

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 June 30, 2019 and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2019, changes in shareholders' equity and cash flows for the six-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 June 30, 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 June 30, 2019 and December 31, 2018 amount of Baht 27.02 million and amount of Baht 34.60 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. The associate company assessed the fair value of property and building in progress, the fair value is in accordance to the valuation report amount of Baht 43.32 million with a lower cost than the fair value amount of Baht 40.39 million, the Company is recorded investment in associate by equity method in the consolidated financial statements recognized such loss amount of Baht 11.98 million in beginning retained earnings. And machinery during installation is in the process of evaluating fair value, the Company recorded investment in associate by equity method in the consolidated financial statements recognized share of loss on investment in associate for the six-month period ended June 30, 2019 amount of Baht 7.58 million by book value of net assets as at June 30, 2019 of the 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 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

August 14, 2019

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | |
|---|-----------------------------------|----------------------------------|-----------------------|----------------------------------|-------------------|
| | Notes | As at | | As at | |
| | | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| | | Unaudited Limited review only | Audited (Restated) | Unaudited Limited review only | Audited |
| <u>Assets</u> | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 117,743 | 20,658 | 115,004 | 15,245 |
| Temporary investments | 6 | - | - | - | - |
| Trade and other receivables | 4.1 and 7 | 235,417 | 199,249 | 241,862 | 205,619 |
| Unbilled receivables | 8 | 91,026 | 34,233 | 91,026 | 34,233 |
| Short-term loans to related parties | 4.1 | - | 14,000 | 21,000 | 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 | - | 6,200 | - | - |
| Inventories | 11 | 262,218 | 179,383 | 262,050 | 179,116 |
| Other current assets | | 19,864 | 14,631 | 19,226 | 13,723 |
| Total current assets | | 765,178 | 507,264 | 789,078 | 582,107 |
| Non-current assets | | | | | |
| Investments in subsidiary | 12 | - | - | 70,736 | 30,556 |
| Investments in associate | 13 | 27,022 | 34,600 | - | - |
| Bank depositpled as collateral | 14 | 20,561 | 20,461 | 20,461 | 20,461 |
| Long-term loan to related parites | 4.1 | - | - | 89,696 | 102,059 |
| Investment property | 15 | 145,658 | 146,943 | 145,658 | 146,943 |
| Property, plant and equipment | 16 | 412,968 | 427,580 | 271,512 | 281,332 |
| Deferred leasehold land | 17 | 10,201 | 10,949 | - | - |
| Intangible assets | 18 | 4,633 | 5,287 | 4,296 | 4,905 |
| Deferred tax assets | 19 | 26,374 | 15,711 | 69,317 | 49,906 |
| Other non-current assets | | 5,983 | 587 | 5,314 | 243 |
| Total non-current assets | | 653,400 | 662,118 | 676,990 | 636,405 |
| Total assets | | 1,418,578 | 1,169,382 | 1,466,068 | 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)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | As at | | As at | |
| | Notes | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | Limited review only | (Restated) | Limited review only | |
| <u>Liabilities and shareholders' equity</u> | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 20 | 141,354 | 97,921 | 141,354 | 97,921 |
| Short-term loans from other persons and parties | 21 | 138,571 | 51,999 | 137,571 | 51,999 |
| Discount post dated cheques-other persons | 22 | 48,598 | - | 48,598 | - |
| Trade and other payable | 23 | 365,059 | 247,874 | 360,728 | 239,074 |
| Advance received from construction | 8 | 4,641 | - | 4,641 | - |
| Unbilled work costs | | 9,968 | 21,592 | 9,968 | 21,592 |
| Current portion of finance lease liabilities | 24 | 759 | 1,292 | 759 | 1,292 |
| Current portion of liabilities under land lease agreement | | 889 | 889 | - | - |
| Income tax payable | | 617 | - | 617 | - |
| Other current liabilities | | 2,387 | 2,758 | 1,949 | 1,200 |
| Total current liabilities | | 712,843 | 424,325 | 706,185 | 413,078 |
| Non-current liabilities | | | | | |
| Liabilities under finance lease agreement | 24 | 912 | 21 | 912 | 21 |
| Liabilities under land lease agreement | | 3,555 | 4,444 | - | - |
| Employee benefit obligations | 25 | 67,437 | 40,198 | 67,300 | 40,060 |
| Other non-current liabilities | | 1,184 | 80 | 3 | 3 |
| Total non-current liabilities | | 73,088 | 44,743 | 68,215 | 40,084 |
| Total liabilities | | 785,931 | 469,068 | 774,400 | 453,162 |
| Shareholders' equity | | | | | |
| Share capital | 26 | | | | |
| Authorized share capital | | | | | |
| 1,297,174,248 ordinary shares @ Baht 0.50 | | - | 648,587 | - | 648,587 |
| 864,786,382 ordinary shares @ Baht 0.50 | | 432,393 | - | 432,393 | - |
| 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 | | (393,015) | (325,348) | (333,994) | (260,312) |
| Total shareholders' equity of company | | 632,647 | 700,314 | 691,668 | 765,350 |
| Non-controlling interests | | - | - | - | - |
| Total shareholders' equity | | 632,647 | 700,314 | 691,668 | 765,350 |
| Total liabilities and shareholder's equity | | 1,418,578 | 1,169,382 | 1,466,068 | 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 JUNE 30, 2019

(Unit : Thousand Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|-----------|-------------------------------|-----------|
| | | 2019 | 2018 | 2019 | 2018 |
| Revenue from operation | | | | | |
| Revenue from sales | | 231,063 | 237,200 | 226,441 | 237,200 |
| Revenue from services | | 317,703 | 38,397 | 316,691 | 33,618 |
| Total revenues from operation | | 548,766 | 275,597 | 543,132 | 270,818 |
| Cost from operation | | | | | |
| Cost of sales | | (201,864) | (195,115) | (194,089) | (195,114) |
| Cost of services | | (284,427) | (36,761) | (284,889) | (30,738) |
| Total cost from operation | | (486,291) | (231,876) | (478,978) | (225,852) |
| Gross profit | | 62,475 | 43,721 | 64,154 | 44,966 |
| Other income | | 3,041 | 2,274 | 3,201 | 2,861 |
| Selling expenses | | (17,590) | (17,321) | (17,473) | (17,249) |
| Administrative expenses | | (22,988) | (25,150) | (38,476) | (25,354) |
| Doubtful debt | | (55,785) | - | (72,887) | - |
| Directors and management's benefits | 4.3 | (13,622) | (7,869) | (13,022) | (7,869) |
| Finance cost | | (5,911) | (316) | (5,875) | (2,142) |
| Loss before share of loss on investment in associate and income tax | | (50,380) | (4,661) | (80,378) | (4,787) |
| Share of loss on investment in associates | | (4,007) | - | - | - |
| Loss before income tax | | (54,387) | (4,661) | (80,378) | (4,787) |
| Income tax revenues (expenses) | 28.1 | 3,292 | (889) | 12,029 | (890) |
| Loss for the period | | (51,095) | (5,550) | (68,349) | (5,677) |
| Other comprehensive income | | | | | |
| Item that will not be reclassified to profit or loss | | | | | |
| Actuarial losses arising from defined benefit plan | 25 | (9,150) | - | (9,206) | - |
| Income tax relevance with other comprehensive income | 28.2 | 1,830 | - | 1,841 | - |
| Other comprehensive income for the period-net of income tax | | (7,320) | - | (7,365) | - |
| Total comprehensive income for the period | | (58,415) | (5,550) | (75,714) | (5,677) |

