

AUDITOR'S REPORT

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

Opinion

I have audited the accompanying consolidated and separate financial statements of C.I.GROUP PUBLIC COMPANY LIMITED and its subsidiary companies ("The Group") and also of C.I.GROUP PUBLIC COMPANY LIMITED only ("The Company"), respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2019, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the possible effect to the matter described in the basis of qualified opinion paragraph, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of C.I.GROUP PUBLIC COMPANY LIMITED and its subsidiary companies and also of C.I.GROUP PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2019, and of their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis of qualified opinion

As mentioned to the note 15 to financial statements. I can not to audited enough evidences in the value of investment in associate as presented in the consolidated financial statements as at December 31, 2019 and 2018, amount of Baht - million (Net of allowance for impairment loss of investment in associated amount of Baht 12.21 million) and amount of Baht 33.31 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 43.42 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 13.27 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 year ended December 31, 2019 amount of Baht 21.10 million by book value of net assets as at December 31, 2019 of the associate company. However, the financial statement of the associate is the Company recognize. I have audited and presentation a qualified opinion on those financial reports of cannot audited 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 audited to be satisfied to investments associate and share of profit on investment in associate.

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

Emphasis of matter and event

In the year 2018, I have qualified reported about loan to other, person, principal amount of Baht 26.88 million and accrued interest receivable amount of Baht 12.03 million as mentioned to the note 11 to financial statements. 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. There is currently no settlement on the value of the assets to be obtained from the enforcement. The Company has considered to set up a full allowance for doubtful loan and accrued interest receivable. Made my opinion of that matter unqualified in 2019.

Key audit matters

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

Recognition of revenue from construction services

The consolidated financial statements for the year ended December 31, 2019, the Group's recognition of revenue from construction services in amount of Baht 571.84 million and disclosed their policies on recognition of revenue from construction services and estimation of construction project costs in Note 5.14.2 and 5.15.1 respectively, to the financial statements. The management must exercise judgment in determining the percentage of completion of construction work, the probability of loss, and the measurement of possible losses. There are therefore risks with respect to the amount and the recognition of revenue from construction services and the estimates of possible losses from construction contracts

How my audit addressed the key audit matter

I examined the recognition of revenue from construction services and estimation of construction project costs by assessing and testing the effectiveness of the internal controls put in place over the recognition of revenue and construction costs, the estimation of project costs, the estimation of percentage of work completion and possible losses from construction contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the Group's designed controls, read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of process to assess the percentage of completion and cost estimates for projects, checked appropriate of estimates of project costs to the project budgets, checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred, observe the project in progress at the end of year and evaluated the possible losses on projects assessed by the management.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is

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

(Mr.Ampol Chamnongwat)

Certified Public Accountant Registration No. 4663

Bangkok

February 25, 2020.

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	December 31,2019	December 31,2018	December 31,2019	December 31,2018
		(Restated)			
<u>Assets</u>					
Current assets					
Cash and cash equivalents	7	9,914,788	20,608,357	9,101,781	15,244,595
Temporary investments	8	-	-	-	-
Trade and other receivable	6.1 and 9	196,704,626	199,298,746	195,723,311	205,618,579
Unbilled receivable	10	107,956,559	34,232,980	107,956,559	34,232,980
Short-term loans to related parties	6.1	-	14,000,000	-	95,261,500
Default payment of loan to other person	11	-	38,910,289	-	38,910,289
Short-term loans to other parties	12	-	6,200,000	-	-
Inventories	13	124,165,890	179,383,026	123,952,398	179,116,387
Other current assets		20,322,872	14,631,171	19,575,212	13,723,047
Total current assets		459,064,735	507,264,569	456,309,261	582,107,377
Non-current assets					
Investments in subsidiary	14	-	-	28,894,827	30,556,359
Investments in associate	15	-	33,313,426	-	-
Bank depositpled as collateral	16	20,561,543	20,460,503	20,460,504	20,460,503
Long-term loan to related parites	6.1	-	-	-	102,059,223
Investment property	17	54,527,562	146,943,398	54,527,562	146,943,398
Property, plant and equipment	18	399,502,397	427,580,201	260,209,194	281,332,122
Deferred leasehold land	19	10,111,249	10,949,400	-	-
Intangible assets	20	3,328,640	5,287,038	3,037,322	4,904,786
Deferred tax assets	21	34,026,968	15,710,556	93,404,722	49,905,793
Retentions		22,737,783	-	22,737,783	-
Other non-current assets		17,885,263	586,895	17,580,127	242,759
Total non-current assets		562,681,405	660,831,417	500,852,041	636,404,943
Total assets		1,021,746,140	1,168,095,986	957,161,302	1,218,512,320

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

C.I.GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	December 31,2019	December 31,2018	December 31,2019	December 31,2018
(Restated)					
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	117,321,189	97,921,280	117,321,189	97,921,280
Short-term loans from other persons and parties	23	88,230,111	51,998,728	86,180,111	51,998,728
Short-term loans from related persons	6.1	2,150,000	-	-	-
Trade and other payable	6.1 and 24	226,915,481	247,873,893	219,343,772	239,073,808
Advance received from construction	10	7,748,789	-	7,748,789	-
Unbilled work costs		7,877,416	21,591,702	7,877,416	21,591,702
Current portion of finance lease liabilities	25	250,315	1,292,611	250,315	1,292,611
Current portion of liabilities under land lease agreement		889,000	889,000	-	-
Other current liabilities		2,084,278	1,653,335	1,072,494	1,199,841
Total current liabilities		453,466,579	423,220,549	439,794,086	413,077,970
Non-current liabilities					
Liabilities under finance lease agreement	25	800,773	21,000	800,773	21,000
Liabilities under land lease agreement		3,555,000	4,444,000	-	-
Employee benefit obligations	26	69,629,929	40,197,756	69,447,446	40,060,176
Other non-current liabilities		1,158,390	1,184,391	3,000	3,000
Total non-current liabilities		75,144,092	45,847,147	70,251,219	40,084,176
Total liabilities		528,610,671	469,067,696	510,045,305	453,162,146
Shareholders' equity					
Share capital	27				
Authorized share capital					
1,297,174,248 ordinary shares @ Baht 0.50		-	648,587,124	-	648,587,124
864,786,782 ordinary shares @ Baht 0.50		432,393,391	-	432,393,391	-
Issued and paid-up share capital					
864,786,782 ordinary shares @ Baht 0.50		432,393,391	432,393,391	432,393,391	432,393,391
Premium on ordinary shares		565,027,151	565,027,151	565,027,151	565,027,151
Premium on sale treasury stock		15,534,581	15,534,581	15,534,581	15,534,581
Retained earnings (deficit)					
Appropriated					
Legal reserve		12,707,000	12,707,000	12,707,000	12,707,000
Unappropriated		(532,526,654)	(326,633,833)	(578,546,126)	(260,311,949)
Total shareholders' equity of company		493,135,469	699,028,290	447,115,997	765,350,174
Non-controlling interests		-	-	-	-
Total shareholders' equity		493,135,469	699,028,290	447,115,997	765,350,174
Total liabilities and shareholder's equity		1,021,746,140	1,168,095,986	957,161,302	1,218,512,320

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 year ended December 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		(Restated)			
Revenue from operation					
Revenue from sales		887,606,476	943,248,607	875,749,370	940,555,297
Revenue from services		579,027,113	147,141,834	571,835,485	129,827,334
Total revenues from operation		1,466,633,589	1,090,390,441	1,447,584,855	1,070,382,631
Cost from operation					
Cost of sales		(731,907,778)	(795,259,476)	(727,973,290)	(793,886,505)
Cost of services		(673,258,496)	(146,967,105)	(656,261,580)	(119,858,379)
Total cost from operation	13	(1,405,166,274)	(942,226,581)	(1,384,234,870)	(913,744,884)
Gross profit		61,467,315	148,163,860	63,349,985	156,637,747
Other income		89,113,763	14,032,655	89,089,634	16,626,494
Selling expenses		(69,499,395)	(72,935,367)	(69,032,245)	(72,309,063)
Administrative expenses		(110,989,104)	(92,324,317)	(90,587,803)	(74,838,030)
Doubtful accounts		(100,029,198)	-	(248,733,260)	(30,440,777)
Loss on impairment of investment in subsidiaries		(12,209,551)	-	(47,141,532)	(24,428,341)
Directors and management's benefits	6.3	(32,688,353)	(26,259,179)	(30,888,353)	(26,259,179)
Finance costs		(19,121,029)	(8,843,918)	(18,583,608)	(8,843,918)
Loss before share of loss on investment in associate and income tax		(193,955,552)	(38,166,266)	(352,527,182)	(63,855,067)
Share of loss on investment in associate		(21,103,875)	(14,488,574)	-	-
Loss before income tax		(215,059,427)	(52,654,840)	(352,527,182)	(63,855,067)
Income tax (expenses) revenues	30.1	16,486,451	(219,267)	41,657,744	5,349,046
Loss for the year		(198,572,976)	(52,874,107)	(310,869,438)	(58,506,021)

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 year ended December 31, 2019

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial losses arising from defined benefit plan	26	(9,149,806)	-	(9,205,924)	-
Income tax relevance with other comprehensive income	30.2	1,829,961	-	1,841,185	-
Other comprehensive income for the year		(7,319,845)	-	(7,364,739)	-
Total comprehensive income for the year		(205,892,821)	(52,874,107)	(318,234,177)	(58,506,021)
Loss for the year attributable to :					
Equity holders of the Company		(198,572,976)	(52,874,107)	(310,869,438)	(58,506,021)
Non-controlling interests		-	-	-	-
Loss for the year		(198,572,976)	(52,874,107)	(310,869,438)	(58,506,021)
Total comprehensive income attributable to:					
Equity holders of the Company		(205,892,821)	(52,874,107)	(318,234,177)	(58,506,021)
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		(205,892,821)	(52,874,107)	(318,234,177)	(58,506,021)
Basic loss per share					
Equity holders of the Company	31	(0.2296)	(0.0611)	(0.3595)	(0.0677)

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 year ended December 31, 2019

Consolidated financial statements

(Unit : Baht)

