



C.I.GROUP Public Company Limited

ANNUAL REPORT 2017



SOLUTIONS FOR
TOMORROW

VISION

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

MISSION

1. Commitment to get the highest world standard with certificate.
2. Constantly improve production and management system by challenging and change with high technology and new system.
3. Create customers satisfaction to accomplish leading of the market.
4. Create durability in operating and encourage to improve human resources capacity in order to be readied to new management system and ability to create innovation on HVAC products continuously.
5. Be a good organization of social with management in respect to environment be complied with the world standard and being a part of social and community quality of life improvement.
6. Initiate the company's brand for recognizing of customers.
7. Create happy and proud organization.



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SOLUTIONS FOR TOMORROW

Develop and create brand awareness. Supply high quality product and services to domestic and export markets.

Business Objectives and Important Development

Objectives

1. Develop and create brand awareness. Supply high quality product and services to domestic and export markets.
2. Develop state-of-the-art and low-cost production that make efficient use of resources.
3. Create innovative products that can differentiate from other suppliers and exceed demands of customers.
4. Employees are efficient and loyal to the company. Be a desirable place to work for.
5. Get certified as a member of "Private Sector Collective Action Coalition against Corruption Committee"
6. Provide good return to shareholders and stakeholders.

Important changes and events

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

As of now, the company has registered capital of 648.587 million Baht and is one of the largest producer and distributor of coils in Thailand. In addition to product sales, the company continues to create value and become part of success for customers.

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

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

YEAR	EVENTS
2005	<ul style="list-style-type: none"> - Issued 41 million shares for sale to the public and 4 million shares to directors and employees. - Listed on MAI of Stock Exchange of Thailand on 27 January 2005. - Received Excellent Industrial Award of 2005 in SME Management category from the Prime Minister held by Department of Industrial Promotion, Industrial Ministry - Increased registered capital from 165 million Baht to 247.50 million Baht by issuing Warrants to shareholders up to 82,500,000 unit with conversion ratio of 2 shares per warrant (round down)
2007	<ul style="list-style-type: none"> - Increased registered capital from 247.50 million Baht to 350 million Baht by offering 85.50 million shares at 1 Baht/share to the public and prepared for first warrant exercise of 17.00 million shares. - Started operation at the second factory in Pin Thong Industrial Park, Chonburi
2008	<ul style="list-style-type: none"> - The company invested 144.95 million Baht for 999,680 shares in De Lamai company limited which operated a hotel business in Koh Samui, Suratthani
2009	<ul style="list-style-type: none"> - Changed par value of shares from 1 Baht to 0.50 Baht and changed number of registered shares from 350,000,000 shares to 700,000,000 shares. This resulted in outstanding shares from 251,592,417 shares to 503,184,834 shares. - ISO 9001 : 2008 certified
2010	<ul style="list-style-type: none"> - Received approval from extraordinary shareholders meeting to issue 25,100,000 units of free ESOP-1 to directors and employees - Received approval from extraordinary shareholders meeting to issue 219,611,940 free second warrant (CIG-W2) units to existing shareholders with the ratio of 1 share to 0.43637118 unit of CIG-W2
2011	<ul style="list-style-type: none"> - Received approval from extraordinary shareholders meeting to issue 3,048,173,915 free third warrant (CIG-W3) units to existing shareholders with the ratio of 1 share to 5 units of CIG-W3
2012	<ul style="list-style-type: none"> - Bank of Ayudhya transferred De Lamai's loan account to Bangkok Asset Management (BAM)

YEAR	EVENTS
2013	<ul style="list-style-type: none"> - Received approval from ordinary shareholder's meeting to issue 601,836,915 free third warrant (CIG-W4) units to existing shareholders with the ratio of 1 share to 2 units of CIG-W4 - The subsidiary: CIG (Thailand) company limited, signed an agreement to sell its investment in ordinary shares of Shenzhou Xiai Heating and Refrigeration Equipment Manufacture Company limited at the price of 17.55 million Baht to another non-related company.
2014	<ul style="list-style-type: none"> - A subsidiary, CIG (Thailand) Co.,Ltd. invested in Fakwantip Co.,Ltd. - The civil case with a debtor namely Mrs. Suthasinee Setapan or Mutamara has been closed after the Civil Court dismissed the objector, the defendant of the case. The asset went into an auction according to Civil Court's order. The company entered and won the auction to buy the collateral asset at 60 million Baht and the company has received title deed transfer. - The subsidiary, De Lamai Company Limited, received a debt restructuring approval from Bangkok Commercial Asset Management Company Limited. for repayment of 102 million Baht to settle all of its outstanding debts. - The company financially support its subsidiary, De Lamai Company Limited, by granting a 102 million Baht loan for debt repayment to Bangkok Commercial Asset Management Company Limited.
2015	<ul style="list-style-type: none"> - Get approval from ordinary shareholder's meeting to issue 216,185,556 free fifth warrant (CIG-W5) units to existing shareholders with the ratio of 4 share to 1 units of CIG-W5 - Rebranding to make it easier to remember and signs of change to be more international - Signed an agreement to distribute its products, Kingspan Insulated Panel Pty Limited, manufacturer of Insulation Panel from Australia.
2016	<ul style="list-style-type: none"> - Get approval from ordinary shareholder's meeting to issue 216,192,158 free the sixth warrant (CIG-W6) units to existing shareholders with the ratio of 4 share to 1 units of CIG-W6
2017	<ul style="list-style-type: none"> - 24th April : Annual General Meeting 2017 - Get approval from ordinary shareholder's meeting to issue 216,195,708 free the seventh warrant (CIG-W7) units to existing shareholders with the ratio of 5 share to 1 units of CIG-W7 - 16th January : Set up a new company, Siam Railway Development Co., Ltd., in railway repairing service center business