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 COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------|-------------------------------|----------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| Loss for the period attributable to : | | | | | |
| Equity holders of the Company | | (51,095) | (5,550) | (68,349) | (5,677) |
| Non-controlling interests | | - | - | - | - |
| Loss for the period | | (51,095) | (5,550) | (68,349) | (5,677) |
| Total comprehensive income attributable to : | | | | | |
| Equity holders of the Company | | (58,415) | (5,550) | (75,714) | (5,677) |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income for the period | | (58,415) | (5,550) | (75,714) | (5,677) |
| Basic loss per share | | | | | |
| Equity holders of the Company (Unit : Baht) | 29 | (0.0591) | (0.0064) | (0.0790) | (0.0066) |

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 COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|-----------|-------------------------------|-----------|
| | | 2019 | 2018 | 2019 | 2018 |
| Revenue from operation | | | | | |
| Revenue from sales | | 429,804 | 495,458 | 418,862 | 495,458 |
| Revenue from services | | 383,955 | 100,074 | 380,422 | 88,771 |
| Total revenues from operation | | 813,759 | 595,532 | 799,284 | 584,229 |
| Cost from operation | | | | | |
| Cost of sales | | (357,521) | (413,786) | (354,241) | (413,785) |
| Cost of services | | (351,121) | (94,321) | (342,685) | (82,895) |
| Total cost from operation | | (708,642) | (508,107) | (696,926) | (496,680) |
| Gross profit | | 105,117 | 87,425 | 102,358 | 87,549 |
| Other income | | 6,885 | 9,746 | 6,985 | 10,858 |
| Selling expenses | | (31,607) | (34,814) | (31,388) | (34,428) |
| Administrative expenses | | (48,642) | (45,345) | (52,621) | (43,795) |
| Doubtful debt | | (56,341) | (16) | (73,443) | - |
| Directors and management's benefits | 4.3 | (21,981) | (15,833) | (20,781) | (15,833) |
| Finance cost | | (10,289) | (3,882) | (10,253) | (3,882) |
| Profit(loss) before share of loss on investment in associate and income tax | | (56,858) | (2,719) | (79,143) | 469 |
| Share of loss on investment in associates | | (7,578) | - | - | - |
| Profit(loss) before income tax | | (64,436) | (2,719) | (79,143) | 469 |
| Income tax revenues (expenses) | 28.1 | 4,089 | (2,653) | 12,826 | (1,971) |
| Loss for the period | | (60,347) | (5,372) | (66,317) | (1,502) |
| Other comprehensive income | | | | | |
| Item that will not be reclassified to profit or loss | | | | | |
| Actuarial losses arising from defined benefit plan | 25 | (9,150) | - | (9,206) | - |
| Income tax relevance with other comprehensive income | 28.2 | 1,830 | - | 1,841 | - |
| Other comprehensive income for the period-net of income tax | | (7,320) | - | (7,365) | - |
| Total comprehensive income for the period | | (67,667) | (5,372) | (73,682) | (1,502) |

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 COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------|-------------------------------|----------|
| | | 2019 | 2018 | 2019 | 2018 |
| Loss for the period attributable to : | | | | | |
| Equity holders of the Company | | (60,347) | (5,372) | (66,317) | (1,502) |
| Non-controlling interests | | - | - | - | - |
| Loss for the period | | (60,347) | (5,372) | (66,317) | (1,502) |
| Total comprehensive income attributable to : | | | | | |
| Equity holders of the Company | | (67,667) | (5,372) | (73,682) | (1,502) |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income for the period | | (67,667) | (5,372) | (73,682) | (1,502) |
| Basic loss per share | | | | | |
| Equity holders of the Company (Unit : Baht) | 29 | (0.0698) | (0.0062) | (0.0767) | (0.0017) |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019

Consolidated financial statements

(Unit : Thousand Baht)

| | Note | (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 |
| Loss for the period | | - | - | - | - | (5,372) | (5,372) | - | (5,372) |
| Other comprehensive income for the period | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | | - | - | - | - | (5,372) | (5,372) | - | (5,372) |
| Adjust on non-controlling interests | | - | - | - | - | - | - | 14 | 14 |
| Balance as at June 30, 2018 | | 432,393 | 565,027 | 15,535 | 12,707 | (279,132) | 746,530 | - | 746,530 |
| Balance as at January 1, 2018 (previously reported) | | 432,393 | 565,027 | 15,535 | 12,707 | (313,365) | 712,297 | - | 712,297 |
| Effect of the changes investments in associate | 2.6 | - | - | - | - | (11,983) | (11,983) | - | (11,983) |
| Balance as at January 1, 2018 (restated) | | 432,393 | 565,027 | 15,535 | 12,707 | (325,348) | 700,314 | - | 700,314 |
| Loss for the period | | - | - | - | - | (60,347) | (60,347) | - | (60,347) |
| Other comprehensive income for the period | | - | - | - | - | (7,320) | (7,320) | - | (7,320) |
| Total comprehensive income for the period | | - | - | - | - | (67,667) | (67,667) | - | (67,667) |
| Balance as at June 30, 2019 | | 432,393 | 565,027 | 15,535 | 12,707 | (393,015) | 632,647 | - | 632,647 |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019

Separate financial statements

(Unit : Thousand Baht)

| | Issued and paid-up | | Premiums on | Retained earnings (Deficit) | | Total |
|---|--------------------|---------------|----------------|-----------------------------|----------------|----------|
| | share capital | share capital | share treasury | Appropriated | Unappropriated | |
| | | | Stock | legal reserve | | |
| Balance as at January 1, 2018 | 432,393 | 565,027 | 15,535 | 12,707 | (201,806) | 823,856 |
| Loss for the period | - | - | - | - | (1,502) | (1,502) |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (1,502) | (1,502) |
| Balance as at June 30, 2018 | 432,393 | 565,027 | 15,535 | 12,707 | (203,308) | 822,354 |
| Balance as at January 1, 2019 | 432,393 | 565,027 | 15,535 | 12,707 | (260,312) | 765,350 |
| Loss for the period | - | - | - | - | (66,317) | (66,317) |
| Other comprehensive income for the period | - | - | - | - | (7,365) | (7,365) |
| Total comprehensive income for the period | - | - | - | - | (73,682) | (73,682) |
| Balance as at June 30, 2019 | 432,393 | 565,027 | 15,535 | 12,707 | (333,994) | 691,668 |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from operating activities | | | | |
| Profit (loss) before income tax | (64,436) | (2,719) | (79,143) | 469 |
| Adjustment to profit (loss) before income tax for cash received (payment) from operation | | | | |
| Depreciation | 29,252 | 30,010 | 23,863 | 24,576 |
| Amortization of right to use land | 748 | 1,422 | - | - |
| Amortization expenses | 1,004 | 794 | 959 | 747 |
| Gain from sales of property, plant and equipment | - | (311) | - | (311) |
| Loss from written off assets dilapidation | 426 | 468 | 415 | 468 |
| Doubtful accounts trade receivables (reversal) | 13,364 | (319) | 12,823 | (100) |
| Reversal of estimated accrued expenses | - | (4,100) | - | (4,100) |
| (Gain) loss from unrealized on exchange rate | (567) | 2,766 | (567) | 2,766 |
| Impairment loss on temporary investments | - | 660 | - | 660 |
| Doubtful long long-term loans to related parties | - | - | 12,363 | 7,270 |
| Doubtful long short-term loans to related parties | 19,000 | - | 54,761 | - |
| Doubtful long short-term loans to other person | 22,753 | - | 4,099 | - |
| Reversal loss from declining in value of inventories | (3,628) | (2,289) | (3,628) | (2,289) |
| Employee benefit expenses | 18,210 | 2,127 | 18,154 | 2,090 |
| Interest income | (915) | (3,186) | (2,116) | (2,780) |
| Interest expenses | 10,289 | 3,882 | 10,253 | 3,882 |
| Share of loss on investment in associates | 7,578 | - | - | - |
| Profit from operating activities before changes in operating assets and liabilities | 53,078 | 29,205 | 52,236 | 33,348 |

