u>		<u>As at March 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning balance	(25,116)	(26,474)	(20,116)	(21,239)
Additions during the period	(802)	-	(802)	-
Collect during the period	246	821	246	602
Ending balance	<u>(25,672)</u>	<u>(25,653)</u>	<u>(20,672)</u>	<u>(20,637)</u>

Management of the Company believes that the allowance for doubtful accounts recorded as sufficient in the circumstances present.

8. Unpaid work value/Advances received from construction

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements/</u>	
	<u>Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Unpaid work value		
Recognized of revenues on percentage of completion basis	191,051	160,079
<u>Less</u> Value of total billed	<u>(121,924)</u>	<u>(125,846)</u>
Paid work value	<u>69,127</u>	<u>34,233</u>
Advances received from construction		
Value of total billed	106,020	83,457
<u>Less</u> Recognized of revenues on percentage of completion basis	<u>(93,297)</u>	<u>(61,865)</u>
Construction revenue received in advance	<u>12,723</u>	<u>21,592</u>

The company has information about construction contracts which are in the process as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements/ Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2019</u>	<u>March 31, 2019</u>
Accumulated construction costs and realized gains		
(Less loss recognized) until present	284,348	235,246
<u>Less</u> Value of total billed	(227,944)	(187,711)
Net	<u>56,404</u>	<u>47,535</u>
Amount recognized as assets / liabilities in the statement of financial position		
- Unpaid work value	69,127	34,233
- Advances received from construction	(12,723)	(21,592)
Net	<u>56,404</u>	<u>12,641</u>

9. Default payment of loan to other person

Consisted of:

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Principal	26,883	26,883
Accrued interest income	12,027	12,027
Total	<u>38,910</u>	<u>38,910</u>

The Company has loan to other person amounting to Baht 92.03 million (principal amounting to Baht 80.00 million and accrued interest receivable amounting to Baht 12.03 million) which the borrower has mortgaged land and construction in Phuket province as collateral. The appraised value of the collateral is Baht 110.00 million (as appraisal report dated March 25, 2010). In addition, the borrower has handed over 450,000 common shares of a company that operates a hotel business in Phuket province as additional collateral. Due to the borrower default payment, the Company filed lawsuits against the borrower in court. The court has the verdict that orders the borrower to repay the debt to the Company. In case of fail, the collateral should be forced sale, if the forced sale amount is inadequate; the debtor's personal assets shall be forced sale after on. Since March 2010, the Company has filed to execute the enforcement of the assets confiscation. On November 14, 2013, the Company entered into the bidding of land and construction, and the officer had approved the Company to be bidder at the price of Baht 60.00 million. In August 2014, the Company registered the receipt of the land and construction and recorded in the "Investments Property" account. For the balance of the loan amount of Baht 38.91 million, the Company has been following up the confiscation of other personal assets of the debtor which are condominium units and many pieces of land.

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

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

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

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

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 80.00 million as from January 1, 2010, and

will recognize the amount exceeding the accrued interest receivable as income in the period that the Company receives the payment.

10. Short-term loans to other party

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Beginning balance	6,200	-	-	-
Addition	37,000	6,200	4,000	-
Compound interest	1,140	-	99	-
Repayment	(23,000)	-	-	-
Ending balance	21,340	6,200	4,099	-

In accordance with consolidated and separate financial statements as at March 31, 2019 and December 31 2018, the whole amount short-term loans to other party is loans under agreement with due to repayment with bearing interest rate 15.00% per annum within 3 months.

11. Inventories

Consisted of :-

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Raw materials	125,026	122,447	124,947	122,356
Goods in process	11,120	7,138	11,120	7,138
Finished goods	20,527	23,383	20,527	23,383
Goods in transit	41,293	12,255	41,293	12,255
Supplies	4,756	5,161	4,675	4,985
Raw materials for transfer	110,409	25,125	110,409	25,125
Total	313,131	195,509	312,971	195,242
<u>Less</u> Allowance for decline in value of inventories	(12,883)	(16,126)	(12,883)	(16,126)
Net	300,248	179,383	300,088	179,116

For the three-month period ended March 31, 2019 and 2018, the movement of allowance for decline in value of inventories were as follows:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Allowance for decline in value of inventories-beginning	(16,126)	(16,221)	(16,126)	(16,221)
Reversed during the period	3,243	491	3,243	491
Allowance for decline in value of inventories-ending	(12,883)	(15,730)	(12,883)	(15,730)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account				
- Cost of sales and services	225,594	276,722	221,191	271,319
- The reduction in net worth that is expected	(3,243)	(491)	(3,243)	(491)
Net	222,351	276,231	217,948	270,828