Message from Chairman



Dear Shareholders, The year 2017, amid several factors arise both locally and internationally, Thai Economy could not expand well. However, with Thai Government infrastructure investments gradually enhances the recovery of Thai Economy.

For the 2017, the overall air-conditions market growth was adverse about 9 percent from the year before due to climate change not support the marketing together with the economic recession, which was decreased the highest in 10 years round. By that, also effect to the C.I.Group Public Company Limited performance as well.

However, the Company has been strictly managing business with honesty and governance complied with principles of good corporate governance. Moreover, the Company had started from improving image, concentrate on costs reduction, increasing

operational efficiency and productivity, researching for production and product innovation which is friendly to environment under line of trust that business and society must be grow together and supporting each other and keeping and improving human resource continuously with intention to create high return to shareholders.

On behalf of the Company's Board of Directors, executives and employees, would like to thank for your always support. The Company would not capable to archive any goals without cooperation and support from all stakeholders, our customers; shareholders; suppliers; employees; financial institution and our business partners. With high effort of directors, executives and all staffs, we believe that the Company could worthy be trusted in growth and sustainable in the future.

Pol.Gen.

(Prung Boonpadung)
Chairman of the Board

Audit Committee's Report

In 2017, the Audit Committee performed its duties in compliance with the scope established by the Company's Board of Directors regarding the control and monitoring prescribed in the Audit Committee Charter. In this regard, the Audit Committee held 4 meetings, which all was attended by the Committee. The major issues in operation can be summarized as follows:

1. Review quarterly and annually financial statements for the year 2017 of C.I. Group Plc. in cooperation with the executives and internal audit office. The auditor was also invited to participate in the meeting and to reply to the questions on preparation of financial statements in accordance with the law and accounting standards before approving such financial statement.
2. Review and comment on related transactions or conflict of interest issue (if any) inclusive of disclosure of the referred information as per SET and SEC's rules and regulation which the Audit Committee has an opinion that all of the above issues are reasonable to the best company's business concerned and be disclosed properly and correctly.
3. Monitor the internal audit function through the performance review made by the Internal Audit Office. Considerations were made in approving the scope of operation, annual audit plan. It was believed that the efficiency of internal audit was in a reasonable level. In additions, recommendations and observations were provided to assist in the review and consideration of performance and independence of the Internal Audit Office.
4. Review and follow up if the problem has been resolved within the time frame given as agreed in the meeting. Transparent monitoring of operation was also performed.
5. Meet with the concerned executives, auditor, and internal audit and provide useful suggestion to the management team.
6. Provide internal control system as well as internal audit to the company properly and efficiently to be in the standard of internal audit set forth.
7. Allow the company to abide by SET regulations, laws or concerned business laws.
8. Consider, select, prescribe remuneration, and propose the appointment of an auditor for the year 2017. Considerations were made from the assessment of the auditor's performance, which was satisfactory. Besides, verification of the auditor's qualification was made in compliance with the announcement of SEC and SET. As a result, the Audit Committee resolved to propose to the Company's Board of Director to consider and propose for approval from the shareholders' meeting in appointment of Mr. Virach Aphimeteetamrong, Mr. Chaikorn Aunpitipongsa, Mr. Apiruk Ati-anuwat, Mr. Preecha Suan, license no. 1378, 3196, 5202 and 6718 respectively, or other CPAs, who is in list of Auditors approved by the office of SEC, of the Dr. Virach & Associates office Co., Ltd. as the CIG's Auditor for the year 2017.

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

Pol.Gen.