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 SIX-MONTH PERIOD ENDED JUNE 30, 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 | (52,529) | (26,889) | (49,740) | (25,389) |
| Unbilled receivables | (56,793) | - | (56,793) | - |
| Inventories | (79,302) | (4,510) | (79,401) | (4,501) |
| Other current assets | (5,275) | (2,558) | (5,503) | (1,946) |
| Other non-current assets | (2,209) | (9,551) | (1,884) | (14,915) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 117,868 | 30,760 | 121,849 | 31,793 |
| Advance received from construction | 4,641 | - | 4,641 | - |
| Unbilled work costs | (11,624) | (6,326) | (11,624) | (6,326) |
| Other current liabilities | (371) | (460) | 749 | (288) |
| Employee benefit obligations | (121) | - | (120) | - |
| Other non-current liabilities | 1,104 | - | - | - |
| Cash received from operation activities | (31,533) | 9,671 | (25,590) | 11,776 |
| Income tax paid | (4,127) | (353) | (4,127) | (353) |
| Net cash received from (used in) operating activities | (35,660) | 9,318 | (29,717) | 11,423 |
| Cash flows from investing activities | | | | |
| (Increase)Decrease in fixed deposit used as collateral | (100) | 1,170 | - | 1,170 |
| Cash received for short-term loans to related parties | - | - | 61,500 | - |
| Cash payment for short-term loans to related parties | (5,000) | - | (42,000) | (31,732) |
| Cash received for long-term loans to other parties | 23,000 | - | - | - |
| Cash payment for short-term loans from other parties | (38,112) | - | (4,000) | - |
| Cash received from interest | 915 | 1,983 | 1,135 | - |
| Cash payment in investments in subsidiary | - | - | (40,180) | (1,000) |
| Cash payment in purchase of investment property | (1,432) | - | (1,432) | - |
| Cash payment in purchase of property, plant and equipment | (7,893) | (42,316) | (7,327) | (12,303) |
| Cash payment in purchase of intangible assets | (2,400) | (706) | (2,400) | (281) |
| Cash received from disposal of property, plant and equipment | - | 169 | - | 169 |
| Payment deposit on property, plant and equipment | (3,187) | - | (3,187) | - |
| Net cash used in investing activities | (34,209) | (39,700) | (37,891) | (43,977) |

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019

(Unit : Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from financing activities | | | | |
| Increase in bank overdraft and short-term loans from financial institutions | 43,864 | 4,543 | 43,864 | 4,543 |
| Cash payment in interest expenses | (10,289) | (3,871) | (9,765) | (3,871) |
| Cash received from short-term loans from other company | 86,572 | 22,644 | 85,572 | 22,644 |
| Cash received from discount post dated cheques-other persons | 48,598 | - | 48,598 | - |
| Cash paid for liabilities under finance lease agreement | (830) | (603) | (830) | (603) |
| Cash paid for liabilities under land lease agreement | (889) | (889) | - | - |
| Adjust on non-controlling interests | - | 14 | - | - |
| Net cash received from financing activities | 167,026 | 21,838 | 167,439 | 22,713 |
| Effects of exchange rates in cash and cash equivalents | (72) | 59 | (72) | 59 |
| Net increase (decrease) in cash and cash equivalents | 97,085 | (8,485) | 99,759 | (9,782) |
| 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 | 117,743 | 23,435 | 115,004 | 19,226 |

Supplemental cash flow information

Significant non-cash items in the financial statements are as follow:-

| | | | | |
|--|-------|---|-------|---|
| - Purchases of property, plant and equipment which had not yet been paid | 1,081 | - | 1,081 | - |
| - Transfer of supply to property, plant and equipment | 95 | - | 95 | - |
| - Purchases of asset under finance lease liabilities | 1,188 | - | 1,188 | - |
| - Transfer of other current assets to property, plant and equipment | 42 | - | - | - |
| - Transfer of intangible assets to property, plant and equipment | 2,050 | - | 2,050 | - |
| - Transfer of other receivable to short-term loans to other parties | 1,441 | - | 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 AND SIX-MONTH PERIOD ENDED JUNE 30, 2019
(UNAUDITED/LIMITED REVIEW ONLY)

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 and six-month periods ended June 30, 2019 which are consistent with those used in the annual financial statements for the year ended December 31, 2018.

2.6 Effect of the changes investments in associate

Investment in associate recorded cost method in the consolidated financial statements as at June 30, 2019. The associate Company assessed the fair value of property and building in progress is in accordance to the valuation report as at 8 July, 2019 valuation report. The consolidate financial statements as at 30, June 2019 presented herein for comparison, have been retrospectively adjusted for the effect of the changes investments in associate The effect can be shown as follows:-

| | (Unit : Thousand Baht) | | |
|--|-----------------------------------|-------------------------------------|-----------------------|
| | Consolidated financial statements | | |
| | Before readjustment | Readjustment increase (decrease) | After readjustment |
| Statements of financial position as at January 1, 2019 | | | |
| Investment in associate decrease | 46,583 | (11,983) | 34,600 |
| Unappropriated decrease | (313,365) | (11,983) | (325,348) |
| Basic loss per share increase | (0.0458) | (0.0139) | (0.0597) |

2.7 New financial reporting standards

2.7.1 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), new financial reporting standards 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.

2.7.2 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>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 and six-month periods ended June 30, 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</u> | |
| | | | <u>June 30, 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 | 99.99 | 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| <u>Cheque on hand</u> | | | | |
| C.I.G. (Thailand) Co., Ltd. | - | - | 223 | - |
| CIG Development Co., Ltd. | - | - | 135 | - |
| Total | - | - | 358 | - |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| <u>Other receivables</u> | | | | |
| CIG Development Co., Ltd. | - | - | 33 | - |
| <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> | | | | |
| C.I.G. (Thailand) Co., Ltd. | - | - | - | 69 |
| CIG Development Co., Ltd. | - | - | 7,919 | 7,166 |
| Siam Railway Development Co., Ltd. | - | - | - | 429 |
| Fakwantip Co., Ltd. | 2,847 | 2,278 | 2,847 | 2,278 |
| Total | 2,847 | 2,278 | 10,766 | 9,942 |
| <u>Less</u> Allowance for doubtful debt | (2,847) | - | (10,766) | - |
| Accrued interest receivable-net | - | 2,278 | - | 9,942 |

Movements of allowance for doubtful debts trade and other receivable-related parties for the six-month period ended June 30, 2019 and 2018, are as follow:-