## 12. Investments in subsidiaries

As at March 31, 2019 and December 31, 2018, the Company had investments in subsidiaries were as follows :-

(Unit: Thousand Baht)

<u>Name of company</u>	<u>Paid-up</u>		<u>% Share-</u>		<u>Cost method</u>		<u>Dividend</u>	
	<u>share capital</u>		<u>holding</u>		<u>As at</u>		<u>For the three-month</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>2019</u>	<u>2018</u>
- C.I.G. (Thailand) Co., Ltd.	54,000	54,000	99.98	99.98	53,985	52,985	-	-
- CIG Development Co., Ltd.	100,000	100,000	99.97	99.97	146,548	146,548	-	-
- Siam Railway Development Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Total					201,532	201,532	-	-
<u>Less</u> Allowance for impairment loss					(170,976)	(170,976)		
Net					30,556	30,556		



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

On January 23, 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 has decided to call for additional capital increase of 10 Baht per share from originally 30 Baht per share; which sums up to 40 Baht per share for 100,000 shares. The total amount was 1,000,000 Baht which was paid up by shareholders in January 2018.

CIG Development Co., Ltd.

On February 6, 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 of De Lamai Co., Ltd decided to change its name from 'De Lamai Co., Ltd' to 'CIG Development Co.,Ltd'. CIG Development Co.,Ltd was registered with the Ministry of Commerce on February 14, 2018.

There is no movement of allowance for impairment loss for investments For the three-month period ended March 31, 2019 and 2018.

13. Investments in associate

As at March 31, 2019 and December 31, 2018, the Company's investments in associates were as follows :-

<u>Name of companies</u>	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>			
	<u>Percentage of Shareholding(%)</u>		<u>Equity method</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Fakwantip Co., Ltd.	29.67	29.67	43,012	46,583

Financial information of associate company

The financial information as presented in the financial statements of the Fakwantip Co., Ltd. were as follows:-

	(Unit : Thousand Baht)	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Current assets	13,279	17,103
Non-current assets	451,298	447,169
Total assets	<u>464,577</u>	<u>464,272</u>
Current liabilities	(335,781)	(323,442)
Total liabilities	<u>(335,781)</u>	<u>(323,442)</u>
Net assets	<u>128,796</u>	<u>140,830</u>

	(Unit : Thousand Baht)	
	<u>For the three-month</u>	
	<u>periods ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue	31,247	-
Loss for the period	(12,034)	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(12,034)</u>	<u>-</u>
Dividend received from associate for the period	-	-

Reconciliation of financial based on the above information and the carrying amount of the equity of Fakwantip Co., Ltd. with recognize them gradually in the consolidated financial statements were as follows :-

	(Unit: Thousand Baht)	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Net assets of the associate	128,796	140,830
<u>Less</u> Increaseordinary shares-C.I.G (Thailand) Co.,Ltd.	(17,802)	(17,802)
Advance payment for shares-other person	(26,025)	(26,025)
Net	84,969	97,003
Shareholding of the company (%)	29.67	29.67
	25,210	28,781
Increase ordinary shares	17,802	17,802
Shareholding of the company (%)	43,012	46,583

On February 14, 2018, the rehabilitation plan manager of Fakwantip Co., Ltd. has submitted a request to the Central Bankruptcy Court to consider and order the cancellation of the rehabilitation plan of Fakwantip Co., Ltd., which on July 31, 2018 the Court had command out of rehabilitation plan of Fakwantip Co., Ltd.

According the resolution of the Extraordinary General Meeting of Shareholders No. 2/2018, The Fakwantip Co.,Ltd. (the associated) on September 10, 2018, the directors approved the increase registered capital and the amendment of the Company Memorandum of Association by issue new ordinary shares 150,000,000 shares, par value at Baht 1.00, total amount of Baht 150.00 million that categorized as follows:-

Periods 1<sup>st</sup> on September 20, 2018 amount of Baht 60.00 million.

Periods 2<sup>nd</sup> on November 20, 2018 amount of Baht 60.00 million.

Periods 3<sup>rd</sup> on December 20, 2018 amount of Baht 30.00 million.