(Prung Boonpadung)
Chairman of the audit committee



Types of Business

History

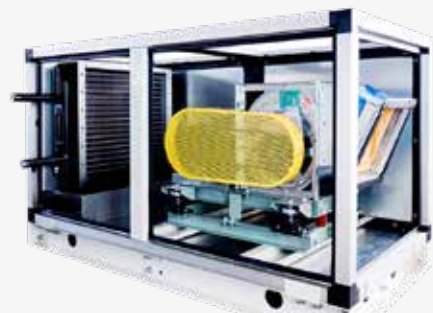
The company was incorporated on 10 April 2003 with registered capital of 94,000,000 Baht which was a result of a merger between C.I.Group Company Limited and Heat Interchange Company Limited by the same groups of shareholders namely Poomsanoh, Wangkorkiat and Wongsawang. The company's objective is to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

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

Overall Business Operation

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

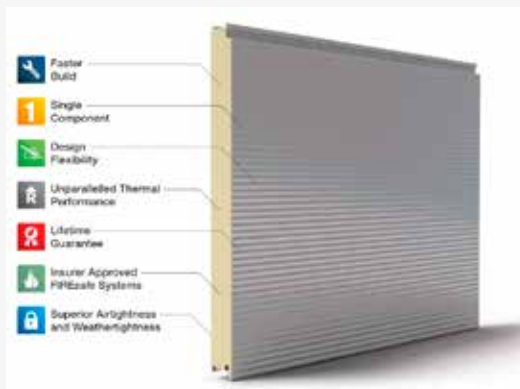
Domestic customers consists of well-known air-conditioner manufacturers for international and domestic brands especially those with policies to buy parts from other sources and those in replacement markets such as air-conditioning or refrigeration service and maintenance companies. For export markets,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





AUSTRALIA	EGYPT	ISRAEL	NEW CALEDONIA	SAUDI ARABIA	TUNISIA
BAHRAIN	GERMANY	ITALY	NEW ZEALAND	SINGAPORE	TURKEY
BRUNEI	HONG KONG	JAPAN	PAKISTAN	SOUTH KOREA	UAE
CAMBODIA	INDIA	MALAYSIA	PHILIPPINES	SPAIN	UK
CANADA	INDONESIA	MEXICO	POLAND	SRI LANKA	USA
CHINA	IRELAND	NETHERLAND	RUSSIA	SWEDEN	VIETNAM

The company has expanded its services into designing and installing air conditioning system and wall insulation products, Polyurethane and Polyisocyanurate type, which is co-partnered with manufacturers of insulation products from both domestic and international, in order to provide one-stop service for customers who require a quick construction of energy saving with good air quality building. The Company has signed an agreement as a distributor of Kingspan Insulated Panel Pty Limited, a manufacture of Insulation Panel from Australia.



Business Overview of the Company's Group

Investment Structure of the Company and the Subsidiary

The Company has 3 subsidiaries which are:

1. De Lamai Company Limited

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



2. CIG (Thailand) Company Limited

C.I. Group Public Company Limited holds 599,850 ordinary shares with par value of 100 Baht or 99.98% of the paid up capital of CIG (Thailand) Co., Ltd. which is in manufacturing and distribution of air conditioners and refrigerators business as well as other types of products. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Patumtani 12000. Registration No. 0135554002471. The company has registered capital of 60,000,000 Baht. There are 3 directors namely, Mr.Aree Poomsanoh, Mr.Theera Poomsanoh and Mr.Sawai Chatchairungruang.



3. Siam Railway Development Company Limited

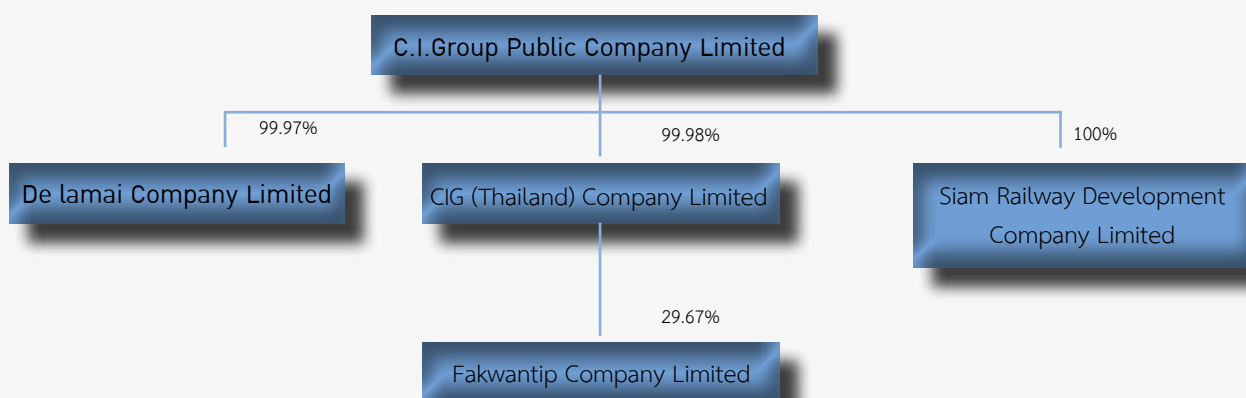
C.I. Group Public Company Limited holds 10,000 ordinary shares with par value of 100 Baht or 100% of the paid up capital of Siam Railway Development Co., Ltd. which is in railway repair center business. The company is located at 1/1 Moo.7 Bangkoowad Rd., Bangkoowad, A.Muang Patumtani 12000. Registration No. 0135560001243. The company has registered capital of 1,000,000 Baht. There are 5 directors namely, Mr.Aree Poomsanoh, Mr.Sawai Chatchairungruang, Mr.Sekbud Buaduang, Mr.Thatchai Sangkul and Mr.Suchart Phattanawittayanon.