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------|--|-------------|--------------------------------------|-------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Beginning balance | - | - | - | - |
| Increase during the period | (2,847) | - | (10,766) | - |
| Ending balance | (2,847) | - | (10,766) | - |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 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 |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| CIG Development Co., Ltd. | | | | |
| Beginning balance | - | - | 22,261 | 10,761 |
| Addition | - | - | 36,500 | 11,500 |
| Repayment | - | - | (23,000) | - |
| Ending balance | - | - | 35,761 | 22,261 |
| <u>Less</u> Allowance for doubtful debt | - | - | (35,761) | - |
| Net | - | - | - | 22,261 |
| Siam Railway Development Co., Ltd. | | | | |
| Beginning balance | - | - | 38,000 | 8,250 |
| Addition | - | - | 500 | 29,750 |
| Repayment | - | - | (38,500) | - |
| Ending balance | - | - | - | 38,000 |
| Fakwanti 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 |
| <u>Less</u> Allowance for doubtful debt | (19,000) | - | (19,000) | - |
| Net | - | 14,000 | - | 14,000 |
| Total | - | 14,000 | 21,000 | 95,261 |

Movements of allowance for doubtful debts Short-term loans to related parties for the six-month period ended June 30, 2019 and 2018, are as follow:-

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------|--|-------------|--------------------------------------|-------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Beginning balance | - | - | - | - |
| Increase during the period | (19,000) | - | (54,761) | - |
| Ending balance | (19,000) | - | (54,761) | - |

As at June 30, 2019 and December 31, 2018, the short-term loans to related parties 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. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 record the allowance for doubtful accounts for the whole amount onward due to there is uncertainty to collectable. However, the subsidiary company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is paid.

| (Unit : Thousand Baht) | | | | |
|---|--|--------------------------|--------------------------------------|--------------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 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 debt | - | - | (92,804) | (80,441) |
| Net | - | - | 89,696 | 102,059 |

Movements of allowance for doubtful debts Long-term loans to related parties for the six-month period ended June 30, 2019 and 2018, are as follow:-

| (Unit : Thousand Baht) | | | | |
|----------------------------|--|-------------|--|-------------|
| | <u>Consolidated financial statements</u> | | <u>Consolidated financial statements</u> | |
| | <u>2019</u> | <u>2019</u> | <u>2019</u> | <u>2019</u> |
| Beginning balance | - | - | - | - |
| Increase during the period | - | - | (12,363) | - |
| Ending balance | - | - | (12,363) | - |

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 June 30, 2019 and December 31, 2018 the subsidiary was unable to made repayment above conditions. The management considerations allowance for doubtful loan amont of Baht 92.80 million and amount of Baht 80.44 million respectively. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 onward due to there is uncertainty to collectable. However, the subsidiary company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is paid.

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| <u>Post dated cheque</u> | | | | |
| Director | 108 | - | - | - |
| <u>Accrued directors benefits expenses</u> | | | | |
| Director | 2,095 | - | - | - |
| <u>Other non-current liabilities</u> | | | | |
| CIG Development Co., Ltd. | - | - | 3 | 3 |

4.2 Inter-revenues and expenses

(Unit : Thousand Baht)

| | | <u>Consolidated financial statements</u> | <u>Separate financial statements</u> | | |
|---|---------------------------------|--|--------------------------------------|-------------|-------------|
| | | <u>For the three-month period ended June 30,</u> | | | |
| | <u>Pricing policy</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Inter-transaction with subsidiaries | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Rental income | Contract price | - | - | 6 | 6 |
| Interest income | The rate to the promissory note | - | - | 135 | 850 |
| Other income | Contract price | - | - | 33 | - |
| Doubtful debt | | - | - | 56,043 | - |
| Inter-transaction with subsidiaries | | | | | |
| Interest income | The rate to the promissory note | - | 673 | - | 673 |
| Doubtful debt | | 21,847 | - | 21,847 | - |

(Unit : Thousand Baht)

Consolidated financial statements Separate financial statementsFor the six-month period ended June 30,

| <u>Pricing policy</u> | | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------------------|-------------|-------------|-------------|-------------|
| Inter-transaction with subsidiaries | | | | | |
| (Eliminated from consolidated financial statements) | | | | | |
| Rental income | Contract price | - | - | 12 | 11 |
| Interest income | The rate to the promissory note | - | - | 1,201 | 1,601 |
| Other income | Contract price | - | - | 33 | - |
| Doubtful debt | | - | - | 56,043 | - |
| Inter-transaction with subsidiaries | | | | | |
| Interest income | The rate to the promissory note | 569 | 1,339 | 569 | 1,339 |
| Interest expenses | The rate to the promissory note | 69 | - | 69 | - |
| Doubtful debt | | 21,847 | - | 21,847 | - |

4.3 Directors and management's benefits

(Unit : Thousand Baht)

Consolidated financial statements Separate financial statementsFor the three-month period ended June 30,

| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
|------------------------------|-------------|-------------|-------------|-------------|
| Short-term employee benefits | 8,143 | 7,482 | 7,543 | 7,482 |
| Post-employment benefits | 5,479 | 387 | 5,479 | 387 |
| Total | 13,622 | 7,869 | 13,022 | 7,869 |

(Unit : Thousand Baht)

Consolidated financial statements Separate financial statementsFor the six-month period ended June 30,

| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------|-------------|-------------|-------------|
| Short-term benefits | 16,285 | 15,064 | 15,085 | 15,064 |
| Post-employment benefits | 5,696 | 769 | 5,696 | 769 |
| Total | 21,981 | 15,833 | 20,781 | 15,833 |

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. Aree Poomsanoh | Chairman of the executive committee |
| 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Cash | 293 | 345 | 225 | 170 |
| Savings deposits | 8,556 | 8,404 | 5,552 | 3,217 |
| Current deposits | 73 | 98 | 48 | 47 |
| Fixed deposits | 85 | 31 | 85 | 31 |
| FCD deposits | 10,098 | 8,322 | 10,098 | 8,322 |
| Cheque on hand-related parties | - | - | 358 | - |
| Cheque on hand-other parties | 98,638 | 3,458 | 98,638 | 3,458 |
| Total | 117,743 | 20,658 | 115,004 | 15,245 |

6. Short-term investments

Consisted of :-

(Unit : Thousand Baht)

Consolidated/Separate financial statementsAs at

| | <u>June 30, 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 June 30, 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 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Trade receivables-other parties | 225,413 | 211,589 | 219,730 | 206,449 |
| Notes receivables | 2,462 | 2,742 | 2,462 | 2,243 |
| Total trade and notes receivables | 227,875 | 214,331 | 222,192 | 208,692 |
| <u>Less</u> Allowance for doubtful accounts | (27,124) | (25,116) | (22,124) | (20,116) |
| Total trade and notes receivables-net | 200,751 | 189,215 | 200,068 | 188,576 |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Other receivables-related parties | - | - | 33 | - |
| Other receivables-other parties | 527 | 634 | 247 | 354 |
| Accrued income-related parties | - | - | 2 | 2 |
| Accrued income-other parties | - | 33 | - | - |
| Accrued interest receivable-related parties | 2,847 | 2,278 | 10,766 | 9,942 |
| Accrued interest receivable-other parties | 848 | 453 | 587 | 430 |
| Advance payment | 15,831 | - | 15,227 | - |
| Prepaid expenses | 4,614 | 3,497 | 4,392 | 3,208 |
| Deposits to supplier | 14,915 | 1,102 | 14,915 | 1,102 |
| Other | 6,440 | 2,037 | 6,440 | 2,005 |
| Total other receivables | 46,022 | 10,034 | 52,609 | 17,043 |
| <u>Less</u> Allowance for doubtful accounts | (11,356) | - | (10,815) | - |
| Total other receivables-net | 34,666 | 10,034 | 41,794 | 17,043 |
| Total trade and other receivable | 235,417 | 199,249 | 241,862 | 205,619 |