	Note	Retained earnings (deficit)							Total
		Issued and paid-up share capital	Premiums on ordinary shares	Premiums on sales treasury stock	Appropriated legal reserve	Unappropriated	Total shareholders'		
							equity of the Company	Non - controlling interests	
Balance as at January 1, 2018		432,393,191	565,026,751	15,534,581	12,707,000	(273,759,726)	751,901,797	(13,827)	751,887,970
Loss for the year (previously reported)		-	-	-	-	(39,604,800)	(39,604,800)	-	(39,604,800)
The effect of correction of erroes	4.1	-	-	-	-	(13,269,307)	(13,269,307)	-	(13,269,307)
Loss for the year (restated)		-	-	-	-	(52,874,107)	(52,874,107)	-	(52,874,107)
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(52,874,107)	(52,874,107)	-	(52,874,107)
Increased ordinary shares		200	400	-	-	-	600	-	600
Adjust on non-controlling interests		-	-	-	-	-	-	13,827	13,827
Balance as at December 31, 2018 (restated)		432,393,391	565,027,151	15,534,581	12,707,000	(326,633,833)	699,028,290	-	699,028,290
Loss for the year		-	-	-	-	(198,572,976)	(198,572,976)	-	(198,572,976)
Other comprehensive income for the year		-	-	-	-	(7,319,845)	(7,319,845)	-	(7,319,845)
Total comprehensive income for the year		-	-	-	-	(205,892,821)	(205,892,821)	-	(205,892,821)
Balance as at December 31, 2019		432,393,391	565,027,151	15,534,581	12,707,000	(532,526,654)	493,135,469	-	493,135,469

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 year ended December 31, 2019

Separate financial statements

(Unit : Baht)

	Issued and paid-up share capital	Premiums on ordinary shares	Premiums on sales treasury stock	Retained earnings (deficit) Appropriated legal reserve	Unappropriated	Total
Balance as at January 1, 2018	432,393,191	565,026,751	15,534,581	12,707,000	(201,805,928)	823,855,595
Loss for the year	-	-	-	-	(58,506,021)	(58,506,021)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(58,506,021)	(58,506,021)
Increased ordinary shares	200	400	-	-	-	600
Balance as at December 31, 2018	432,393,391	565,027,151	15,534,581	12,707,000	(260,311,949)	765,350,174
Loss for the year	-	-	-	-	(310,869,438)	(310,869,438)
Other comprehensive income for the year	-	-	-	-	(7,364,739)	(7,364,739)
Total comprehensive income for the year	-	-	-	-	(318,234,177)	(318,234,177)
Balance as at December 31, 2019	432,393,391	565,027,151	15,534,581	12,707,000	(578,546,126)	447,115,997

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 year ended December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Loss before income tax	(215,059,427)	(52,654,840)	(352,527,182)	(63,855,067)
Adjustment to loss before income tax for cash received (payment) from operation				
Depreciation	54,304,261	66,349,467	43,166,829	55,873,022
Amortization of right to use land	1,516,451	1,473,677	-	-
Amortization of intangible assets	2,357,398	1,624,737	2,266,464	1,519,667
Gain from sales of investment property	(76,165,324)	-	(76,165,324)	-
(Gain) loss from sale of property, plant and equipment	692,854	(131,418)	682,650	(736,694)
Transfer of work in process to expenses	64,969	-	64,969	-
Doubtful accounts trade receivables	4,569,039	137,195	12,966,825	137,195
Impairment loss on temporary investments	-	660,000	-	660,000
Doubtful accounts long-term loans to related parties	-	-	102,059,223	30,440,777
Doubtful accounts short-term loans to related parties	19,000,000	-	89,037,143	-
Doubtful accounts short-term loans to other parties	74,971,759	-	42,910,289	-
Doubtful accounts unbilled receivables	1,759,780	-	1,759,780	-
Loss from declining in value of inventories (reversal)	(5,708,198)	94,359	(5,708,198)	94,359
Reversal of estimated accrued expenses	-	(4,100,000)	-	(4,100,000)
Gain from unrealized on exchange rate	(224,964)	(79,558)	(224,964)	(79,558)
Impairment loss on investment in subsidiaries	-	-	47,141,532	24,428,341
Impairment loss on investment in associate	12,209,551	-	-	-
Share of loss on investment in associate	21,103,875	14,488,574	-	-
Employee benefit expenses	22,061,629	4,292,041	21,960,608	4,214,990
Interest income	(2,127,580)	(3,316,554)	(3,694,724)	(6,273,872)
Interest expenses	19,121,029	8,843,918	18,583,608	8,843,918
Profit (loss) from operating activities before changes in operating assets and liabilities	(65,552,898)	37,681,598	(55,720,472)	51,167,078

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 year ended December 31, 2019

(Unit : 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	(2,141,462)	5,914,918	(885,497)	6,457,364
Unbilled receivables	(75,483,359)	(34,232,980)	(75,483,359)	(34,232,980)
Inventories	60,824,745	(1,346,382)	60,771,598	(1,358,337)
Other current assets	(6,961,906)	(6,141,105)	(7,080,576)	(5,445,387)
Retentions	(22,737,783)	-	(22,737,783)	-
Other non-current assets	(3,447,661)	8,409,877	(3,486,661)	1,699,635
Operating liabilities increase (decrease)				
Trade and other payables	(21,729,610)	32,104,650	(20,460,234)	27,988,322
Advances received from construction	7,748,789	11,845,697	7,748,789	11,845,697
Unbilled work costs	(13,714,286)	-	(13,714,286)	-
Other current liabilities	430,943	(747,184)	(127,347)	(562,675)
Other non-current liabilities	(26,001)	-	-	-
Employee benefit obligations	(1,779,262)	(1,216,230)	(1,779,262)	(1,216,230)
Cash received (paid) from operation activities	(144,569,751)	52,272,859	(132,955,090)	56,342,487
Income tax paid	(13,203,630)	-	(13,203,630)	-
Net cash received from (used in) operating activities	(157,773,381)	52,272,859	(146,158,720)	56,342,487
Cash flow from investing activities				
(Increase)Decrease in fixed deposit used as collateral	(101,040)	16,169,897	(1)	16,169,897
Cash payment for short-term loans from related parties	(5,000,000)	-	(55,275,643)	-
Cash received from short-term loans from related parties	-	18,000,000	61,500,000	18,250,000
Cash payment to short-term loans from related parties	-	(14,000,000)	-	(76,250,000)
Cash received from short-term loans from other parties	23,098,630	-	98,630	-
Cash payment for short-term loans from other parties	(51,519,691)	(6,200,000)	(4,000,000)	-
Cash received from interest	1,105,105	920,334	1,661,425	492,183
Cash payment in investments in subsidiary	-	(17,802,000)	(45,480,000)	(1,000,000)
Cash received from sales of investment property	165,000,000	-	165,000,000	-
Cash payment in purchase of investment property	(1,431,779)	(1,650,000)	(1,431,779)	(1,650,000)
Cash payment in purchase of property, plant and equipment	(19,837,342)	(59,043,764)	(15,686,376)	(27,438,143)
Cash received from sales of property, plant and equipment	8,411	1,206,676	8,411	1,206,676
Cash payment in right to use land	(678,300)	-	-	-
Cash payment in purchase of intangible assets	(399,000)	(3,847,513)	(399,000)	(3,422,838)
Net cash received from (used in) investing activities	110,244,994	(66,246,370)	105,995,667	(73,642,225)

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 year ended December 31, 2019

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	19,399,909	(12,401,370)	19,399,909	(12,401,370)
Cash received from short-term loans from other person and parties	93,550,000	26,275,090	91,500,000	26,275,090
Cash payment from short-term loans from other person and parties	(56,500,000)	-	(56,500,000)	-
Cash received from short-term loans from related person	4,675,350	-	-	-
Cash payment for short-term loans from related person	(2,525,350)	-	-	-
Cash payment for liabilities under finance lease agreement	(1,450,791)	(1,398,413)	(1,450,791)	(1,398,413)
Cash payment for short-term loans from other parties	(818,617)	-	(818,617)	-
Cash payment for liabilities under land lease agreement	(889,000)	(889,000)	-	-
Cash payment in interest expenses	(18,574,896)	(8,854,914)	(18,078,475)	(8,854,914)
Cash received proceeds from the increasing share capital	-	600	-	600
Adjust on non-controlling interests	-	13,827	-	-
Net cash received from financing activities	36,866,605	2,745,820	34,052,026	3,620,993
Effects of exchange rates in cash and cash equivalents	(31,787)	(84,247)	(31,787)	(84,247)
Net decrease in cash and cash equivalents	(10,693,569)	(11,311,938)	(6,142,814)	(13,762,992)
Cash and cash equivalents at the beginning of the period	20,608,357	31,920,295	15,244,595	29,007,587
Cash and cash equivalents at the ending of the period	9,914,788	20,608,357	9,101,781	15,244,595

Additional disclosure :

Items not affecting cash flow are as follows :-

- Write-off allowance for doubtful debts with trade accounts receivable	-	1,495,179	-	1,260,003
- Purchases assets which had not yet been paid	230,425	13,741,215	230,425	13,741,215
- Purchases of asset under finance lease liabilities	1,188,268	-	1,188,268	-
- Transfer other receivable to short-term loans to other parties	1,440,409	-	98,630	-
- Transfer supply to property, plant and equipment	100,589	-	100,589	-
- Transfer of deposit to investment property	-	2,940,000	-	2,940,000
- Transfer property, plant and equipment to investment property	-	85,357,194	-	85,357,194
- Transfer other long-term investments to investments in associate	-	30,000,000	-	-
- Transfer non-current assets classified as held for sales to property, plant and equipment	-	1,243,615	-	1,243,615
- Transfer other current assets to property, plant and equipment	41,794	-	-	-
- Transfer of deposit to property, plant and equipment	581,334	-	581,334	-

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 YEAR ENDED DECEMBER 31, 2019

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 financial statement preparation

2.1 The financial statements are issued for reporting purposes to be used in Thailand 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 The consolidated and separate financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals (“FAP”) established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies.

2.3 New financial reporting standards

2.3.1 New and revised financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and financial reporting interpretations (revised 2018) including guidance promulgated 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.

2.3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2019) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards and revised due to publish the new financial reporting standards. The management of the Company believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments and leased which involves changes to key principles. The new accounting standards, financial reporting standards and interpretations are as follows: -

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 32	Financial Instruments: Presentation
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Lease agreement

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

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.

2.4 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected the significant estimates and assumptions are as follows :-

Lease agreement

In determining whether a lease is to be classified as an operating lease or financing lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduce inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount of the inventories are expected to realise. These estimates take into consideration fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

Allowances for decline in value of dilapidated inventories and non-movement inventories

Allowances for decline in value of dilapidated inventories and non-movement inventories are estimated from inventories which are subject to dilapidation and non-movement.