Association with a Subsidiary

Fakwantip Company Limited

The CIG (Thailand) Co., Ltd. had engaged in a joint venture of Fakwantip Co., Ltd in a portion of 29.67% of registered capital, THB101,100,000 , or equal to Million Baht 30 investment. The Fakwantip is a company in energy business which has ethanol as a main product. The Fakwantip Co., Ltd. is located on 468 Moo. 4, Suntun – Wangdinsor Rd.,Tumbol Kaomaikaew, A. Kabinburi, Prajinburi., Thailand.

Investment Structure of the Company and Subsidiary.





Corporate Social Responsibility: CSR

The company believes that business and society should maintain harmonious relationship, help one another, and strengthen each other's weaknesses. Therefore, the company focuses on growth based on corporate governance and social responsibility in a sustainable way while considering the best interest of all stakeholders.

Mission on Corporate Social Responsibility

1. Commitment to get the highest world standard with certificate.
2. Constantly improve production and management system by challenging and change with high technology and new system.
3. Create customers satisfaction to accomplish leading of the market.
4. Create durability in operating and encourage to improve human resources capacity in order to be readied to new management system and ability to create innovation on HVAC products continuously.
5. Be a good organization of social with management in respect to environment be complied with the world standard and being a part of social and community quality of life improvement.
6. Initiate the company's brand for recognizing of customers.
7. Create happy and proud organization.

In order to process upon above intention and idea, the Company has set a Corporate Social and Environment Responsibility Policy, to be applied with both the Company and subsidiaries to be used and followed as the Company's Principle, which is:

Corporate Social and Environment Policy

Conserve Environment and Energy

Supporting activities are related to protecting environment and conserving energy resources such as water, fuel and paper efficiently.

- Promoting energy conservation and protection of the environment
- Meeting environmental and conservation standards and regulations.
- Developing and improving manufacturing process and waste management system in order to get rid of pollution that impact to the environment complying to match with ISO14000 standard.
- Promoting environmental awareness among employees at all levels to enhance their responsibility to protect environment both inside and outside of the plant.

Human Rights and Human Resources Practice

Insist to the Company's traditional; respects and obeys on the human rights; fair and practice to all level of employees equally and support employees on being a part of making benefit to society both on direct and indirect way.

- Developing skills of employees at all levels; building knowledge management towards Knowledge Support Policy and developing human resources in order to increase their work quality as professional one.
- Encouraging employees to take part in community development.
- Welfare, safety and sanitation within the workplace of employees are set including of developing working systems and innovation.

Responsibility to Consumer

Improve products and services which safe to consumers and environment, quality is match or better than requirement of the consumer based upon fair condition and

- Emphasize on services standard, responsible on the Company 'services, provide accurate information which must not be exaggerated.
- Keep customers' information confidentially and must not get any advantage on it for the Company or related person benefit.
- Marketing and Investment Policy and promoting products and services that concern on social responsibility.

Corporate Governance

The company focuses on transparency and moral in its business operation including information disclosure, control of internal data usage, maintaining corporate governance and effective risk management.

- Good corporate governance
- Internal data usage policy
- Transparency
- Data Disclosure
- Risk Management

Community and Education

The Company emphasizes on stakeholder and community where it's located. The Company intends to improve quality of life around the neighborhood by educating people, preserving environment and promote local traditional.

- Using business process to improve quality of life, booth up economic and strength of the neighbor community and society.
- Support on all activities and projects which necessary to the community and related to education projects for schools in the community.
- Together with the Company staffs/employees, employees' family, local community and with overall society in order to improve all quality of life in the way that is value added to both business and development.