Later on September 24, 2018, Fakwantip Co.,Ltd has resolved to appoint C.I.G. (Thailand) Co., Ltd. 's authorized directors to managing director and is a part of the board of director of Fakwantip Co.,Ltd. As well as change with the Department of Business Development. C.I.G. (Thailand) Co., Ltd. has significant influence to Fakwantip Co.,Ltd. Resulting in indirect influence to Fakwantip Co.,Ltd and chang status from other company to associate company since the third quarter 2018.

During the year 2018, Fakwantip Co.,Ltd received proceeds from the increasing share capital amount of 43.83 million shares is Baht 1.00 per which is total outstanding of Baht 43.83 million, The Company registered capital of the principal with the Ministry of Commerce. As a result, authorized share capital increasing of Baht 17.80 million and the remaining amount is recognized as advance payment for shares amount of Baht 26.03 million.

As at March 31, 2019 and December 31, 2018, The Fakwantip Co.,Ltd. (the associated) was defaulted to repayment under debt restructuring agreement according to criteria in reorganization plan, Therefore, the company reclassify all of liabilities according to debt restructuring agreement into current liabilities.

14. Bank deposit pledged as collateral

As at March 31, 2019 and December 31, 2018, the Company has pledged its deposit at bank as collateral for the repayment of loans and collateral for the issuance of bank guarantee of the Company in the note to financial statement No.31.1.

15. Investment property

For the three-month period ended March 31, 2019, the movement was as follows :-

	(Unit : Thousand Baht)
	<u>Consolidated/</u>
	<u>Separate financial statements</u>
Beginning book value	146,943
Purchase of assets	964
Depreciation for portion shown in statements of comprehensive income	(1,015)
Ending book value	<u>146,892</u>

As at March 31, 2019 and December 31, 2018, the fair value of investment property is in accordance to the valuation report amount of Baht 235.69 million and amount of Baht 127.70 million respectively. The fair value of investment property is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach for the land valuation and Cost Approach for buildings valuation. The fair value of investment property is hierarchical level 3.

16. Property, plant and equipment

For the three-month period ended March 31, 2019, the movement was as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning book value	427,580	281,332
Purchase of assets	2,466	2,301
Transferred in	2,092	2,050
Written off assets	(2,594)	(2,426)
Depreciation for portion shown in statements of comprehensive income	(13,796)	(11,123)
Accumulated depreciation in sold/written off assets	2,173	2,015
Ending book value	<u>417,921</u>	<u>274,149</u>

- Consolidated financial statements and Separate financial statements

As at March 31, 2019 and December 31, 2018, the Company had land, property and machinery in the cost price was amount of Baht 405.08 million and the book value amount of Baht 135.32 million and to be acquired in the future pledged for collateral against credit line to commercial banks and financial institutions in the note to financial statements No.20 and 31.1.

17. Deferred leasehold land

Consisted of :-

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Leasehold land-cost	22,644	22,644
<u>Less</u> Accumulated amortization	(12,062)	(11,695)
Net	<u>10,582</u>	<u>10,949</u>

17.1 As at March 31, 2019 and December 31, 2018, leasehold recorded in the subsidiary amounting Baht 22.00 million is leases of land title deeds No. 7919 and 7920 Maret District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 26 years (June 2005 to June 2031).

17.2 As at December 31, 2017, the subsidiary canceled leasehold recorded in the subsidiary amounting Baht 10.27 million and amortized allowance for impairment loss amounting Baht 5.56 million, leases of land title deeds No. 24160 with the building of the Room Hotel, Bophut District, Koh Samui Surat Thani, amortized according to the duration of the leased contract for 20 years (January 2010 to December 2029). On December 22, 2017, the subsidiary has signed contract to sell the leasehold and assets. The buyer will start operating from January 1, 2018, totaling Baht 1,000,000 payment on the contract date of Baht 200,000. The remaining amount is paid monthly at Baht 100,000 per month for 8 months on the fifth day of the month. The first installment is start in February 5, 2018, onwards. The subsidiary received the payment of leasehold and assets the first installment in March 2018.