Estimate on construction

The Estimate on construction is estimate from the calculating of quantity and amount of material in construction including labor and overhead that necessary in construction service, Also forecasting based on trend changing that may occur. Estimate reviewed on an ongoing basis and estimates are revised and in any that the actual cost is differ from these estimate.

Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment property, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment property, property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Estimate on employee benefit obligations

The obligation under the post-employment benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

Other estimates are disclosed under related caption in these notes to financial statements.

Litigation

The Group has contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and estimated contingent damage.

Other estimates are disclosed under related caption in these notes to financial statements.

3. Basis of the consolidated financial statements preparation

3.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of three subsidiary companies (“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 December 31,</u> <u>2019</u>	<u>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 Investment 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. The correction of errors and the reclassified

4.1 The correction of errors

Investment in associate recorded cost method in the consolidated financial statements as at December 31, 2019. The associate Company assessed the fair value of property and building in progress is in accordance to the valuation report as at July 8, 2019 valuation report. The consolidated financial statements as at December 31, 2018 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 : Baht)

	Consolidated financial statements		
	Before readjustment	Readjustment increase (decrease)	After readjustment
Statements of financial position as at December 31, 2018			
Investment in associate decrease	46,582,733	(13,269,307)	33,313,426
Unappropriated deficit increase	313,364,526	13,269,307	326,633,833
Statements of comprehensive income for the year ended December 31, 2018			
Share of loss on investment in associate increase	1,219,267	13,269,307	14,488,574
Loss for the year increase	39,604,800	13,269,307	52,654,840
Basic loss per share increase	0.0458	0.0153	0.0611

4.2 The Reclassified

Some items in the consolidated statements of financial positions as at December 31, 2018 have been reclassified in line with the presentation of the consolidated statements of financial positions as at December 31, 2019 there was no impact to profit and loss for the period and the shareholders' equity as reported which can be summarise as following.

(Unit : Baht)

	Consolidated financial statements		
	Before reclassified	Reclassified increase (decrease)	After reclassified
Statements of financial position as at December 31, 2018			
Cash and cash equivalents	20,658,357	(50,000)	20,608,357
Trade and other receivable	199,248,746	50,000	199,298,746
Other current liabilities	2,757,726	(1,104,391)	1,653,335
Other non-current liabilities	80,000	1,104,391	1,184,391

5. Summary of significant accounting policies

5.1 Cash and cash equivalents

Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and all highly liquid investments with an original maturity of three months or less from the date of acquisition and not subject to withdrawal restrictions.

5.2 Temporary investments

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

5.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on analysis of debt aging, payment histories and future expectations of customer payments from the uncollectability of each receivable. Bad debts are written off when incurred.

5.4 Unbilled receivables / Deferred construction revenues

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

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

5.5 Inventory

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

Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

5.6 Investments

5.6.1 Investments in subsidiary companies in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and the recognition of the change in the investment in the profit or loss is recorded when the investment is disposed or the impairment of the investment incurred.

5.6.2 Investments in an associate in the consolidated financial statements are recorded by the equity method

5.7 Investment properties

Investment property is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

Investment properties of the Group are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

The depreciation of the investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life as follows :-

Building and building improvements	10 Years
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The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land and work in process.

The Group recognize the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

Transfers investment property to property and plant is stated at carrying amount of the investment property transferred at the date of the change in use and measured in accordance with accounting policy of property and plant.

5.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are account for as separate items (major components) of property, plant and equipment.

Subsequent costs, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:-

Building and building improvements	10-20 Years
Machineries and spare parts	5-10 Years
Furniture, fixtures and office equipment	3-10 Years
Vehicles	5 Years
Other	5 Years

No depreciation is provided on land and assets under installation and asset under construction.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expense in profit or loss.

Transferred from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

5.9 Intangible asset

Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are as follows :-

Computer softwares	5 Years
Deferred expenses	10 Years

5.10 Long-term leases

Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

5.11 Impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in. An impairment loss is recognized when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of recoverable amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash-generating unit and its value in use.
- In assessing value in use of an asset, the estimated future cash flows are discounted to their present value which using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment loss

- The loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation of net realizable value changes since the last impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

5.12 Trade and other payables

Trade and other payables are stated at cost

5.13 Employee benefit

Short-term employee benefits

- The Group is recognized salary, wage, bonus, and social security fund are expenses on date when the transactions occur.

Post-employment benefits (Defined benefit plans)

- The Group has obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

- The Group calculated its obligations from post employment benefits by using projected unit credit method. The independent expert has actuarially estimated such obligations, where the principle of such estimation requires various assumptions, including future salary increase rate, turnover rate, death rate, and inflation rate.
- Actuarial gains or losses arising from post-employment benefits are recognized in other comprehensive income in the period in which they arise.
- Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

5.14 Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those value added tax or other sales taxes and is after deduction of any trade discounts with the following policies :-

- 5.14.1 Revenue from sales and services are recognized at the point in time when control of the goods and services are transferred to the customer, generally on delivery of the goods and services.
- 5.14.2 Revenue from construction services comprises the initial amount of revenue as agreed in the contract and income from the additional work as agreed in the quotation, which is recognized based on the percentage of completion method. The percentage of completed is determined by surveying the percentage of completed physical construction work compared to all construction work in accordance with the contract by the construction supervisor engineer. In the event that there is a certain possibility that the total cost of the project exceeds the contract revenue value The Company will recognize such loss immediately in profit or loss. The recognized revenues per the percentage of completion method which have not yet been due have been shown under the caption of "Unpaid work value". Unrecognized income based on per percentage of completion method but payment under the contract have been show under the caption of "Advances received from construction" in the statements of financial position.
- 5.14.3 Rental income from operating lease contracts is recognized in profit or loss on a straight line basis over the term of the lease.
- 5.14.4 Interest is recognized on an accrual basis based on the effective interest rate.
- 5.14.5 Dividend are recognized when the right to receive the dividends is established.
- 5.14.6 Other income are recognized on an accrual basis.

5.15 Recognition of expenses

- 5.15.1 Costs of construction contracts comprise the costs of labour, subcontractors' charges, other services and overheads which are recognized on the percentage-of-completion method. Contracts of which incurred construction costs exceed calculated costs of construction, and costs of project of which revenue have not yet been recognised are shown as "Inventory" under current assets in the statements of financial position, while contracts of which calculated costs of construction exceed incurred costs of construction are shown as "Unbilled work costs" under current liabilities in the statements of financial position.
- 5.15.2 Expenses are recognized on an accrual basis.
- 5.15.3 Payments made under operating leases are recognized on a straight-line basis over the term of lease.
- 5.15.4 Finance costs such as interest expenses and similar costs are charged to profit loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 5.15.5 Other expenses are recognized on an accrual basis.

5.16 Income tax

Income tax comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognizes deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5.17 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing net profit (loss) attributable to shareholders of the Company (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year.

5.18 Foreign currencies

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in profit or loss.

5.19 The related persons and related companies

The related persons and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related persons or related companies also meant the associated companies and the persons whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

5.20 Segment reporting

The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

5.21 Financial instruments

Financial assets were shown in the statements of financial position composed of cash and cash at banks and trade and other receivables. Financial liabilities were shown in the statements of financial position composed of trade and other payables. The accounting policy of each item would be disclosed in separated items.

5.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows :-

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Inter-transaction with related companies

The Company has business transactions with subsidiary and 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 :-

6.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Accrued income</u>				
CIG Development Co., Ltd.	-	-	1,000	1,000
Siam Railway Development Co., Ltd.	-	-	1,000	1,000
Total	-	-	2,000	2,000
<u>Accrued interest receivable</u>				
C.I.G. (Thailand) Co., Ltd.	-	-	759,123	69,411
CIG Development Co., Ltd.	-	-	7,918,663	7,166,051
Siam Railway Development Co., Ltd	-	-	-	428,787
Fakwantip Co., Ltd.	2,847,232	2,278,065	2,847,232	2,278,065
Total	2,847,232	2,278,065	11,525,018	9,942,314
<u>Less</u> Allowance for doubtful debt	(2,847,232)	-	(11,525,018)	-
Accrued interest receivable-net	-	2,278,065	-	9,942,314

Movements of allowance for doubtful debts trade and other receivable-related parties for the year ended December 31, 2019 and 2018, are as follow:-

	(Unit : 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 year	2,847,232	-	11,525,018	-
Ending balance	2,847,232	-	11,525,018	-

	Unit : Baht)			
	<u>Consolidated financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loan</u>				
Fakwantip Co., Ltd.	14,000,000	5,000,000	-	19,000,000
<u>Less</u> Allowance for doubtful debt	-	(19,000,000)	-	(19,000,000)
Net	14,000,000	(14,000,000)	-	-

	(Unit : Baht)			
	<u>Separate financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loan</u>				
C.I.G. (Thailand) Co., Ltd.	21,000,000	11,000,000	-	32,000,000
CIG Development Co., Ltd.	22,261,500	38,775,643	(23,000,000)	38,037,143
Siam Railway Development Co., Ltd.	38,000,000	500,000	(38,500,000)	-
Fakwantip Co., Ltd.	14,000,000	5,000,000	-	19,000,000
Total	95,261,500	55,275,643	(61,500,000)	89,037,743
<u>Less</u> Allowance for doubtful debt	-	(89,037,143)	-	(89,037,143)
Net	95,261,500	(33,761,500)	(61,500,000)	-
<u>Long-term loans</u>				
CIG Development Co., Ltd.	182,500,000	-	-	182,500,000
<u>Less</u> Allowance for doubtful debt	(80,440,777)	(102,059,223)	-	(182,500,000)
Net	102,059,223	(102,059,223)	-	-

(Unit : Baht)

Consolidated financial statements

	<u>As at</u>			<u>As at</u>
	<u>January 1, 2018</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2018</u>
<u>Short-term loan</u>				
Fakwantip Co., Ltd.	18,000,000	14,000,000	(18,000,000)	14,000,000

(Unit : Baht)

Separate financial statements

	<u>As at</u>			<u>As at</u>
	<u>January 1, 2018</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2018</u>
<u>Short-term loan</u>				
C.I.G. (Thailand) Co., Ltd.	250,000	21,000,000	(250,000)	21,000,000
CIG Development Co., Ltd.	10,761,500	11,500,000	-	22,261,500
Siam Railway Development Co., Ltd.	8,250,000	29,750,000	-	38,000,000
Fakwantip Co., Ltd.	18,000,000	14,000,000	(18,000,000)	14,000,000
Total	37,261,500	76,250,000	(18,250,000)	95,261,500

Long-term loans

CIG Development Co., Ltd.	182,500,000	-	-	182,500,000
<u>Less</u> Allowance for doubtful debt	(50,000,000)	(30,440,777)	-	(80,440,777)
Net	132,500,000	(30,440,777)	-	102,059,223

As at December 31, 2019 and 2018, the short-term loans to related parties which have an allowance for doubtful debts is in promissory notes form, 12 months 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.