Implementation of Corporate Social Responsibility Policy

The company has studied characteristic and business context both internally and externally using generally accepted principles to create mission on corporate and social responsibility. The management has set up social responsibility policy for a guideline and has set up a team to manage, control and monitor to ensure of compliance to the Policies. Recently, the company had developed and adjusted Corporate and Social Responsibility Plan by:

1. Concentrate on decreasing of adverse effect (if any) to community and environment to be less or at least equal to national standard level.
2. Concentrate on practices to upgrade to new innovation in order to improve efficiency and productivity of business such as saving energy, recycle, decrease raw material usage and etc. By which linkage to



requirement of external stakeholders' through creating cooperation with staffs to improve the organization combining with corporate and social responsibility idea till quality management was set still. At this stage, the company has working on getting ISO14001 certified from overall departments' cooperation.

3. Generate competitive advantage in the global market by still getting national quality standard, CSA and UL, certified to make international customers confidence. Moreover, the company did sign off in participating in Thailand's private sector collective action against corruption to create clear and transparency business standard which enhance supportive in the company's industrial products from every segment in Thailand.

By that clearly show the company is under the process of following the active plans of corporate and social responsibility which somehow could be done at once or continuity process.

In order to identify stakeholders of the company which is in industry sector, the company analyzed each shareholder and corporate social responsibility issue along the supply chain such as customers, suppliers, employees, nearby communities and shareholders. At present, the company is in the process of linking business processes and their effects as well as other dimensions of corporate social responsibility such as economic, social and environment by conducting interviews, focus groups, surveys and industrial data.

The company has implemented the following actions in order to comply with corporate social responsibility policy;

Linkage to Stakeholders

Customers

In order to maintain customers' satisfaction and trust in the Company's products and services, the Company pays attention on standard together with marketing, investment and promotion policy that responsible to social.

Employees

Our employees make sure that they comply with corporate social responsibility policy. Moreover, the company focuses on human resources development and encourages good career path within the company.

Suppliers

The company ensures that suppliers comply with the company's corporate social responsibility policy.

Community

The company conducts business fairly and focuses on development of local community.

Shareholders and investors

The company communicates key information to shareholders and investors transparently, equally and in timely manner.

Account Payables

The company treats all account payables equally, fairly and transparently according to outstanding terms and agreements.

Government agencies

The company conduct business with government agencies according to rules, regulations and applicable laws.

Social and educators

The company is open to public opinions and conduct business together with social development in a sustainable way.

Competitors

The company treats all competitors fairly, lawfully within code of conduct.

Important issues

Health and safety

- The company has comprehensive safety measures.
- Safety training sessions are conducted regularly.

Waste management and excess materials

- The company has effective water treatment system to adequately treat waste water before releasing water into public drainage.
- Develop production process to reduce waste and excess materials.
- Re-use of excess materials in production process.

Environmentally friendly products and services

- Joining CFC elimination project to discontinue the use of Chlorofluorocarbon (CFC) in air-conditioning manufacturing process.
- The Company's products do not require use of CFC.
- The Company's repair and maintenance service reduces the need for replacements and therefore reduce effects to environment.

Product and services accountability

- The company carefully controls its production of products to ensure high quality and customer satisfaction.
- On time delivery is a priority to ensure smooth and efficient supply chain.
- All products come with a warranty according to general sales conditions.
- Fast repair and maintenance service to meet urgent demands of customers.

Employee benefits

- Trainings are offered to all employees to increase potentials and career path.
- Annual health check-ups are offered to reduce medical costs and promote good health among employees.
- Annual New Year party to entertain and increase morale of employees.
- The company gives scholarships to employees' children.
- Support employees on funeral of their close relative such as husband wife parents or son's pass away
- Employees' recognition by providing Long Service Award to employees with long service and standard performance as per the company's criteria.

Corporate Governance and Integrity measures

The company focuses on transparency and moral in its business operation including information disclosure, control of internal data usage, maintaining corporate governance and effective risk management.

- Good corporate governance
- Internal data usage policy
- Transparency
- Data Disclosure
- Risk Management

Community and education

The company supports various activities and projects on community and educations for local schools. Furthermore, the company extends its support for victims of natural disasters.

- Offer scholarships to students at various educational institutions and local communities such as Bangkoowad School, Eur Ar Torn village, Bangkoowad Municipality.
- Provide trainings to polytechnic students such as Lamthong Polytechnic School and Patumthani Polytechnic School.
- Help victims from disaster and mitigation.