#### 18. Intangible assets

For the three-month period ended March 31, 2018, the movement was as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning book value	5,287	4,905
Transferred out	(2,050)	(2,050)
Amortization for portion shown in statements		
of comprehensive income	(462)	(440)
Ending book value	2,775	2,415

## 19. Deferred tax assets

Deferred tax assets and liabilities as at March 31, 2019 and December 31, 2018 were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Deferred tax assets	16,508	15,711	50,703	49,906
Deferred tax liabilities	-	-	-	-
Net	16,508	15,711	50,703	49,906

Movements in total deferred tax assets and liabilities for the three-month period ended March 31, 2019 were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>As at</u>	<u>(Charged) / credited</u>	<u>As at</u>	<u>As at</u>	<u>(Charged) / credited</u>	<u>As at</u>
	<u>January 1, 2019</u>	<u>to statements of comprehensive income (Note 27)</u>	<u>March 31, 2019</u>	<u>January 1, 2019</u>	<u>to statements of comprehensive income (Note 27)</u>	<u>March 31, 2019</u>
Deferred tax assets						
Temporary investments	392	-	392	392	-	392
Trade and other receivables	4,023	111	4,134	4,023	111	4,134
Inventories	3,226	(649)	2,577	3,226	(649)	2,577
Investment in subsidiary companies	-	-	-	34,195	-	34,195
Property, plant and equipment	58	-	58	58	-	58
Employee benefit obligations	8,012	172	8,184	8,012	172	8,184
Tax losses carried forward for not more than five years	-	1,163	1,163	-	1,163	1,163
Total	15,711	797	16,508	49,906	797	50,703

As at March 31, 2019 and December 31, 2018, the consolidated financial statement, the Group had temporary difference mainly arising from the unutilized tax losses with consolidate financial statements amount of Baht 125.84 million and amount of Baht 283.18 million respectively, which have not been recognized as deferred tax assets in the statement of financial position. (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future).

20. Short-term loans from financial institutions

Consisted of :-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Bank overdraft	13,229	24,751
Promissory note	20,000	20,000
Trust receipt	49,938	53,170
Total	83,167	97,921

As at March 31, 2019 and December 31, 2018, the Group held bank overdrafts, trust receipt, letters of credit and promissory note facilities from several financial institutions as mentioned in the note to financial statements No. 31.1 which bearing the interest rates at MOR, MOR-1, 4.18-6.25 per annum and MOR, MOR-1, 4.00-7.42 per annum respectively.

Such credit facility line is pledged by mortgaged register of land, property and machinery as mentioned in the note to financial statements No. 16. Furthermore, the benefit from the insurance of those assets was forfeited to the lenders. Also the Company and director of the Company jointly gave guarantees and under conditions of the trust receipt agreement. The company would receive imported goods by using credit facility from financial institution, thus the company has obligation to that financial institution for the value of imported goods, both being stored or already sold.

21. Short-term loans from other company

As at March 31, 2019 and December 31, 2018, factoring payables amount of Baht 141.81 million and amount Baht 52.00 million respectively, is loan from the transfer of claims in the account trade receivable according note to financial statements No. 7. To a factoring company and interest is carried by the rate at 5.50% per annum for the both periods.



22. Trade and other payables

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Trade payables	233,570	142,949	233,223	142,603
Post dated cheque	1,635	1,616	1,191	1,078
Accrued expenses-related parties	1,878	-	-	-
Advance received-other company	17,761	13,383	17,301	11,138
Advance received	120,822	71,397	120,663	66,375
Other payable	48,528	18,529	47,946	17,880
<b>Total</b>	<b>424,194</b>	<b>247,874</b>	<b>420,324</b>	<b>239,074</b>

23. Liabilities under financial lease agreement

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>
Liabilities under financial lease agreement	2,234	1,354
<u>Less</u> Deferred Interest	(139)	(41)
<b>Net</b>	<b>2,095</b>	<b>1,313</b>
<u>Less</u> Current portion	(1,127)	(1,292)
<b>Net</b>	<b>968</b>	<b>21</b>

The Company has future minimum lease payments required under the finance lease agreements were as follows:-

(Unit : Thousand Baht)

	<u>As at March 31,2019</u>			<u>As at December 31, 2018</u>		
	<u>Future minimum lease payment</u>	<u>Interest</u>	<u>Present value of minimum lease payment</u>	<u>Future minimum lease payment</u>	<u>Interest</u>	<u>Present value of minimum lease payment</u>
Within one year	1,189	(62)	1,127	1,333	(41)	1,292
After one year but within five years	1,045	(77)	968	21	-	21
<b>Total</b>	<b>2,234</b>	<b>(139)</b>	<b>2,095</b>	<b>1,354</b>	<b>(41)</b>	<b>1,313</b>