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 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 December 31, 2019 and 2018, the subsidiary was unable to made repayment above conditions. The management considerations allowance for doubtful loan amount of Baht 182.50 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 : Baht)

	<u>Consolidated financial statements</u>			
	<u>As at</u>			<u>As at</u>
	<u>January 1, 2019</u>	<u>Addition</u>	<u>Repayment</u>	<u>December 31, 2019</u>
<u>Short-term loans from related persons</u>				
Related person	-	4,675,350	(2,525,350)	2,150,000

As at December 31, 2019, the short-term loans from related person for the whole amount, maturity within 3 month which due within 2020, interest rate of 15.00% per annum.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Accrued expenses</u>				
Related person	2,857,118	-	-	-
<u>Non-current liabilities</u>				
CIG Development Co., Ltd.	-	-	3,000	3,000

6.2 Inter-revenues and expenses

(Unit : Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</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	-	-	24,000	24,000
Interest income	The rate to the promissory note	-	-	2,014,460	3,466,347
Doubtful debt		-	-	172,096,366	30,440,777

(Unit : Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>For the year ended December 31,</u>			
<u>Pricing policy</u>		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Inter-transaction with related parties					
Interest income	The rate to the promissory note	-	2,206,438	569,178	2,206,438
Interest expenses	The rate to the promissory note	-	-	156,247	-
Other expenses	Contract price	1,800,000	-	-	-
Doubtful debt		21,847,232	-	21,847,243	-

6.3 Director and management's benefits

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term benefits	26,940,000	25,079,000	25,140,000	25,079,000
Post-employment benefits	5,748,353	1,180,179	5,748,353	1,180,179
Total	32,688,353	26,259,179	30,888,353	26,259,179

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.

6.4 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
Related person	Chief Executive Officer Director
	Director of the subsidiary company
	Shareholder of the Company

7. Cash and cash equivalent items

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	368,390	294,688	277,084	170,180
Savings deposits	7,016,139	8,405,360	6,345,138	3,217,106
Current deposits	98,260	98,387	47,560	47,387
Fixed deposits	140,349	30,669	140,349	30,669
FCD deposits	1,949,265	8,321,961	1,949,265	8,321,961
Cheque on hand	342,385	3,457,292	342,385	3,457,292
Total	9,914,788	20,608,357	9,101,781	15,244,595

8. Temporary investments

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Marketable trading securities		
Aggregate cost	1,960,000	1,960,000
<u>Less</u> Provision for investments adjustment	(1,300,000)	(1,300,000)
<u>Less</u> Allowance for investments impairment	(660,000)	(660,000)
Net	-	-

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

9. Trade and other receivable

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables-other parties	187,617,095	211,588,059	182,160,114	206,448,964
Notes receivables	23,437,702	2,742,480	23,437,703	2,242,480
Total trade and notes receivables	211,054,797	214,330,539	205,597,817	208,691,444
<u>Less</u> Allowance for doubtful accounts	(26,557,665)	(25,115,858)	(21,557,665)	(20,115,858)
Total trade and notes receivables-net	184,497,132	189,214,681	184,040,152	188,575,586
Other receivables-related parties	569,427	634,377	289,427	354,377
Accrued income-related parties	-	-	2,000	2,000
Accrued income-other parties	1,052	32,877	-	-
Accrued interest receivable-related parties	2,847,232	2,278,065	11,525,018	9,942,314
Accrued interest receivable-other parties	882,223	453,053	882,223	429,628
Advance payment	547,532	50,000	280,267	-
Prepaid expenses	3,310,762	3,497,364	3,070,244	3,207,625
Deposits to supplier	2,169,517	1,101,547	2,169,517	1,101,547
Other	5,006,981	2,036,782	4,989,481	2,005,502
Total other receivables	15,334,726	10,084,065	23,208,177	17,042,993
<u>Less</u> Allowance for doubtful accounts	(3,127,232)	-	(11,525,018)	-
Total other receivables-net	12,207,494	10,084,065	11,683,159	17,042,993
Total trade and other receivables	196,704,626	199,298,746	195,723,311	205,618,579

As of December 31, 2019 and 2018, The trade account receivables, value of Baht 57.85 million and Baht 58.21 million respectively, were transfer the right of collection to a company in the note to financial statements No.23 . 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 : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Notes receivables	23,437,702	2,742,480	23,437,702	2,242,480
Trade receivables				
Within credit term	96,617,310	128,986,755	96,541,644	128,920,407
Overdue				
- Not over 3 months	62,288,419	54,799,427	61,907,105	54,743,251
- Over 3 months but not over 6 months	2,136,388	726,124	2,136,388	713,553
- Over 6 months but not over 12 months	70,428	1,659,895	70,428	1,655,895
- Over 12 months	26,504,550	25,415,858	21,504,550	20,415,858
Total	211,054,797	214,330,539	205,597,817	208,691,444
Less Allowance for doubtful accounts	(26,557,665)	(25,115,858)	(21,557,665)	(20,115,858)
Net	184,497,132	189,214,681	184,040,152	188,575,586

The normal credit term granted to customers of the Group is 15-120 days.

The movement of allowance for doubtful debt-trade accounts and other receivable for the year ended December 31, 2019 and 2018, were as follows :-

(Unit : 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	(25,115,858)	(26,473,842)	(21,115,858)	(21,238,666)
Increase during the year	(6,200,719)	(2,291,390)	(14,598,505)	(2,291,390)
Collect during the year	1,631,680	2,154,195	1,631,680	2,154,195
Write-off bad debt during the period	-	1,495,179	-	1,260,003
Ending balance	(29,684,897)	(25,115,858)	(33,082,683)	(20,115,858)

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

10. Unbilled receivables/Advances received from construction

Consisted of: -

	(Unit : Baht)	
	<u>Consolidated financial statements/</u>	
	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Unbilled receivables		
Value of work according the contract	645,062,459	248,733,175
Recognized of revenues on percentage of completion basis	602,659,363	127,322,396
<u>Less</u> Value of total billed	(492,943,024)	(93,089,416)
Unbilled receivables	109,716,339	34,232,980
<u>Less</u> Allowance for doubtful debt	(1,759,780)	-
Unbilled receivables-net	107,956,559	34,232,980
Advances received from construction		
Value of work according the contract	21,054,343	-
Value of total billed	19,284,498	-
<u>Less</u> Recognized of revenues on percentage of completion basis	(11,535,709)	-
Advances received from construction	7,748,789	-

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

	(Unit : Baht)	
	<u>Consolidated financial statements/</u>	
	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Accumulated construction costs and realized gains		
(Less loss recognized) until present	614,195,072	127,322,396
<u>Less</u> Value of total billed	(512,227,522)	(93,089,416)
Total	101,967,550	34,232,980
<u>Less</u> Allowance for doubtful debt	(1,759,780)	-
Net	100,207,770	34,232,980
Amount recognized as assets / liabilities in the statement of financial position		
- Unpaid work value	107,956,559	34,232,980
- Advances received from construction	(7,748,789)	-
Net	100,207,770	34,232,980

The movement of allowance doubtful debt for unbilled receivables for the year ended December 31, 2019 and 2018 were as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
Beginning balance	-	-
Increase during the year	(1,759,780)	-
Ending balance	(1,759,780)	-

11. Default payment of loan to other person

Consisted of :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Principal	26,882,892	26,882,892
Accrued interest income	12,027,397	12,027,397
<u>Less</u> Allowance for doubtful account	(38,910,289)	-
Total	-	38,910,289

The movement of allowance doubtful debt for default payment of loan to other person for the year ended December 31, 2019 and 2018 were as follows :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
Beginning balance	-	-
Increase during the year	(38,910,289)	-
Ending balance	(38,910,289)	-

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 amount 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 two 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.

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 year that the Company receives the payment and the Company has considered to set up a full allowance for doubtful accounts.

12. Short term loans to other parties

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning balance	6,200,000	-	-	-
Addition	51,519,691	6,200,000	4,000,000	-
Compound interest	1,440,409	-	98,630	-
Repayment	(23,098,630)	-	(98,630)	-
Ending balance	36,061,470	6,200,000	4,000,000	-
<u>Less</u> Allowance for doubtful debt	(36,061,470)	-	(4,000,000)	-
Net	-	6,200,000	-	-

The movement of allowance for doubtful debt short term loans to other party for the years ended December 31, 2019 and 2018 were as follows :-

(Unit: 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 year	(36,160,100)	-	(4,098,630)	-
Repayment	98,630	-	98,630	-
Ending balance	(36,061,470)	-	(4,000,000)	-

As at December 31, 2019 and 2018 the consolidated financial statements short-term loans to other parties amount of Baht 10.52 million and amount of Baht 3.00 million respectively, (The separate financial statements as at December 31, 2019 amount of Baht 4.00 million) is loans under agreement with due to repayment 3 months. When due the counterparty can't repayment. The Company has extended the term as follows :-