Business operations that may affect social responsibility

Due to the fact that the company is in manufacturing sector, some of the production processes may require use of lubricants and/or other chemicals. The company has set up preventive plans to reduce any effects on the environment and local community. The company stopped using CFC which is harmful to the environment even though it is a widely used chemical in air-conditioning industry. The company is thriving to improve its products and production processes to protect the environment and community from any harmful substances. Furthermore, the Company continues improving quality both production process and products to ensure that will not have negative effect to society and environment by following ISO 14001 criteria. The Company seeks for raw material and components which must comply with international safety standard and could be reused in the processes. Moreover, the Company has target on effectively usage of energy to maximize benefit, create less waste, reuse materials and avoid supplying non-compostable raw materials or components.

Legal disputes

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

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



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

Adverse effects to society and environment

The company's operations from the past until end of 2017, there is no evidence of adverse effects to society and environment according to 8 principles of CSR.

CSR Activities for society and environment

In 2017, the company engaged in various activities such as environment and energy conservation project, production process without harmful chemical, cost reduction, material reduction and maintaining good relationship with local communities.

Health and safety

The company aims to control monitor and prevent regarding safety healthcare and work environment risk of all staffs by which must not breach the law and regulation and allied with international standard and Quality Safety Healthcare and Environment Policy in order to decrease accident to be zero and decrease hurt or injured from work in every sites as we understand that all of human resources, business partners and contractors of the company have their rights in working under safe environment for their good quality of life at work.

The company intend to put subconscious in safety and healthcare to all staffs in every levels through policy management and control and real practices such as training and create upon understanding by using activities and motivation to persuade to grow up responsibility on safety throughout the organization.

- The company has set rules and regulations in safety properly by providing necessary personal protective equipment: PPE to employees for their work.
- The company has always set safety training for all employees.





In 2017, the company conducted internal and external safety training such as fire extinguish foundation course, crane operating training, safety training as required by Safety Act 2011, Fork Lift driving training, Safety for Management and Safety committee trainings and hearing care training.



STATISTIC OF SERIOUS ACCIDENT AT WORK OF 3 FACTORIES FOR 2015-2017

STATISTICS OF 3 FACTORY	2015	2016	2017
Number of Accidents	7	10	7
Number of staffs injured	7	10	7
Number of total off days of the injured staffs	118	88	28

Waste management and excess materials

- The company has effective water treatment system to adequately treat waste water before releasing water into public drainage.



- The company focuses on optimizing usage of raw materials and materials, resulting in reduced production costs of 8,002,848 baht per year.
 - Reduced production costs of parts and equipment 5,178,659 Baht/Year
 - Reduced costs by using cross hair pin besides of cross over 1/2"x0.61 481,220 Baht/Year
 - Reduced using copper tube DIA3/8"by using non shrink expansion method 1,760,274 Baht/Year
 - Reduced using drawing board 42,695 Baht/Year

Energy management

- The company promotes energy conservation and initiated energy saving project. There were 3 projects with electricity cost reduction of 1,684,981.58 Baht per year as follow;
 - Air compression improvement project of Pathumthani factory: Electricity saving of 696,267.59 Baht per year
 - Air compression improvement project of Pinthong factory: Electricity saving of 809,577.99 Baht per year
 - Switching to LED lighting in all 3 factories: Electricity saving of 179,136 Baht per year

Employee benefits

- The company offers trainings to employees of all levels to increase potentials and reduce risk of skill shortage.

Employee Development Programs

Hours per person per year				
Average training time	2014	2015	2016	2017
Director and employees	6.57	5.81	4.22	4.92
Baht per person per year				
Expenses for training	2014	2015	2016	2017
Director and employees	1,244.78	773.80	623.78	919.92

In 2017, the Company introduced many training courses including risk management, material handling, total productive maintenance, risk management for ISO9001:2015, business plan implementation, CAC and etc.



- Annual health check-up



- New Year party to create team happiness and encouragement





- Scholarships for employee's children



Responsibility to Community and Education Support

The company has been supporting activities and projects that support communities and education project for schools in neighborhood such as:

- Merit making at temples in communities





- Provide scholarships for the nearby institutes students such as Bangkoowad School, Government housing, municipality of Bangkoowad, etc.



- Provide trainings to polytechnic students such as Lamthong Polytechnic School and Patumthani Polytechnic School. In 2016, The Company is involved in a collaboration education project by Industrial Council of Thailand under the King's Rama IX initiative which allows polytechnic students to study and train in real life situation.