## 24. Employee benefit obligation

Employee benefit obligations were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Beginning present value of the obligation	40,198	37,122	40,060	37,061
Current service cost	655	3,124	636	3,052
Interest expenses	228	1,168	226	1,163
<u>Less</u> Repayment for the period	(1)	(1,216)	-	(1,216)
Ending present value of the obligation	41,080	40,198	40,922	40,060

Expenses recognized in statements of comprehensive income are shown collectively for the three-month period ended March 31, 2019 and 2018 were as follows:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of sales and services	436	445	436	445
Administrative expenses	230	228	209	213
Directors	217	382	217	382
Total	883	1,055	862	1,040

The principal assumptions used for the purposes of the actuarial valuation were as follows :-

Discount rate	2.96%-3.08%
Average salary increase rate	2.94%-4.14%
Employee turnover rate	0-45%
Retirement age	60 years old

## 25. Share capital

During the year 2018, The company has warrants of purchase ordinary shares CIG-W7 amount of 172,956,992 shares, the par value of Baht 0.50 per share to support the exercise of rights CIG-W7 In this regard, the unexercised CIG-W7 warrants expired whole amount in the period.

26. Warrants**CIG-W7 Warrants**

Type of warrants	:	Warrants No. 7 appropriated for the former shareholders of the Company (Warrants No. 7 or “CIG-W7”)
Number of warrants	:	172,956,992 units
Term of warrants	:	2 years from the issuance date. (Date of issuance is on April 3, 2017 and the Maturity Date is on February 14, 2019)
Exercise Price	:	At Baht 2.00 per share (par value at Baht 1.00)
First exercise date	:	June 30, 2017
Last exercise date	:	February 14, 2019

27. Income tax expenses(revenues)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current tax expenses	-	1,199	-	1,199
Deferred tax				
Movements in temporary differences (Note 19)	(797)	565	(797)	(118)
Income tax expenses	<u>(797)</u>	<u>1,764</u>	<u>(797)</u>	<u>1,081</u>

28. Basic profit (loss) per share and diluted profit (loss) per share

Basic profit (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the period.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) for the period (Unit : Thousand Baht)	(9,252)	178	2,032	4,175
The number of issued and paid-up ordinary shares				
(Unit : Thousand Baht)	864,786	864,786	864,786	864,786
Basic profit (loss) per share (Baht/share)	(0.0107)	0.0002	0.0023	0.0048

For the diluted profit (loss) per share is calculated by dividing the net profit (loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid-up is adjusted to assume conversion of all dilutive potential ordinary shares, which is calculated by the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of warrant would be considered to have been received from the issue of shares at fair value. The company has not show diluted profit (loss) per share for the three-month period ended March 31, 2019, because the average fair price of the ordinary share is lower than the exercise price of the warrant.

## 29. Segment information

The Group are engaged in the business of manufacturing and distributing of air-conditioning and refrigeration units and parts, including maintenance , inspection services and construction services and hotel business profit (loss) on each type of business arises from total sales less cost of sales and selling and administrative expenses of each business.

The information on business sector operation of the Group were as follows :-

(Unit : Thousand Baht)

Consolidated financial statements				
For the three-month period ended March 31, 2019				
	Air-conditioning products and parts	Construction	Hotel services	Total
Local revenues	126,441	63,731	8,841	199,013
Export revenues	65,980	-	-	65,980
Total	192,421	63,731	8,841	264,993
Cost of sales and services	(155,657)	(62,291)	(4,403)	(222,351)
Gross profit by segment	36,764	1,440	4,438	42,642
Non-allocation expenses				(48,586)
Loss from operations				(5,944)
Other incomes				3,844
Finance costs				(4,378)
Share of loss on investment in associate				(3,571)
Income tax revenues				797
Loss for the period				(9,252)
Fixed assets of business sector				417,921
Other assets				1,001,740
Total assets				1,419,661

For the three-month periods ended March 31, 2019, the Group has on major customer whose sale amount higher than 10% of the revenues from 3 customers and the amount of sales is amount of Baht 128.65 million.