<u>Credit facility</u>			<u>Approved by</u>	<u>Date</u>	<u>Amount of Baht</u>	<u>Due</u>
(Unit: Million Baht)					(Unit: Thousand Baht)	
4.00	No. 1	Loan agreement		Jan 2, 2019	4,000.00	Mar 2, 2019
	No. 2	The Board of management Directors' No. 6/2019		Mar 6, 2019	4,000.00	May 2, 2019
	No. 3	The Board of management Directors' No. 7/2019		Apr 9, 2019	4,000.00	Jun 2, 2019
	No. 4	The Board of management Directors' No. 9/2019		Jun 4, 2019	4,000.00	Aug 31, 2019
	No. 5	The Board of management Directors' No. 14/2019		Sep 2, 2019	4,000.00	Nov 30, 2019
3.11	No. 1	Loan agreement		Dec 13, 2018	3,000.00	Mar 13, 2019
	No. 2	The Board of Directors' meeting of the subsidiary No. 2/2019		Mar 10, 2019	3,112.79	Jun 13, 2019
	No. 3	The Board of Directors' meeting of the subsidiary No. 4/2019		May 27, 2019	3,112.79	Sep 13, 2019
	No. 4	The Board of Directors' meeting of the subsidiary No. 11/2019		Sep 16, 2019	3,112.79	Dec 13, 2019
1.00	Contract No.2	The Board of Directors' meeting of the subsidiary No. 5/2019		Jun 21, 2019	1,000.00	Sep 24, 2019
		The Board of Directors' meeting of the subsidiary No. 13/2019		Dec 2, 2019	1,000.00	Mar 23, 2020
1.08	Contract No.3	The Board of Directors' meeting of the subsidiary No. 9/2019		Jul 22, 2019	1,075.35	Oct 24, 2019
		The Board of Directors' meeting of the subsidiary No. 12/2019		Oct 30, 2019	1,075.35	Jan 24, 2020
1.33	Contract No.4	The Board of Directors' meeting of the subsidiary No. 9/2019		Jul 22, 2019	1,332.15	Oct 24, 2019
		The Board of Directors' meeting of the subsidiary No. 12/2019		Oct 30, 2019	1,332.15	Oct 24, 2020
<u>10.52</u>						

The borrower has pledged post dated cheques amount of Baht 11.05 million as collaterals. With the directors of that company to sign guarantees, interest rates of 15.00% per annum. But because the receivables are overdue more than 6 months. Therefore, there is uncertainty in receiving payment and the Company has considered to set up a full allowance for doubtful accounts. Therefore, the Company ceased recognizing interest income from 1 April 2019 onwards due to uncertainty in collection. However, that company still has an obligation to pay interest as specified in the loan agreement and the Company will when will the income be recognized interest.

As at December 31, 2019 and 2018, the consolidated financial statements Short-term loans to other parties amount of Baht 14.54 million, is loan under agreement with due to repayment which due within 3 months is carried by interest rates of 15.00% per annum. Therefore, the Company ceased revenue recognition for interest income since April 1, 2019 onwards due to there is uncertainty to collectable.

13. Inventories

Consisted of :-

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Raw materials	87,559,166	122,446,974	87,428,831	122,355,569
Goods in process	7,954,135	7,138,033	7,954,135	7,138,033
Finished goods	15,397,514	23,383,051	15,397,514	23,383,051
Goods in transit	4,406,075	12,255,326	4,406,075	12,255,326
Supplies	4,525,669	5,160,722	4,442,512	4,985,488
Raw materials for transfer	14,741,639	25,125,426	14,741,639	25,125,426
Total	134,584,198	195,509,532	134,370,706	195,242,893
<u>Less</u> Allowance for decline in value of inventories	(10,418,308)	(16,126,506)	(10,418,308)	(16,126,506)
Net	124,165,890	179,383,026	123,952,398	179,116,387

Movements of allowance for decline in value of inventories for the years ended December 31 ,
2019 and 2018 as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Allowance for declining in value of inventories beginning balance	(16,126,506)	(16,220,865)	(16,126,506)	(16,220,865)
Reversal during the period	5,708,198	94,359	5,708,198	94,359
Allowance for declining in value of inventories ending balance	(10,418,308)	(16,126,506)	(10,418,308)	(16,126,506)

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of inventories recognized as an expense and is included in cost of goods sold account				
- Cost of sales and services	1,410,874,472	942,320,940	1,389,943,068	913,839,243
- Reversal from decline in value of inventories	(5,708,198)	(94,359)	(5,708,198)	(94,359)
Net	1,405,166,274	942,226,581	1,384,234,870	913,744,884

14. Investments in subsidiaries

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

(Unit : Baht)

Name of company	Separate financial statements							
	Paid-up		% Share-		Cost method		Dividend	
	share capital		holding		As at December 31,		For the year ended December 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
- C.I.G. (Thailand) Co., Ltd.	54,000	54,000	99.98	99.98	58,485,000	53,985,000	-	-
- CIG Development Co., Ltd.	100,000	100,000	99.97	99.97	146,547,841	146,547,841	-	-
- Siam Railway Development Co., Ltd.	41,180	1,000	99.99	99.97	41,979,700	999,700	-	-
Total					247,012,541	201,532,541	-	-
<u>Less</u> Allowance for impairment loss					(218,117,714)	(170,976,182)		
Net					28,894,827	30,556,359		

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

On July 1, 2019, the Board of Directors' meeting No. 7/2019 has decided to call for additional capital increase of 15.00 Baht per share from originally 40.00 Baht per share; which sums up to 55.00 Baht per share for 100,000 shares. The total amount of Baht 1.50 million which was paid up by shareholders in July 24, 2019. The Company with the Ministry of Commerce on August 8, 2019.

On July 22, 2019, the Board of Directors' meeting No. 9/2019 has decided to call for additional capital increase of 15.00 Baht per share from originally 55.00 Baht per share; which sums up to 70.00 Baht per share for 100,000 shares. The total amount of Baht 1.50 million which was paid up by shareholders in August 2, 2019. The Company with the Ministry of Commerce on August 8, 2019.

On August 22, 2019, the Board of Directors' meeting No. 10/2019 has decided to call for additional capital increase of 20.00 Baht per share from originally 70.00 Baht per share; which sums up to 90.00 Baht per share for 100,000 shares. The total amount of Baht 2.00 million which was paid up by shareholders amount of Baht 1.50 million. The Company with the Ministry of Commerce on October 11, 2019, and December 2, 2019

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 of Baht 1.00 million which was paid up by shareholders in January 2018. The Company with the Ministry of Commerce on February 16, 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 of De Lamai Co., Ltd. decided to change its name from 'De Lamai Co., Ltd.' to 'CIG Development Co., Ltd.' CIG Development Co., Ltd. was registered with the Ministry of Commerce on February 14, 2018.

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 83.63 per share Baht in amount of Baht 40.98 million total paid-up capital of amount of Baht 41.98 million. The Company registered the increase in share capital with the Ministry of Commerce on April 11, 2019.

The movement of allowance for impairment loss for the years ended December 31, 2019 and 2018 are as follows :-

	(Unit : Baht)	
	<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>
Beginning balance	(170,976,182)	(146,547,841)
Increase during the year	(47,141,532)	(24,428,341)
Ending balance	<u>(218,117,714)</u>	<u>(170,976,182)</u>

15. Investments in associate

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

	(Unit : Baht)			
	<u>Consolidated financial statements</u>			
	<u>Percentage of Shareholding(%)</u>		<u>Equity method</u>	
<u>Name of companies</u>	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fakwantip Co., Ltd.	29.67	29.67	12,209,551	33,313,426
<u>Less</u> Allowance for impairment			(12,209,551)	-
Net			<u>-</u>	<u>33,313,426</u>

The movement of allowance for impairment loss for the years ended December 31, 2019 and 2018 were as follows :-

	(Unit : Baht)	
	<u>Consolidated financial statements</u>	
	<u>2019</u>	<u>2018</u>
Beginning balance	-	-
Increase during the year	(12,209,551)	-
Ending balance	(12,209,551)	-

Financial information of associate company

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

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Current assets	19,717,138	17,103,185
Non-current assets	412,447,466	402,445,855
Total assets	432,164,604	419,549,040
Current liabilities	(391,125,752)	(323,442,209)
Non-current liabilities	(16,060,686)	-
Total liabilities	(407,186,438)	(323,442,209)
Net assets	24,978,166	96,106,831

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue	130,265,210	90,349,008
Loss for the year	(71,128,665)	(68,334,477)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(71,128,665)	(68,334,477)
Dividend received from associate for the year	-	-

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 is as follow :-

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Net assets of the associate	24,978,166	96,106,831
<u>Less</u> Increase ordinary shares - C.I.G. (Thailand) Co., Ltd.	(17,802,000)	(17,802,000)
Advance payment for shares - other person	(26,025,000)	(26,025,000)
Net	(18,848,834)	52,279,831
Shareholding of the Group (%)	29.67	29.67
	(5,592,449)	15,511,426
Increase ordinary shares	17,802,000	17,802,000
Book value of the Group in associate	12,209,551	33,313,426

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

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

Periods 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 September 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: 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	927,459	940,000	12,541	29.67	3,721
Land and building	82,882,830	42,480,000	(40,402,830)	29.67	(11,987,520)
Accumulated depreciation-building factory	-	-	-		(1,286,508)
Total	83,810,289	43,420,000	(40,390,289)		(13,269,307)
Machinery during installation	358,514,012	in the process of evaluating fair value			
Totaling	442,324,301				

Currently, the fair value of property and building in progress is in accordance to the valuation report amount of Baht 43.42 million with a lower cost than the fair value amount of Baht 40.39 million, and the Company transfer building factory in progress to assets and depreciation is calculated available date amount of Baht 4.33 million. The Company is recorded investment in associate by equity method in the consolidated financial statements recognized such loss amount of Baht 13.27 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 December 31, 2019 and 2018, The Fakwantip Co.,Ltd. (the associated) it was unable 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.

16. Bank deposit pledged as collateral

As at December 31, 2019 and 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.35.1.

17. Investment property

(Unit : Baht)

	Consolidated/Separate financial statements			
	Land and Land improvement	Buiding and improvement	Building under construction	Total
Cost :-				
As at January 1, 2018	60,133,158	1,092,055	-	61,225,213
Purchase	-	1,650,000	-	1,650,000
Transfer in from property, plant and equipment	36,173,774	-	49,183,420	85,357,194
Transfer in / Transfer out	(39,815,370)	39,815,370	2,940,000	2,940,000
As at December 31, 2018	56,491,562	42,557,425	52,123,420	151,172,407
Purchase	-	-	1,431,779	1,431,779
Sale	(36,173,774)	(53,555,199)	-	(89,728,973)
Transfer in / Transfer out	-	53,555,199	(53,555,199)	-
As at December 31, 2019	20,317,788	42,557,425	-	62,875,213
Accumulated depreciation :-				
As at January 1, 2018	-	(169,603)	-	(169,603)
Depreciation for the year	-	(4,059,406)	-	(4,059,406)
As at December 31, 2018	-	(4,229,009)	-	(4,229,009)
Depreciation for the year	-	(5,012,939)	-	(5,012,939)
Accumulated depreciation cost of good sale	-	894,297	-	894,297
As at December 31, 2019	-	(8,347,651)	-	(8,347,651)
Net book value :-				
As at December 31, 2018	56,491,562	38,328,416	52,123,420	146,943,398
As at December 31, 2019	20,317,788	34,209,774	-	54,527,562
Depreciation in the statements of income for the year				
Ended December 31, 2018				4,059,406
Ended December 31, 2019				5,012,939

As at December 31, 2019 and 2018, the fair value of investment property is in accordance to the valuation report amount of Baht 75.69 million and amount of Baht 235.69 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.