As of June 30, 2019 and December 31, 2018, The trade account receivables, value amount of Baht 73.04 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Notes receivables | 2,461 | 2,743 | 2,461 | 2,242 |
| Trade receivables | | | | |
| Within credit term | 137,341 | 128,987 | 136,762 | 128,920 |
| Overdue | | | | |
| - Not over 3 months | 59,067 | 54,799 | 59,004 | 54,744 |
| - Over 3 months but not over 6 months | 771 | 726 | 741 | 714 |
| - Over 6 months but not over 12 months | 1,111 | 1,660 | 1,100 | 1,656 |
| - Over 12 months | 27,124 | 25,416 | 22,124 | 20,416 |
| Total | 227,875 | 214,331 | 222,192 | 208,692 |
| <u>Less</u> Allowance for doubtful accounts | (27,124) | (25,116) | (22,124) | (20,116) |
| Net | 200,751 | 189,215 | 200,068 | 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 for the six-month period ended June 30, 2019 and 2018 were as follows :-

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------|--|-------------|--------------------------------------|-------------|
| | <u>As at June 30,</u> | | <u>As at June 30,</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Beginning balance | (25,116) | (26,474) | (20,116) | (21,239) |
| Increase during the period | (13,764) | - | (13,223) | (639) |
| Collect during the period | 400 | 319 | 400 | 739 |
| Ending balance | (38,480) | (26,155) | (32,939) | (21,139) |

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

8. Unbilled receivables/Advances received from construction

Consisted of: -

(Unit : Thousand Baht)

| | <u>Consolidated financial statements/</u> | |
|--|---|--------------------------|
| | <u>Separate financial statements</u> | |
| | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Unbilled receivables | | |
| Value of work according the contract | 681,403 | 248,733 |
| Recognized of revenues on percentage of completion basis | 463,525 | 127,322 |
| <u>Less</u> Value of total billed | (370,739) | (93,089) |
| Unbilled receivables | 92,786 | 34,233 |
| <u>Less</u> Allowance for doubtful debt | (1,760) | - |
| Unbilled receivables-net | 91,026 | 34,233 |
| Advances received from construction | | |
| Value of work according the contract | 14,778 | - |
| Value of total billed | 10,605 | - |
| <u>Less</u> Recognized of revenues on percentage of completion basis | (5,964) | - |
| Advances received from construction | 4,641 | - |

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

| (Unit : Thousand Baht) | | |
|--|---|--------------------------|
| | <u>Consolidated financial statements/</u> | |
| | <u>Separate financial statements</u> | |
| | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Accumulated construction costs and realized gains | | |
| (Less loss recognized) until present | 469,489 | 127,322 |
| <u>Less</u> Value of total billed | (381,344) | (93,089) |
| Net | 88,145 | 34,233 |
| Amount recognized as assets / liabilities in the statement of financial position | | |
| - Unpaid work value | 92,786 | 34,233 |
| - Advances received from construction | (4,641) | - |
| Net | 88,145 | 34,233 |

The movement of allowance doubtful debt for unbilled receivables for the six-month period ended June 30, 2019 and 2018 were as follows :-

| (Unit : Thousand Baht) | | |
|----------------------------|---|-------------|
| | <u>Consolidated financial statements/</u> | |
| | <u>Separate financial statements</u> | |
| | <u>2019</u> | <u>2018</u> |
| Beginning balance | - | - |
| Increase during the period | (1,760) | - |
| Ending balance | (1,760) | - |

9. Default payment of loan to other person

Consisted of:

| (Unit : Thousand Baht) | | |
|-------------------------|----------------------|--------------------------------------|
| | <u>Consolidated/</u> | <u>Separate financial statements</u> |
| | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Principal | 26,883 | 26,883 |
| Accrued interest income | 12,027 | 12,027 |
| Total | 38,910 | 38,910 |

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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Beginning balance | 6,200 | - | - | - |
| Addition | 38,112 | 6,200 | 4,000 | - |
| Compound interest | 1,441 | - | 99 | - |
| Repayment | (23,000) | - | - | - |
| Ending balance | 22,753 | 6,200 | 4,099 | - |
| <u>Less</u> Allowance for doubtful debt | (22,753) | - | (4,099) | - |
| Total | - | 6,200 | - | - |

The movement of allowance for doubtful debt short term loans to other party for the six-month period ended June 30, 2019 and 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Beginning balance | - | - | - | - |
| Increase during the period | (22,753) | - | (4,099) | - |
| Ending balance | (22,753) | - | (4,099) | - |

In accordance with consolidated and separate financial statements as at June 30, 2019 and December 31 2018, the whole amount short-term loans to other party is loans under agreement with due to repayment which due within 3 mounths is carried by interest rate 15.00% per annum. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 onward due to there is uncertainty to collectable.

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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Raw materials | 90,601 | 122,447 | 90,506 | 122,356 |
| Goods in process | 14,538 | 7,138 | 14,538 | 7,138 |
| Finished goods | 23,183 | 23,383 | 23,183 | 23,383 |
| Goods in transit | 18,952 | 12,255 | 18,952 | 12,255 |
| Supplies | 4,676 | 5,161 | 4,603 | 4,985 |
| Raw materials for transfer | 122,766 | 25,125 | 122,766 | 25,125 |
| Total | 274,716 | 195,509 | 274,548 | 195,242 |
| <u>Less</u> Allowance for decline in value of inventories | (12,498) | (16,126) | (12,498) | (16,126) |
| Net | 262,218 | 179,383 | 262,050 | 179,116 |

Movements of allowance for declining in value of inventories for the six-month period ended June 30, 2019 and 2018, are as follow:-

| | (Unit: Thousand Baht) | | | |
|---|--|-------------|--------------------------------------|-------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>For the six-month period ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| - Allowance for declining in value of inventories | | | | |
| beginning balance | (16,126) | (16,221) | (16,126) | (16,221) |
| - During the period | 3,628 | 2,289 | 3,628 | 2,289 |
| - Allowance for declining in value of inventories | | | | |
| ending balance | (12,498) | (13,932) | (12,498) | (13,932) |

12. Investments in subsidiaries

As at June 30, 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 six-month</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>June 30, 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 | 53,985 | - | - |
| - CIG Development Co., Ltd. | 100,000 | 100,000 | 99.97 | 99.97 | 146,548 | 146,548 | - | - |
| - Siam Railway Development Co., Ltd. | 40,180 | 1,000 | 99.99 | 99.97 | 41,180 | 1,000 | - | - |
| Total | | | | | 241,713 | 201,533 | - | - |
| <u>Less</u> Allowance for impairment loss | | | | | (170,977) | (170,977) | | |
| Net | | | | | 70,736 | 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 10.00 Baht per share from originally 30.00 Baht per share; which sums up to 40.00 Baht per share for 100,000 shares. The total amount was amount of Baht 1,000,000 Baht which was paid up by shareholders in January 2018. The Company with the Ministry of Commerce on February 16, 2018

CIG Development Co., Ltd.

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

Siam Railway Development Co., Ltd

On March 29, 2019, the minutes of the extraordinary general meeting of shareholders No.1/2019 has resolution to increase of registered capital from amount of Baht 1.00 million to amount of Baht 50.00 million. The Company called for the paid-up whole amount and received which shares at amount of Baht 82.00 per share Baht in amount of Baht 40.18 million total paid-up capital of amount of Baht 41.18 million. The Company registered the increase in share capital with the Ministry of Commerce on April 11, 2019

There is no movement of allowance for impairment loss for investments For the six-month period ended June 30, 2019 and 2018.