Anti-Corruption

The company understands that corruption will be effected and be as an important threat to social and economic development and unfair business operation which will effect to the company image regarding corporate governance, competitive ability and unacceptable company for both Thai and international. Moreover, it would decrease confidence of shareholders, investors and all stakeholders. Therefore, the company has been paying attention on doing business without supporting to business, individual or person who get involved in seeking benefit which should not get in both direct and indirect from using dishonestly authorization with clear method to cooperate and support with government and private sectors. The Company's Board of Director No.4/2015, November 11th, 2015, had approved appointment of Anti-Corruption Committee who plays important roles in setting system, supporting and promoting Anti-Corruption Policy in order to communicate to all staffs/employees and all related persons in all departments including risk assessment of activities having a chance to conflict with anti-corruption policy and setup review appropriate of system and measurement to be complied with business situation change, order, rules and regulations of law continuously.

Moreover, on 22nd December, 2016, the company did sign off on agreement to join in the Private Sector Collective Action Coalition Against Corruption Committee : CAC by which is during process of getting certified as a member of CAC.



Anti-corruption policy

To ensure the Anti-Corruption Policy of the company is always up to date, the board of directors frequently review it. In the Board of Director Meeting No.4/2017 on August 11th, 2017, did approve of the Anti-Corruption Policy (updated) besides of the one that was approved in the Board of Directors Meeting No.3/2014 dated August 19th, 2014. Also, approved Guideline of Anti-Corruption Policy to enhance effectiveness of control and guide to act concretely as follows:

1. Directors, managers and all employees of the company as well as its subsidiaries shall not directly or indirectly accept or support corruptions in any forms. This applies to all subsidiaries, including but not limited to contractors, sub-contractors, and any parties involved. The anti-corruption policy must be reviewed regularly to match rules, regulations, law and changes in business operations.
2. Anti-corruption is an essential part of business operation. It is a responsibility of board of directors, management, all employees, contractors, and sub-contractors to express opinions on how to conform with anti-corruption policy so that the anti-corruption objectives are achieved.
3. The company will not act or support bribery in any form under all activities it is involved including but not limited to control, charitable donations, donations to political parties, corporate gifts and support all activities with transparency and not to influence government officers or private sector employees to act in his or her favor.
4. The company just implements effective internal control and it must be reviewed regularly to prevent inappropriate actions especially sales, marketing and purchasing activities.
5. The company must educate anti-corruption to directors, management and all employees to promote integrity, honesty and responsibility to all business operations as well as communicate the company's willingness to become corruption-free.
6. The company must have transparency and accuracy reporting system for its financial positions.
7. The company allows various ways of communication related to corruption and makes sure that confidentiality is strictly protected while ensuring unfair treatment and investigate all issues that were reported.



Anti-Corruption Policy Process

The Company set the Good Corporate Governance Policy and Code of Conducts to be used as a guideline for employees to follow in the same lane during operation such as guideline in give and take gifts, welcoming party or other benefits as states in the Code of Conducts (business ethics) which also complied with the Anti-Corruption Policy by distribute to all directors, management and employees to be as self-guidelines. Moreover, the company also communicates regarding the Anti-Corruption Policy and guidelines to subsidiaries, co-businesses, business partners and stakeholders including public through several media such as letter, electronic mails, information board, Company's Website or others as appropriate in order to allow all stakeholders to acknowledge and follow the guidelines set. Also, did communicate and train all of the company's employees continuously to ensure of correct educated regarding anti-corruption, the company's expectations and punishment for example training on good corporate governance and anti-corruption to all new employees through orientation. Furthermore, set training for directors, management and all employees on the referred issues.

The company did spread letters to business partners, customers and related organization to inform of un-accepted of getting gifts for our management and employees inclusive of subsidiaries during New Year festival or any others occasion by which expecting all human resources of the company to work in full capacity without wishing for benefit in return and transparency with care of social, environment and good governance to create the company's norm in operation of human resources.

Whistleblowing Policy and Protecting Whistleblower Procedures

The board of directors considered to approve the Whistleblowing Policy and Whistleblower Protection Procedures in the meeting no.4/2017 on Friday, 11 August, 2017 to allow employees and stakeholders to report when suspected misconduct, illegal acts or failure to act upon business conduct of directors, management and workers. Raise of serious concerns, clue on illegal act and corruption which may lead to discredit of the company image and assets would be listen by the company equally, transparency with care and fairness to every concerned parties. By which process time will be set appropriately with confidence and careful operate. In the same hand, protecting whistleblowers and related persons to ensure of fairness or not affect or defame in anyhow will be concerned through the process. The company's secretary and internal audit office are set as a Complaint Center for corporate governance and business conducts which channels of report the concerns and process are shown in the company's website as:

3 Channels to report complaint concerns and suggestion are:

1. The company's website: [http:// www.coilinter.com](http://www.coilinter.com)
2. Email : secretary@coilinter.com
: internalaudit@coilinter.com
3. Mail or hand-in to : Company's Secretary Office

C.I.Group Public Company Limited

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Anti-Corruption Risk Assessment

Anti-Corruption Committee (Management Level) takes responsibility in reporting result of assessment of anti-corruption risk in every activities involved in business by states jobs with high risk and its effect inclusive of preventive or decrease risk with high effective method together with follow up result after adjusting process as the propose method in form of report submitting to Audit Committee on regular basis.