(Unit : Baht)

(Unit : Baht)

(Unit : Baht)

Separate financial statement							
	Land and land improvement	Building and buiding improvement	Machine and equipment	Furniture and office-equipment	Vehicles	Construction in progress	Total
Cost :-							
As at January 1, 2018	130,211,149	165,990,286	677,656,738	21,704,367	29,096,168	41,657,362	1,066,316,070
Purchase	8,061	71,387	23,512,127	1,539,598	684,386	15,363,799	41,179,358
Transfer out to non-current assets classified as held for sale	-	-	12,176,659	-	-	-	12,176,659
Transfer in	638,550	89,302	3,251,219	-	-	-	3,979,071
Transfer out	-	-	-	-	-	(3,979,071)	(3,979,071)
Disposal/write off	-	(600,000)	(32,306,521)	(2,367,925)	(1,385,047)	-	(36,659,493)
Transfer out to investment properties	(36,173,774)	-	-	-	-	(49,183,420)	(85,357,194)
As at December 31, 2018	94,683,986	165,550,975	684,290,222	20,876,040	28,395,507	3,858,670	997,655,400
Purchase	-	-	12,851,410	948,805	1,121,402	2,107,691	17,029,308
Transfer in	-	205,276	4,266,197	76,440	-	697,406	5,245,319
Transfer out	-	-	-	-	-	(4,552,604)	(4,552,604)
Disposal/write off	-	-	(3,234,676)	(3,253,534)	-	-	(6,488,210)
As at December 31, 2019	94,683,986	165,756,251	698,173,153	18,647,751	29,516,909	2,111,163	1,008,889,213
Accumulated depreciation :-							
As at January 1, 2018	-	(116,151,589)	(533,583,237)	(18,948,837)	(21,082,466)	-	(689,766,129)
Depreciation for the year	-	(7,575,590)	(38,204,544)	(1,401,810)	(4,631,672)	-	(51,813,616)
Transfer out to non-current assets classified as held for sale	-	-	(10,642,803)	-	-	-	(10,642,803)
Disposal/write off	-	599,999	31,860,925	2,343,542	1,385,045	-	36,189,511
As at December 31, 2018	-	(123,127,180)	(550,569,659)	(18,007,105)	(24,329,093)	-	(716,033,037)
Depreciation for the year	-	(6,851,175)	(27,797,622)	(1,204,561)	(2,300,532)	-	(38,153,890)
Disposal/write off	-	-	2,554,943	3,242,206	-	-	5,797,149
As at December 31, 2019	-	(129,978,355)	(575,812,338)	(15,969,460)	(26,629,625)	-	(748,389,778)
Allowance for impairment :-							
As at December 1, 2018	-	-	-	-	-	-	-
Transfer in non-current assets classified as held for sale	-	-	(290,241)	-	-	-	(290,241)
As at December 31, 2018	-	-	(290,241)	-	-	-	(290,241)
As at December 31, 2019	-	-	(290,241)	-	-	-	(290,241)
Net book value :-							
As at December 31, 2018	94,683,986	42,423,795	133,430,322	2,868,935	4,066,414	3,858,670	281,332,122
As at December 31, 2019	94,683,986	35,777,896	122,070,574	2,678,291	2,887,284	2,111,163	260,209,194
Depreciation in the statements of income for the year							
Ended December 31, 2018							51,813,616
Ended December 31, 2019							38,153,890

- Consolidated financial statements and separate financial statements

As at December 31, 2019 , and 2018, the Company had property, plant and machinery in the cost price was amount of Baht 637.57 million and amount of Baht 475.16 million respectively and the book value amount of Baht 171.09 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.22 and 35.1

19. Deferred leasehold land

Consisted of :-

	(Unit: Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Leasehold land-cost	23,322,507	22,644,207
<u>Less</u> Accumulated amortization	(13,211,258)	(11,694,807)
Net	<u>10,111,249</u>	<u>10,949,400</u>

19.1 As at December 31, 2019 and 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).

19.2 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.

20. Intangible assets

Consisted of :-

(Unit : Baht)

	Consolidated financial statements			
	Computer program	Deferred expenses	Development program	Total
Cost :-				
As at January 1, 2018	26,718,085	451,000	-	27,169,085
Purchase	1,797,513	-	2,050,000	3,847,513
As at December 31, 2018	28,515,598	451,000	2,050,000	31,016,598
Purchase	399,000	-	-	399,000
Transfer in/ out	2,050,000	-	(2,050,000)	-
As at December 31, 2019	30,964,598	451,000	-	31,415,598
Accumulated amortization :-				
As at January 1, 2018	(23,688,668)	(416,155)	-	(24,104,823)
Amortization expenses	(1,589,892)	(34,845)	-	(1,624,737)
As at December 31, 2018	(25,278,560)	(451,000)	-	(25,729,560)
Amortization expenses	(2,357,398)	-	-	(2,357,398)
As at December 31, 2019	(27,635,958)	(451,000)	-	(28,086,958)
Book value net :-				
As at December 31, 2018	3,237,038	-	2,050,000	5,287,038
As at December 31, 2019	3,328,640	-	-	3,328,640

Amortization in the statement of income for the year

Ended December 31, 2018	1,624,737
Ended December 31, 2019	2,357,398

(Unit : Baht)

	Separate financial statements		
	Computer program	Development program	Total
Cost :-			
As at January 1, 2018	25,794,220	-	25,794,220
Purchase	1,372,838	2,050,000	3,422,838
As at December 31, 2018	27,167,058	2,050,000	29,217,058
Purchase	399,000	-	399,000
Transfer in/out	2,050,000	(2,050,000)	-
As at December 31, 2019	29,616,058	-	29,616,058
Accumulated amortization :-			
As at January 1, 2018	(22,792,605)	-	(22,792,605)
Amortization expenses	(1,519,667)	-	(1,519,667)
As at December 31, 2018	(24,312,272)	-	(24,312,272)
Amortization expenses	(2,266,464)	-	(2,266,464)
As at December 31, 2019	(26,578,736)	-	(26,578,736)
Book value net :-			
As at December 31, 2018	2,854,786	2,050,000	4,904,786
As at December 31, 2019	3,073,322	-	3,037,322

Amortization in the statement of income for the year

Ended December 31, 2018	1,519,667
Ended December 31, 2019	2,266,464

21. Deferred tax assets

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

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets	34,026,968	15,710,556	93,404,722	49,905,793
Deferred tax liabilities	-	-	-	-
Net	34,026,968	15,710,556	93,404,722	49,905,793

Movements in total deferred tax assets and liabilities for the year ended December 31, 2019 and 2018, were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>			
	As at January 1, 2019	(Charged) / credited to statements of income (Note 30.1)	(Charged)/credited to statements of comprehensive income (Note 30.2)	As at December 31, 2019	As at January 1, 2019	(Charged) / credited to statements of income (Note 30.1)	(Charged)/credited to statements of comprehensive income (Note 30.2)	As at December 31, 2019
Deferred tax assets								
Temporary investments	392,000	-	-	392,000	392,000	-	-	392,000
Trade and other receivables	4,023,172	1,209,763	-	5,232,935	4,023,172	2,945,321	-	6,968,493
Short-term loan	-	12,382,058	-	12,382,058	-	26,389,487	-	26,389,487
Inventories	3,225,301	(1,141,639)	-	2,083,662	3,225,301	(1,141,639)	-	2,083,662
Investment in subsidiary companies	-	-	-	-	34,195,237	9,428,306	-	43,623,543
Property, plant and equipment	58,048	-	-	58,048	58,048	-	-	58,048
Employee benefit obligations	8,012,035	4,036,269	1,829,961	13,878,265	8,012,035	4,036,269	1,841,185	13,889,489
Total	15,710,556	16,486,451	1,829,961	34,026,968	49,905,793	41,657,744	1,841,185	93,404,722

(Unit : Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	As at January 1, 2018	(Charged) / credited to statements of income (Note 30.1)	As at December 31, 2018	As at January 1, 2018	(Charged) / credited to statements of income (Note 30.1)	As at December 31, 2018
Deferred tax assets						
Temporary investments	260,000	132,000	392,000	260,000	132,000	392,000
Trade and other receivables	4,247,733	(224,561)	4,023,172	4,247,733	(224,561)	4,023,172
Inventories	3,244,173	(18,872)	3,225,301	3,244,173	(18,872)	3,225,301
Non-current assets classified as held for sale	82,990	(82,990)	-	82,990	(82,990)	-
Investment in subsidiaries	-	-	-	29,309,568	4,885,669	34,195,237
Property, plant and equipment	-	58,048	58,048	-	58,048	58,048
Employee benefit obligations	7,412,283	599,752	8,012,035	7,412,283	599,752	8,012,035
Tax losses carried forward for not more than five years	682,644	(682,644)	-	-	-	-
Total	15,929,823	(219,267)	15,710,556	44,556,747	5,349,046	49,905,793

As at December 31, 2019 and 2018, the consolidated financial statement, the Group had temporary difference mainly arising from the unutilized tax losses with consolidated financial statements Baht 241.39 million and 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).

22. Short-term loans from financial institutions

Consisted of :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Bank overdraft	12,769,139	24,751,261
Promissory note	20,000,000	20,000,000
Discount post dated cheques-other parties	22,751,841	-
Trust receipt	61,800,209	53,170,019
Total	117,321,189	97,921,280

As at December 31, 2019 and 2018, the Group held bank overdrafts, trust receipt, letters of credit and promissory note facilities from several financial institutions as mentioned in the note to financial statements No. 35.1 which bearing the interest rates at MOR, MOR-1, 3.38-6.25 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. 18. 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.

23. Short-term loans from other parties

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Factoring payables-other parties	51,611,162	52,385,696	51,611,162	52,385,696
Short-term loans-other persons	37,050,000	-	35,000,000	-
Deferred interest	(431,051)	(386,968)	(431,051)	(386,968)
Total	88,230,111	51,998,728	86,180,111	51,998,728

As at December 31, 2019 and 2018, factoring payables is loan from the transfer of claims in the account trade receivable according note to financial statements No.9 to a factoring company and interest is carried by the rate at 5.75-6.25% per annum and 5.50% per annum respectively.