13. Investments in associate

As at June 30, 2019 and December 31, 2018, the Company's investments in associates were as follows :-

| (Unit : Thousand Baht) | | | | |
|--|--------------------------------------|--------------------------|----------------------|--------------------------|
| <u>Consolidated financial statements</u> | | | | |
| <u>Name of companies</u> | <u>Percentage of Shareholding(%)</u> | | <u>Equity method</u> | |
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Fakwantip Co., Ltd. | 29.67 | 29.67 | 27,022 | 34,600 |

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>June 30, 2019</u> | <u>December 31, 2018</u> |
| Current assets | 31,600 | 17,103 |
| Non-current assets | 410,126 | 406,779 |
| Total assets | 441,726 | 423,882 |
| Current liabilities | (366,627) | (323,442) |
| Non-current liabilities | (197) | - |
| Total liabilities | (366,824) | (323,442) |
| Net assets | 74,902 | 100,440 |

| (Unit : Thousand Baht) | | | | |
|---|------------------------------|-------------|------------------------------|-------------|
| | <u>For the three-month</u> | | <u>For the six-month</u> | |
| | <u>period ended June 30,</u> | | <u>period ended June 30,</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Revenue | 32,185 | - | 63,432 | - |
| Loss for the period | (13,504) | - | (25,538) | - |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | (13,504) | - | (25,538) | - |
| 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>June 30, 2019</u> | <u>December 31, 2018</u> |
| Net assets of the associate | 74,902 | 100,440 |
| <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 | 31,075 | 56,613 |
| Shareholding of the company (%) | 29.67 | 29.67 |
| | 9,220 | 16,798 |
| Increase ordinary shares | 17,802 | 17,802 |
| Book value of the Company in associates company | 27,022 | 34,600 |

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

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

Periods 1st on September 20, 2018 amount of Baht 60.00 million.

Periods 2nd on November 20, 2018 amount of Baht 60.00 million.

Periods 3rd on December 20, 2018 amount of Baht 30.00 million.

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

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

Investment in Fakwantip Co.,Ltd. formerly, general investment. Later, Fakwantip Co., Ltd. out of rehabilitation plan on July 31, 2018 causing such investment change to investment in associate. The Company perform beginning equity method from originally record cost method. As at June 30, 2019 the associate assessed the fair value of property and building is progress held on July 8, 2019. The details are as follows:-

| | (Unit: Thousand Baht) | | | | |
|-------------------------------|----------------------------|---|---------------|------------------------|--------------------------|
| | <u>Cost method</u> | <u>Fair value</u> | <u>Profit</u> | <u>Percentage of</u> | <u>Recognize in</u> |
| | <u>As at July 31, 2018</u> | | <u>(loss)</u> | <u>shareholding(%)</u> | <u>retained earnings</u> |
| Land | 927 | 940 | 13 | 29.67 | 4 |
| Land and building | 82,883 | 42,480 | (40,403) | 29.67 | (11,987) |
| Total | 83,810 | 43,420 | (40,390) | | (11,983) |
| Machinery during installation | 358,514 | in the process of evaluating fair value | | | |
| Totaling | 442,324 | | | | |

Currently, the fair value of property and building in progress is in accordance to the valuation report amount of Baht 43.32 million with a lower cost than the fair value amount of Baht 40.39 million, the Company is recorded investment in associate by equity method in the consolidated financial statements recognized such loss amount of Baht 11.98 million in beginning retained earnings. The fair value of property and building in progress is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) by using Market Approach for the land valuation and Cost Approach for land and buildings valuation. The fair value of investment property is hierarchical level 3 and the Company is finding independent appraiser for assess fair value is machinery during installation.

As at June 30, 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 June 30, 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.32.1.

15. Investment property

For the six-month period ended June 30, 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 | 1,432 |
| Transfer in | 53,555 |
| Transfer out | (53,555) |
| Depreciation for portion shown in statements of comprehensive income | (2,717) |
| Ending book value | <u>145,658</u> |

As at June 30, 2019 and December 31, 2018, the consolidated and separate financial statements in the cost price was amount of Baht 89.73 million and the book value amount of Baht 89.05 million are pledged for loans granted by Short-term loans other persons in the note to financial statements No. 21.

As at June 30, 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 six-month period ended June 30, 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 | 10,162 | 9,596 |
| Transferred in | 6,578 | 5,964 |
| Transfer out | (4,391) | (3,819) |
| Written off assets | (5,036) | (4,868) |
| Depreciation for portion shown in statements of comprehensive income | (26,535) | (21,146) |
| Accumulated depreciation in written off assets | 4,610 | 4,453 |
| Ending book value | 412,968 | 271,512 |

- Consolidated financial statements and Separate financial statements

As at June 30, 2019 and December 31, 2018, the Company had land, property and machinery in the cost price was amount of Baht 534.84 million and amount of Baht 475.16 million respectively and the book value amount of Baht 150.55 million and amount of Baht 117.41 million respectively and to be acquired in the future pledged for collateral against credit line to commercial banks, financial institutions and other parties in the note to financial statements No.20, 21 and 32.1.

17. Deferred leasehold land

Consisted of :-

| | (Unit: Thousand Baht) | |
|--------------------------------------|--|--------------------------|
| | <u>Consolidated financial statements</u> | |
| | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Leasehold land-cost | 10,949 | 22,644 |
| <u>Less</u> Accumulated amortization | (748) | (11,695) |
| Net | 10,201 | 10,949 |

17.1 As at June 30, 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 six-month period ended June 30, 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 | 5,287 | 4,905 |
| Purchase | 2,400 | 2,400 |
| Transferred out | (2,050) | (2,050) |
| Amortization for portion shown in statements | | |
| of comprehensive income | (1,004) | (959) |
| Ending book value | 4,633 | 4,296 |

19. Deferred tax assets

Deferred tax assets and liabilities as at June 30, 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Deferred tax assets | 26,374 | 15,711 | 69,317 | 49,906 |
| Deferred tax liabilities | - | - | - | - |
| Net | 26,374 | 15,711 | 69,317 | 49,906 |

Movements in total deferred tax assets and liabilities for the six-month period ended June 30, 2019 were as follows :-

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | | | <u>Separate financial statements</u> | | | |
|------------------------------------|--|--|--|---------------------------|--------------------------------------|--|--|---------------------------|
| | As at January 1, 2019 | Charged) / credited to statements of comprehensive income (Note 28.1) | Charged) / credited to statements of other comprehensive income (Note 28.2) | As at June 30, 2019 | As at January 1, 2019 | Charged) / credited to statements of comprehensive income (Note 28.1) | Charged) / credited to statements of other comprehensive income (Note 28.2) | As at June 30, 2019 |
| Deferred tax assets | | | | | | | | |
| Temporary investments | 392 | - | - | 392 | 392 | - | - | 392 |
| Trade and other receivables | 4,023 | 1,333 | - | 5,356 | 4,023 | 2,917 | - | 6,940 |
| Short-term loan | - | 4,619 | - | 4,619 | - | 11,772 | - | 11,772 |
| Inventories | 3,226 | (726) | - | 2,500 | 3,226 | (726) | - | 2,500 |
| Investment in subsidiary companies | - | - | - | - | 34,195 | - | - | 34,195 |
| Property, plant and equipment | 58 | - | - | 58 | 58 | - | - | 58 |
| Employee benefit obligations | 8,012 | 3,607 | 1,830 | 13,449 | 8,012 | 3,607 | 1,841 | 13,460 |
| Total | 15,711 | 8,833 | 1,830 | 26,374 | 49,906 | 17,570 | 1,841 | 69,317 |