(Unit : Thousand Baht)

Consolidated financial statements

For the three-month period ended March 31, 2018

	Air-conditioning		Hotel	Total
	products and parts	Construction	services	
Local revenues	136,248	55,153	6,524	197,925
Export revenues	122,010	-	-	122,010
Total	258,258	55,153	6,524	319,935
Cost of sales and services	(218,671)	(52,157)	(5,403)	(276,231)
Gross profit by segment	39,587	2,996	1,121	43,704
Non-allocation expenses				(45,668)
Loss from operations				(1,964)
Other incomes				7,472
Finance costs				(3,566)
Share of profit on investment in associate				(1,764)
Income tax expenses				178
Loss for the period				493,104
Fixed assets of business sector				674,585
Other assets				1,167,689

For the three-month periods ended March 31, 2018, the Group has on major customer whose sale amount higher than 10% of the revenues from 2 customers and the amount of sales is amount of Baht 87.47 million.

### 30. Risks on exchange rate

Regarding risk on exchange rates of the Group, mainly involves with sell goods and purchase of raw materials under the foreign currencies as at March 31, 2019 and December 31, 2018, the Group obtained assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows:-

<u>Currency (Unit : Thousand)</u>	<u>As at March 31, 2019</u>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Asset</u>	<u>Liabilities</u>	<u>Asset</u>	<u>Liabilities</u>
VND	9,045	-	9,045	-
USD	1,495	3,401	1,495	3,401
AUD	16	-	16	-
SGD	-	1,230	-	1,230

<u>Currency (Unit : Thousand)</u>	<u>As at December 31, 2018</u>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Asset</u>	<u>Liabilities</u>	<u>Asset</u>	<u>Liabilities</u>
USD	1,920	2,430	1,920	2,430
AUD	11	-	11	-

### 31. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at March 31, 2019 and December 31, 2018, the Group held other obligations as follows:-

31.1 Obligation of credit lines for loans from financial institutions were as follow :-

	<u>Currencies</u>	<u>Consolidated / Separate financial statements</u>					
		<u>As at March 31, 2019</u>			<u>As at December 31, 2018</u>		
		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	Baht	197.46	137.70	59.76	197.46	129.36	68.10
Letters of credit and trust receipt	USD	135.00	122.44	12.56	135.00	92.60	42.40
Bank overdrafts	Baht	30.00	13.23	16.77	30.00	24.75	5.25
Short-term loans	Baht	20.00	20.00	-	20.00	20.00	-

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 14 and 16

31.2 As at March 31, 2019 and December 31, 2018, the Company has capital expenditure commitment for the purchase of machinery and equipment contract amount of Baht 6.13 million and amount of Baht 5.00 million, respectively.

31.3 As at March 31, 2019 and December 31, 2018, the Group has obligations as a operating lease, the term of agreements generally are 3 to 12 years. Future minimum lease payments required under these lease contracts were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,2019</u>	<u>December 31, 2018</u>	<u>March 31,2019</u>	<u>December 31, 2018</u>
Within 1 year	1,600	1,603	528	528
Over 1 and up to 5 years	1,722	1,953	176	308
Total	3,325	3,556	704	836

### 32. Event after the reporting period

In accordance to the minutes of the extraordinary general meeting of shareholders of Siam Railway Development Co., Ltd. No.1/2019 held on March 29, 2019, has resolution to increase of registered capital from amount of Baht 1,000,000.00 to amount of Baht 50,000,000.00 by issuing new ordinary shares of 490,000 shares at the par value of Baht 100.00. The Company called for the paid-up whole amount and received amount of Baht 40.18 million. The remaining amount of Baht 8.82 million recognized share subscriptions receivable, authorized share capital and paid-up shares capital amount of Baht 50.00 million. As well as change the memorandum for consistency with registered capital. However, the Company registered the increase in share capital with the Ministry of Commerce on April 11, 2019

According to minutes of Annual General of Shareholders' Meeting of C.I. GROUP PUBLIC COMPANY LIMITED held on April 24, 2019, has resolution to decrease of registered capital from shares 1,297.17 million, the par value of Baht 0.50, authorized share capital amount of 648.59 million and paid-up shares capital amount of Baht 432.39 million change ordinary shares of 864.79 million shares the par value of Baht 0.50. The authorized share capital and paid-up shares capital amount of Baht 432.39 million, as well as change memorandum for consistency with registered capital. However, the Company registered the increase in share capital with the Ministry of Commerce on May 8, 2019.

33. Approval of interim financial statements

These interim financial statements have been approved for issuance by C.I. GROUP PUBLIC COMPANY LIMITED authorized directors on May 13, 2019.

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