As at December 31, 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 3 -12 months and interest rates of 12.00%-15.00% per annum.

24. Trade and other payables

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables-other parties	147,340,852	142,949,440	146,938,011	142,602,710
Post dated cheque-other parties	475,038	1,616,184	-	1,078,321
Accrued expenses-related parties	2,857,118	-	-	-
Accrued expenses-other parties	16,597,813	13,382,903	15,260,822	11,137,976
Advance received	3,894,668	71,396,932	1,895,151	66,375,024
Other payable	55,749,992	18,528,434	55,249,788	17,879,777
Total	226,915,481	247,873,893	219,343,772	239,073,808

25. Liabilities under financial lease agreement

Consisted of :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Liabilities under financial lease agreement	1,131,531	1,353,794
<u>Less</u> Deferred interest	(80,443)	(40,183)
Present value of financial lease agreement	1,051,088	1,313,611
<u>Less</u> Current portion	(250,315)	(1,292,611)
Net	800,773	21,000

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

(Unit : Baht)

	<u>As at December 31, 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	282,384	(32,069)	250,315	1,332,686	(40,075)	1,292,611
After one year but within five years	849,147	(48,374)	800,773	21,108	(108)	21,000
Total	1,131,531	(80,443)	1,051,088	1,353,794	(40,183)	1,313,611

26. Employee benefit obligation

Employee benefit obligations were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Beginning present value of the obligation	40,197,756	37,121,945	40,060,176	37,061,416
Current service cost	5,491,206	3,124,392	5,408,573	3,051,896
Past service cost	14,229,753	-	14,217,805	-
Interest cost	2,148,935	1,167,649	2,142,495	1,163,094
Measurements of the other long-term benefit	191,735	-	191,735	-
<u>Less</u> Benefit paid	(1,779,262)	(1,216,230)	(1,779,262)	(1,216,230)
Actuarial loss arising from defined benefit plan	9,149,806	-	9,205,924	-
Ending present value of the obligation	69,629,929	40,197,756	69,447,446	40,060,176

Expenses recognized in statements of comprehensive income are shown collectively for the year ended December 31, 2019 and 2018 were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</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	11,242,735	1,803,695	11,242,735	1,803,695
Selling expenses	1,731,583	295,250	1,731,583	295,250
Administrative expenses	3,338,958	1,012,917	3,237,937	935,866
Directors	5,748,353	1,180,179	5,748,353	1,180,179
Total	22,061,629	4,292,041	21,960,608	4,214,990
<u>Recognized in other comprehensive income</u>				
Actuarial loss arising <u>from</u> defined benefit plan				
Financial assumptions changes	(436,413)	-	(435,876)	-
Demographic assumptions changes	10,323,791	-	10,323,791	-
Experience adjustments	(737,572)	-	(681,991)	-
Total	9,149,806	-	9,205,924	-

The principal assumptions used for the purposes of the actuarial valuation were 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%-3.23%	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	0-45 %	0-45 %	0-45 %	0-45 %
Retirement age	60 years old	60 years old	60 years old	60 years old

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount increase rate (0.50% movement)	2,578,705	1,217,106	2,570,902	1,206,078
Discount decrease rate (0.50% movement)	(2,801,981)	(1,312,268)	(2,794,127)	(1,300,001)
Future salary growth increase (0.50% movement)	(2,686,911)	(1,399,714)	(2,678,670)	(1,386,982)
Future salary growth decrease (0.50% movement)	2,500,393	1,307,432	2,493,056	1,295,899
Employee turnover increase rate (0.50% movement)	2,497,034	1,461,067	2,488,519	1,448,342
Employee turnover decrease rate (0.50% movement)	(3,012,630)	(1,533,909)	(3,002,959)	(1,519,709)

December 13, 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour 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 last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment which the Group have additional liabilities for long-term employee benefits. The Group have recorded the effect of the change by recognizing past services costs as expenses immediately in financial statement.

27. Share capital

The movement of share capital for the years ended December 31, 2019 and 2018 is as follows:-

<u>Consolidated/Separate financial statements</u>					
		<u>2019</u>		<u>2018</u>	
Par Value		Number of share	Amount	Number of share	Amount
(Baht)		(Thousand Shares)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)
Registered share capital					
Ordinary shares the beginning of the period	0.50	1,297,174	648,587	1,297,174	648,587
Less Decrease ordinary shares	0.50	(432,388)	(216,194)	-	-
Ordinary shares the ending of the period	0.50	864,786	432,393	1,297,174	648,587
Issued and paid-up share capital					
Ordinary shares the beginning of the period	0.50	864,786	432,393	864,786	432,393
Less Decrease ordinary shares	0.50	-	-	-	-
Ordinary shares the ending of the period	0.50	864,786	432,393	864,786	432,393

According to minutes of Annual General of Shareholders' Meeting of C.I. GROUP PUBLIC COMPANY LIMITED year 2019, 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.

28. 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

Capital management

The primary objectives of the Group's capital management is to maintain their ability to continue as a going concern, to maintain an appropriate capital structure, and to maintain ratio of debt to equity to not exceeding the compliance with the loan agreements.

As at December 31, 2019 and 2018, in the consolidated financial statements, the debt to equity ratio is 1.07 : 1 and 0.67 : 1 respectively, and separate financial statements debt to equity ratio is 1.14 : 1 and 0.59 : 1 respectively.

29. Expenses by nature

Consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Changes in inventories of finished goods and work in process	(7,169,434)	(6,040,394)	(7,169,434)	(5,909,674)
Raw materials and consumables used	1,137,574,208	707,984,767	1,137,574,208	707,984,767
Management benefit expenses	26,940,000	2,885,000	25,140,000	2,885,000
Employee benefit expenses	174,883,650	235,323,900	166,633,096	222,388,821
Depreciation and amortization expenses	56,661,659	67,974,204	45,433,293	57,392,689
Loss on impairment of investment in subsidiaries	12,209,551	-	47,141,532	24,428,341
Doubtful accounts	100,029,198	-	248,733,260	30,440,777
Transportation expenses	22,202,019	20,434,370	22,202,019	20,434,370
Sale promotion expenses	14,014,736	21,470,973	13,547,585	20,844,669
Utility expenses	12,889,358	13,400,242	11,835,772	12,194,492
Finance costs	19,121,029	8,843,918	18,583,608	8,843,918
Other operating expenses	180,346,931	70,312,382	159,546,732	48,936,022
Total	1,749,702,905	1,142,589,362	1,889,201,671	1,150,864,192

30. Income tax (revenues) expenses30.1 Income tax is recognized in profit or loss

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current tax expenses	-	-	-	-
Deferred tax expenses (Note 21)				
Movements in temporary differences	(16,486,451)	219,267	(41,657,744)	(5,349,046)
Income tax (revenues) expenses	(16,486,451)	219,267	(41,657,744)	(5,349,046)

30.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Income tax relevance with other comprehensive income	(1,829,961)	-	(1,841,185)	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2019 and 2018 as follows:-

(Unit : Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting loss before tax	(215,059,427)	(52,654,840)	(352,527,182)	(63,855,067)
Applicable tax rate	20 %	20 %	20 %	20 %
Accounting loss before tax multiplied by applicable tax rate	(43,011,885)	(10,530,968)	(70,505,437)	(12,771,013)
Tax effect of income and expenses that are not considered				
As income tax expense as follows:-				
Depreciation of cars worth more than Baht 1 million	148,868	167,904	148,868	167,904
Loss on devaluation of inventories	(1,139,244)	(18,872)	(1,141,640)	(18,872)
Loss from investments impairment	9,560,400	-	29,840,151	4,885,668
Loss from loans impairment	20,005,839	-	29,334,808	6,088,156
Employee benefit obligations	4,056,473	599,752	4,036,269	599,752
Tax losses not yet used	8,259,670	6,257,544	6,322,619	277,639
Other	2,119,879	3,524,640	1,964,362	770,766
Total	-	-	-	-
Changes in temporary differences	(16,486,451)	219,267	(41,657,744)	(5,349,046)
Income tax (revenues) expense reported in comprehensive income statement	(16,486,451)	219,267	(41,657,744)	(5,349,046)

31. Loss per share

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Loss for the year (Unit : Baht)	(198,572,976)	(52,874,107)	(310,869,438)	(58,506,021)
The number of issued and paid-up ordinary shares (Unit : Shares)	864,786,382	864,786,382	864,786,382	864,786,382
Loss per share (Baht/share)	(0.2296)	(0.0611)	(0.3595)	(0.0677)

32. 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 : Baht)

Consolidated financial statements				
For the year ended December 31, 2019				
	Air-conditioning products and parts	Construction services	Hotel services	Total
Local revenues from sales and services	519,658,043	572,162,588	6,864,525	1,098,685,156
Export revenues from sales and services	367,948,433	-	-	367,948,433
Total	887,606,476	572,162,588	6,864,525	1,466,633,589
Cost of sales and services	(731,907,778)	(656,393,232)	(16,865,264)	(1,405,166,274)
Gross profit (loss) by segment	155,698,698	(84,230,644)	(10,000,739)	61,467,315
Non-allocation expenses				(325,415,601)
Loss from operations				(263,948,286)
Other incomes				89,113,763
Finance costs				(19,121,029)
Share of loss on investment in associate				(21,103,875)
Income tax expenses				16,486,451
Loss for the year				(198,572,976)
Other comprehensive income				(7,319,845)
Total comprehensive income				(205,892,821)
Property, plant and equipment				399,502,397
Center fixed assets				622,243,743
Total assets				1,021,746,140

(Unit : Baht)

Consolidated financial statements				
For the year ended December 31, 2018				
	Air-conditioning products and parts	Construction Services	Hotel services	Total
Local revenues from sales and services	560,802,846	129,827,334	17,314,500	707,944,680
Export revenues from sales and services	382,445,761	-	-	382,445,761
Total	943,248,607	129,827,334	17,314,500	1,090,390,441
Cost of sales and services	(795,259,476)	(119,858,379)	(27,108,726)	(942,226,581)
Gross profit (loss) by segment	147,989,131	9,968,955	(9,794,226)	148,163,860
Non-allocation expenses				(191,518,863)
Loss from operations				(43,355,003)
Other incomes				14,032,655
Finance costs				(8,843,918)
Share of loss on investment in associate				(14,488,574)
Income tax expenses				(219,267)
Income tax expenses				(52,874,107)
Other comprehensive income				-
Total comprehensive income				(52,874,107)
Fixed assets				427,580,201
Center fixed assets				740,515,785
Total assets				1,168,095,986

For the year ended December 31, 2019 and 2018, the Group's major customers are worth higher than 10 % of the revenues from sale of three individual amount of total sales of Baht 705.03 million and two individual amount of total sales of Baht 484.16 million respectively.