As at June 30, 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 141.91 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>June 30, 2019</u> | <u>December 31, 2018</u> |
| Bank overdraft | 20,958 | 24,751 |
| Promissory note | 20,000 | 20,000 |
| Discount post dated cheques-other parties | 48,598 | - |
| Trust receipt | 51,798 | 53,170 |
| Total | 141,354 | 97,921 |

As at June 30, 2019 and December 31, 2018, the Group held bank overdrafts, trust receipt, letters of credit, discount post dated cheques and promissory note facilities from several financial institutions as mentioned in the note to financial statements No. 32.1 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 persons and parties

Consisted of :-

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------------|--|--------------------------|--------------------------------------|--------------------------|
| | <u>As at</u> | | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Factoring payables-other parties | 64,150 | 52,386 | 64,150 | 52,386 |
| Short-term loans-other persons | 76,000 | - | 75,000 | - |
| Deferred interest | (1,579) | (387) | (1,579) | (387) |
| Total | 138,571 | 51,999 | 137,571 | 51,999 |

As at June 30, 2019 and December 31, 2018, factoring payables is loan from the transfer of claims in the account trade receivable according note to financial statements No.7 to a factoring company and interest is carried by the rate at 5.75% per annum and 5.50% per annum respectively.

As at June 30, 2019, the consolidate financial statements, the whole amount of short-term loans from other person to short-term loan in the form loans agreements, maturity within 1-12 months and interest rates of 12.00%-15.00% per annum, the separate financial statements, the whole amount of short-term loans from other person to short-term loan in the form loans agreements, maturity within 12 month and interest rates of 12.00%-15.00% per annum.

Mortgage such short-term loans from other persons as the separate financial statements was secured by the investment property and property, plant and equipment as mentioned in the notes to the financial statements No.15 and 16.

22. Discount post dated cheques-other persons

As at June 30, 2019, discount post dated cheques whole amount is discount to other person by interest rate of 15.00% per annum.

23. 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Trade payables | 239,359 | 142,949 | 236,998 | 142,603 |
| Post dated cheque | 1,256 | 1,616 | 298 | 1,078 |
| Accrued expenses-other parties | 36,418 | 13,383 | 35,886 | 11,138 |
| Advance received | 10,073 | 71,397 | 10,073 | 66,375 |
| Other payable | 77,953 | 18,529 | 77,473 | 17,880 |
| Total | 365,059 | 247,874 | 360,728 | 239,074 |

24. Liabilities under financial lease agreement

Consisted of :-

(Unit : Thousand Baht)

| | <u>Consolidated/Separate financial statements</u> | |
|---|---|--------------------------|
| | <u>As at</u> | |
| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Liabilities under financial lease agreement | 1,786 | 1,354 |
| <u>Less</u> Deferred Interest | (115) | (41) |
| Net | 1,671 | 1,313 |
| <u>Less</u> Current portion | (759) | (1,292) |
| Net | 912 | 21 |

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

(Unit : Thousand Baht)

| | <u>As at June 30, 2019</u> | | | <u>As at December 31, 2018</u> | | |
|--------------------------------------|------------------------------|----------|--|--------------------------------|----------|--|
| | Future minimum lease payment | Interest | Present value of minimum lease payment | Future minimum lease payment | Interest | Present value of minimum lease payment |
| Within one year | 807 | (48) | 759 | 1,333 | (41) | 1,292 |
| After one year but within five years | 979 | (67) | 912 | 21 | - | 21 |
| Total | 1,786 | (115) | 1,671 | 1,354 | (41) | 1,313 |

25. 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Beginning present value of the obligation | 40,198 | 37,122 | 40,060 | 37,061 |
| Current service cost | 2,723 | 3,124 | 2,682 | 3,052 |
| Past service cost | 14,229 | - | 14,218 | - |
| Interest cost | 1,066 | 1,168 | 1,062 | 1,163 |
| Measurements of the other long-term benefit | 192 | - | 192 | - |
| Actuarial loss arising from defined benefit plan | 9,150 | - | 9,206 | - |
| <u>Less</u> Repayment for the period | (121) | (1,216) | (120) | (1,216) |
| Ending present value of the obligation | 67,437 | 40,198 | 67,300 | 40,060 |

Expenses recognized in statements of comprehensive income are shown collectively for the three-month and six-month periods ended June 30, 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 June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| <u>Recognized in profit or loss</u> | | | | |
| Cost of sales and services | 8,701 | 449 | 8,701 | 449 |
| Selling expenses | 1,496 | - | 1,496 | - |
| Administrative expenses | 1,651 | 236 | 1,616 | 214 |
| Directors | 5,479 | 387 | 5,479 | 387 |
| Total | 17,327 | 1,072 | 17,292 | 1,050 |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------------------|--|-------------|--------------------------------------|-------------|
| | <u>For the six-month period ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| <u>Recognized in profit or loss</u> | | | | |
| Cost of sales and services | 9,137 | 894 | 9,137 | 894 |
| Selling expenses | 1,496 | - | 1,496 | - |
| Administrative expenses | 1,881 | 464 | 1,825 | 427 |
| Management benefit expenses | 5,696 | 769 | 5,696 | 769 |
| Total | 18,210 | 2,127 | 18,154 | 2,090 |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|---|-------------|--------------------------------------|-------------|
| | <u>For the three month and six-month periods ended June 30,</u> | | | |
| <u>Recognized in other comprehensive income</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Actuarial loss arising from defined benefit plan | | | | |
| Financial assumptions changes | (437) | - | (436) | - |
| Demographic assumptions changes | 10,324 | - | 10,324 | - |
| Experience adjustments | (737) | - | (682) | - |
| Total | 9,150 | - | 9,206 | - |

Principal actuarial assumptions at the reporting date are as follows:-

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|------------------------------|--|--------------|--------------------------------------|--------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Discount rate | 3.13%-3.36% | 2.96%-3.32% | 3.13%-3.23% | 2.96%-3.08% |
| Average salary increase rate | 4.29%-5.40% | 2.94%-5.00% | 4.29%-5.40% | 2.94%-4.14% |
| Employee turnover rate | Age band | Age band | Age band | Age band |
| Retirement age | 60 years old | 60 years old | 60 years old | 60 years old |

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. On the April 5, 2019, Labor Protection Act has announcement in the Royal Gazette which effective on May 5, 2019. The Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment which the Company have additional liabilities for employee benefit obligations. The Company have recorded the effect of the change by recognizing past service costs as expenses in profit and loss

26. Share capital

The movement of share capital for the six-month period ended June 30, 2019 and 2018 is as follows:-

| | | <u>Consolidated/Separate financial statements</u> | | | |
|---|------|---|--------------------------|--------------------------|------------------------|
| | | <u>2019</u> | | <u>2018</u> | |
| | | <u>Par Value</u> | <u>Number of share</u> | <u>Number of share</u> | <u>Amount</u> |
| | | <u>(Baht)</u> | <u>(Thousand Shares)</u> | <u>(Thousand Shares)</u> | <u>(Thousand Baht)</u> |
| Registered share capital | | | | | |
| Ordinary shares the beginning of the period | 0.50 | | 1,297,174 | 1,297,174 | 648,587 |
| <u>Less</u> Decrease ordinary shares | 0.50 | | (432,388) | - | - |
| Ordinary shares the ending of the period | 0.50 | | 864,786 | 1,297,174 | 648,587 |
| Issued and paid-up share capital | | | | | |
| Ordinary shares the beginning of the period | 0.50 | | 864,786 | 864,786 | 432,393 |
| <u>Less</u> Decrease ordinary shares | 0.50 | | - | - | - |
| Ordinary shares the ending of the period | 0.50 | | 864,786 | 864,786 | 432,393 |

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.

During the year 2019, 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 unexercise CIG-W7 warrants expired whole amount in the period on February 14, 2019.

27. 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 |

28. Income tax expenses(revenues)

28.1 Income tax is recognized in profit or loss

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|------------------------------------|--|-------------|--------------------------------------|-------------|
| | <u>For the three-month period ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Current tax expenses | 4,744 | 818 | 4,744 | 819 |
| Deferred tax expenses | | | | |
| Movements in temporary differences | (8,036) | 71 | (16,773) | 71 |
| Income tax expenses (revenues) | (3,292) | 889 | (12,029) | 890 |

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------|--------------------------------------|-------------|
| | <u>For the six-month period ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Current tax expenses | 4,744 | 2,017 | 4,744 | 2,018 |
| Deferred tax expenses | | | | |
| Movements in temporary differences (Note 19) | (8,833) | 636 | (17,570) | (47) |
| Income tax expenses (revenues) | (4,089) | 2,653 | (12,826) | 1,971 |

28.2 Income tax is recognized in other comprehensive income

(Unit : Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|---|-------------|--------------------------------------|-------------|
| | <u>For the three-month and six-month periods ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Actuarial losses arising from defined benefit plan | (9,150) | - | (9,206) | - |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Income tax relevance with other comprehensive income | (1,830) | - | (1,841) | - |

29. Basic loss per share

Basic loss per share is calculated by dividing 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 June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Loss for the period (Unit : Thousand Baht) | (51,095) | (5,550) | (68,349) | (5,677) |
| The number of issued and paid-up ordinary shares | | | | |
| (Unit : Thousand Baht) | 864,786 | 864,786 | 864,786 | 864,786 |
| Basic loss per share (Baht/share) | (0.0591) | (0.0064) | (0.0790) | (0.0066) |

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------|--------------------------------------|-------------|
| | <u>For the six-month period ended June 30,</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Loss for the period (Unit : Thousand Baht) | (60,374) | (5,372) | (66,317) | (1,502) |
| The number of issued and paid-up ordinary shares | | | | |
| (Unit : Thousand Baht) | 864,786 | 864,786 | 864,786 | 864,786 |
| Basic loss per share (Baht/share) | (0.0698) | (0.0062) | (0.0767) | (0.0017) |

30. 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 six-month period ended June 30, 2019 | | | | |
| | Air-conditioning | | Hotel | |
| | products and parts | Construction | services | Total |
| Local revenues | 268,483 | 380,422 | 3,533 | 652,438 |
| Export revenues | 161,321 | - | - | 161,321 |
| Total | 429,804 | 380,422 | 3,533 | 813,759 |
| Cost of sales and services | (357,520) | (342,685) | (8,437) | (708,642) |
| Gross profit(loss) by segment | 72,284 | 37,737 | (4,904) | 105,117 |
| Non-allocation expenses | | | | (158,571) |
| Loss from operations | | | | (53,454) |
| Other incomes | | | | 6,885 |
| Finance costs | | | | (10,289) |
| Share of loss on investment in associate | | | | (7,578) |
| Income tax revenues | | | | 4,089 |
| Loss for the period | | | | (60,347) |
| Property, plant and equipment | | | | 412,968 |
| Other assets | | | | 1,005,610 |
| Total assets | | | | 1,418,578 |

For the three-month period ended June 30, 2019, 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 260.57 million.

For the six-month period ended June 30, 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 338.45 million.

(Unit : Thousand Baht)

Consolidated financial statements

For the six-month period ended June 30, 2018

| | Air-conditioning products and parts | Construction | Hotel services | Total |
|-------------------------------|--|--------------|-------------------|-----------|
| Local revenues | 292,012 | 88,771 | 11,303 | 392,086 |
| Export revenues | 203,446 | - | - | 203,446 |
| Total | 495,458 | 88,771 | 11,303 | 595,532 |
| Cost of sales and services | (412,874) | (83,806) | (11,427) | (508,107) |
| Gross profit(loss) by segment | 82,584 | 4,965 | (124) | 87,425 |
| Non-allocation expenses | | | | (96,008) |
| Loss from operations | | | | (8,583) |
| Other incomes | | | | 9,746 |
| Finance costs | | | | (3,882) |
| Income tax expenses | | | | (2,653) |
| Loss for the period | | | | (5,372) |
| Property, plant and equipment | | | | 514,281 |
| Other assets | | | | 688,326 |
| Total assets | | | | 1,202,607 |

For the three-month period ended June 30, 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 132.29 million.

For the six-month period ended June 30, 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 260.57 million.

31. 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 June 30, 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>As at June 30, 2019</u> | | | | |
|-----------------------------------|--|--------------------|--------------------------------------|--------------------|
| <u>Currency (Unit : Thousand)</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 | 2,245 | 3,109 | 2,245 | 3,109 |
| AUD | 35 | - | 35 | - |
| SGD | - | 366 | - | 366 |
| CNY | 6 | - | 6 | - |
| INR | 1 | - | 1 | - |
| PHP | 4 | - | 4 | - |

| <u>As at December 31, 2018</u> | | | | |
|-----------------------------------|--|--------------------|--------------------------------------|--------------------|
| <u>Currency (Unit : Thousand)</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 | - |

32. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at June 30, 2019 and December 31, 2018, the Group held other obligations as follows:-

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

| <u>Consolidated / Separate financial statements</u> | | | | | | | |
|---|-------------------------|----------------------------|-----------------|------------------|--------------------------------|-----------------|------------------|
| | <u>Currencies</u> | <u>As at June 30, 2019</u> | | | <u>As at December 31, 2018</u> | | |
| | <u>(Unit : Million)</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 | 126.92 | 70.54 | 197.46 | 129.36 | 68.10 |
| Letters of credit and trust receipt | USD | 135.00 | 51.80 | 83.20 | 135.00 | 92.60 | 42.40 |
| Bank overdrafts | Baht | 30.00 | 20.96 | 9.04 | 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

32.2 As at June 30, 2019 and December 31, 2018, the Company has capital expenditure commitment for the purchase of machinery and equipment contract as follows :-

(Unit : Million Baht)

| | <u>As at June 30, 2019</u> | | <u>As at December 31, 2018</u> | |
|------|----------------------------|-------------------------------|--------------------------------|-------------------------------|
| | <u>Contractual</u> | <u>Outstanding</u> | <u>Contractual</u> | <u>Outstanding</u> |
| | <u>amount</u> | <u>Contractual obligation</u> | <u>amount</u> | <u>Contractual obligation</u> |
| Baht | - | - | 11.86 | 5.00 |
| USD | 0.23 | 0.02 | - | - |

32.3 As at June 30, 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>June 30, 2019</u> | <u>December 31, 2018</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
| Within 1 year | 1,598 | 1,603 | 528 | 528 |
| Over 1 and up to 5 years | 1,496 | 1,953 | 44 | 308 |
| Total | 3,094 | 3,556 | 572 | 836 |

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 August 14, 2019.