33. Financial instruments

Policy on financial risk management

The Group possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, the Group has no policy to hold or issue any financial instruments for speculation or for trading.

Risk on credit provision

The Group obtain risk from credit provision in relation to trade accounts receivable mostly derived from sales and service of clients. However, the Group hold the conservative policy in providing credit. Furthermore, the numbers of debtors of the Group are several thus the Group does not expected the material damage from debt collection.

Risk on interest rate

The Group's risk on interest rates is derived from the change of the market interest rates in the future, which affect upon the Group Companies's operating result and cash flow. However, the Group manage the interest rate risks by applying various instruments including the allocation of the investments at fixed and floating interest rates appropriately to suit the various activities of the Group with the following details:-

(Unit : Baht)

Consolidated financial statements						
As at December 31, 2019						
	Fixed interest rate		Floating	Non	Total	Interest
	Within	Interest rate	interest bearing	interest bearing		rate
	1 year	2 to 5 years				
<u>Financial assets</u>						
Cash and cash equivalent items	-	-	9,105,753	809,035	9,914,788	0.04-1.10
Trade and other receivable	-	-	-	196,704,626	196,704,626	-
Total	-	-	9,105,753	197,513,661	206,619,414	
<u>Financial liabilities</u>						
Short-term loans from financial institutions	20,000,000	-	88,345,739	8,975,450	117,321,189	0.25-6.25
Short-term loans from related parties	2,150,000	-	-	-	2,150,000	15.00
Short-term loans from other parties	88,230,111	-	-	-	88,230,111	5.75-12.00
Liabilities under finance lease agreement	-	-	-	226,915,481	226,915,481	-
Trade and other payable	250,315	800,773	-	-	1,051,088	0.33-0.36
Total	110,630,426	800,773	88,345,739	235,890,931	435,667,869	

(Unit : Baht)

Consolidated financial statements

As at December 31, 2018

	Fixed interest rate		Floating interest bearing	Non interest bearing	Total	Interest rate
	Within	Interest rate				
	1 year	2 to 5 years				
Financial assets						
Cash and cash equivalent items	-	-	8,405,360	12,202,997	20,608,307	0.04-1.10
Trade and other receivable	-	-	-	199,298,746	199,298,746	-
Short-term loans to related parties	14,000,000	-	-	-	14,000,000	1.50-15.00
Default payment of loan to other person	-	-	-	38,910,289	38,910,289	-
Short-term loans to other party	6,200,000	-	-	-	6,200,000	15.00
Total	20,200,000	-	8,405,360	250,412,032	279,017,392	

Financial liabilities

Short-term loans from financial institutions	20,000,000	-	77,921,280	-	97,921,280	0.00-7.42
Short-term loans from other parties	51,998,728	-	-	-	51,998,728	5.50
Trade and other payable	-	-	-	247,873,893	247,873,893	-
Liabilities under finance lease agreement	1,292,611	21,000	-	-	1,313,611	0.62-4.77
Total	73,291,339	21,000	77,921,280	247,873,893	399,107,512	

(Unit : Baht)

Separate financial statements

As at December 31, 2019

	Fixed interest rate		Floating	Non	Total	Interest
	Within	Interest rate	interest bearing	interest bearing		rate
	1 year	2 to 5 years				
Financial assets						
Cash and cash equivalent items	-	-	8,434,752	667,029	9,101,781	0.04-1.10
Trade and other receivable	-	-	-	195,723,311	195,723,311	-
Total	-	-	8,434,752	196,390,340	204,825,092	

Financial liabilities

Short-term loans from financial institutions	20,000,000	-	88,345,739	8,975,450	117,321,189	0.25-6.25
Short-term loans from other parties	86,180,111	-	-	-	86,180,111	5.75-12.00
Trade and other payable	-	-	-	219,343,772	219,343,772	-
Liabilities under finance lease agreement	250,315	800,773	-	-	1,051,088	0.33-0.36
Total	106,430,426	800,773	88,345,739	228,319,222	423,896,160	

(Unit : Baht)

Separate financial statements						
As at December 31, 2018						
	Fixed interest rate		Floating	Non	Total	Interest
	Within	Interest rate	interest bearing	interest bearing		rate
	1 year	2 to 5 years				
Financial assets						
Cash and cash equivalent items	-	-	3,217,106	12,027,489	15,244,595	0.04-1.10
Trade and other receivable	-	-	-	205,618,579	205,618,579	-
Short-term loans to related parties	95,261,500	-	-	-	95,261,500	1.50
Default payment of loan to other person	-	-	-	38,910,289	38,910,289	-
Long-term loans to related parties	-	102,059,223	-	-	102,059,223	1.50
Total	95,261,500	102,059,223	3,217,106	256,556,357	457,094,186	
Financial liabilities						
Short-term loans from financial institutions	20,000,000	-	77,921,280	-	97,921,280	0.00-7.42
Short-term loans from other parties	51,998,728	-	-	-	51,998,728	5.50
Trade and other payable	-	-	-	239,073,808	239,073,808	-
Liabilities under finance lease agreement	1,292,611	21,000	-	-	1,313,611	0.62-4.77
Total	73,291,339	21,000	77,921,280	239,073,808	390,307,427	

Risk 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 December 31, 2019 and 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:-

Currency (Unit : Thousand)	Consolidated/Separate financial statements			
	As at December 31, 2019		As at December 31, 2018	
	Asset	Liability	Asset	Liability
VND	10,532	-	-	-
USD	1,668	2,268	1,920	2,430
PKR	20	-	-	-
AUD	18	-	11	-

Fair value hierarchy

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Group's management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

34. Fair value measurement

As of December 31, 2019 and 2018, the Group had the assets which measured and disclosed fair value using different levels of inputs as follows:

(Unit : Million Baht)

	<u>Consolidated/Separate financial statements</u>							
	<u>As at December 31, 2019</u>				<u>As at December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment properties (Note 17)	-	-	75.69	75.69	-	-	235.69	235.69

35. Obligation and contingent liabilities

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

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

		<u>Consolidated / Separate financial statements</u>					
	<u>Currencies</u>	<u>As at December 31, 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	197.76	158.34	39.42	197.46	129.36	68.10
Letters of credit and trust receipt	Baht	135.00	98.59	36.41	135.00	92.60	42.40
Bank overdrafts	Baht	30.00	12.77	17.23	30.00	24.75	5.25
Short-term loans	Baht	20.00	20.00	-	20.00	20.00	-
Fleet cards	Baht	0.80	0.39	0.41	0.80	0.11	0.69

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 16 and 18.

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

(Unit : Million Baht)

	<u>As at December 31, 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

35.3 As at December 31, 2019 and 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 : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Within 1 year	1,428,024	1,603,500	308,000	528,000
Over 1 and up to 5 years	1,023,186	1,952,900	-	308,000
Total	2,451,210	3,556,400	308,000	836,000

35.4 Litigation.

(A) As at December 31, 2019, a lawsuit had been filed against the Company claiming in the amount of Baht 0.15 million. This comprised debt amount of Baht 0.12 million arising from the purchase of goods and interest charges amount of Baht 0.03 million and interest rate at 7.50% per annum until the payment is settled. The Company filed a petition to the court, a lawsuit is in between considered of the court. However, the Company has recorded the such debt in the financial statements for the whole amount.

(B) As at December 31, 2019 and 2018, the Company is the plaintiff a lawsuit with regards to breach of contract and default of payment against a company and a hotel executive. The Plaintiff entered into a hotel sale and purchase agreement with the Defendants. The Defendants issue a cheque for a payment as per sale and purchase agreement, which the bank denied the payment, so the Company file a lawsuit two defendants that is Criminal Case No. 90/2561.

On October 17, 2019, the judgement of the Court ordered the first and the second defendants to be jointly liable in paying the Plaintiff for the amount of Baht 5.00 million with interest at the rate of 7.50% per annum calculating from April 3, 2017 to the date that payment in made in full. By calculating interest until the lawsuit date (March 27, 2018) and paid of not more than the amount of Baht 0.37 million and two defendants will paid fees instead plaintiff.

36. Events after the reporting period

36.1 According to The Board of management Directors' meeting No.14 /2562 held on September 2, 2019, has resolution approved to establish the Subsidiary for operate in air conditioning research as ILUSTRO Co., LTD, which registered the Company on January 21, 2020. Registered capital of Baht 1,000,000.00 totaling share amount 100 shares, ordinary shares of Baht 10,000.00 each with The Company held in ILUSTRO Co., LTD. as 97.00%.

36.2 According to The Board of Director's meeting No.1/2563 held on February 25, 2020, has resolution offer to minutes of Annual General of Shareholders' Meeting for approved follow as :-

36.2.1 Approve to the issuance of the warrant to purchase the ordinary share of Company (CIG-W8) without valuation, which not exceed 432,393,391 unit to offering to existing shareholders in proportion to their shareholding at an ration 1:1 and offering right on 1 unit with 1 Baht per share. Except its has control dilution totaling amount not exceed 432,393,391 share with 0.50 Baht per share which 50% of issued and paid-up share capital.

36.2.2 Approved to increase of registered capital of the Company at the amount of Baht 216,196,695.50 from the existing amount of Baht 432,393,391.00 to be Baht 648,590,086.50.

36.3 The Subsidiary a lawsuit had been filed against by unemployee which breach of the labor agreement which is wage salary that the Subsidiary accrued with interest rate at 15% per annum since the date had been filed until the payment is settle totaling amount of Baht 0.42 million and if the Subsidiary is not payment , the unemployee will be charge with interest rate at 15% per 7 days of debt in totaling amount of Baht 1.22 million. Also the Subsidiary will pay the advance from share subscription the deduced with interest since the date had been filed until the date of litigation amount of Baht 2.35 million, total amount of litigation in Baht 3.99 million. The Subsidiary has recognize the liability in the Financial statement of whole amount.

37. Approval of financial statements

These financial statements have been approved for issuance by C.I.GROUP PUBLIC COMPANY LIMITED authorized directors on February 25, 2020.