Punishment

The company set to let all employees in every levels must sign-off to acknowledge Anti-Corruption Policy Guideline and Code of Conduct of Management and Employees to show their promise and agree with good practices as their guideline. The Guidelines are rules that everybody in the organization must follow strictly if they breach will be consider as miss-act which the company will punish as per state in the company's Article of Association or related law and regulation.

Example of Communication Method for Anti-Corruption Policy

The company had set training for directors, management and staffs at all level for better understanding in their role to the Anti-Corruption Policy



Picture: Lecture on “Anti-Corruption for Executives: Business Sector with Anti-Corruption” to create understanding of how important of anti-corruption for private sector and government toward sustainable of the company's competitive advantage to the directors and management by Dr.Bandid Nijathaworn, President & CEO of Thai Institute of Directors.



Picture: a training course “Together Create Transparency to Anti-Corruption” for management and staffs for their better understanding on overall of the Good Corporate Governance Policy, Anti-Corruption Policy and the Guidelines to form basic knowledge in complied practices with the policies by external speaker.





SOLUTIONS FOR TOMORROW

Develop and create brand awareness. Supply high quality product and services to domestic and export markets.



THE INDUSTRIAL SITUATION AND COMPETITIVE

Electrical Appliances and Electronics Industry

The 2017 Electrical appliances and Electronics Industry overview was expanded especially electronics that was passed the lowest point and start signaling of growth again. While electric's still growing gradually. The electronics that continuing growth are IC and semiconductor. Export section still facing risk from uncertainty of main international business partners' policy. For overall situations of the electrical appliances and electronics industry for 2017 had expanded 10.62%yoy while manufactures productivity index of the electrical industry was 127.56 a bit increase at 2.38%yoy from washing machines and electric wine. For air-conditioners which used to be highly growth products shows a little decelerate. For the manufactures productivity index of the electronics industry was 111.50 or 14.03%yoy increased from products such as Integrated Circuit (IC), Semiconductor and Hard Disk Drive (HDD).

Manufactures Structure

Manufactures structure of Thai Electrical Appliances and Electrics Industry in May 2017 are 2,342 sites which mostly are small enterprises of Electrical parts about 412 manufactures.

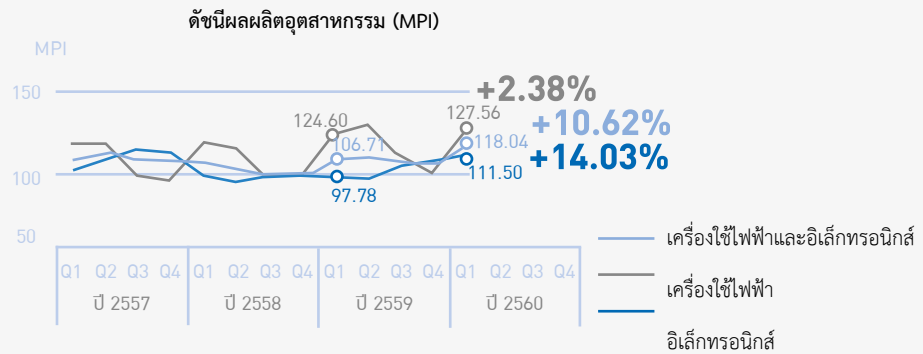
Productivity

2017's Manufactures Productivity Index of Electrical Appliances and Electrics Industry was 118.04 increased 10.62%yoy. The Electrical Appliances part was expanded little while for the Electronics part bounced back to expand more than 10% once again. The manufactures productivity index of Electrical parts was 127.56 adjusted a little bit at 2.38%yoy from washing machines and electric wine which themselves have MPI at 18.59 and 12.41%yoy. Whereas the air-conditioners who used to expand at high level seems to decelerate a little. For the MPI of Electronics part was 111.50 or increased 14.03%yoy from Integrated Circuit (IC), Semiconductor and Hard Disk Drive (HDD) products. The IC are demanded from global market due to needs of high technology products are increased continuously together with continue in high requirement of HDD after adverse growth in the last year.

PICTURE 1: Number of Enterprises in the Electrical Appliances and Electronics Industry









ประเภทผู้ประกอบการ	เล็ก	กลาง	ใหญ่	รวม
Electrical	273	71	56	400
Electrical Parts	412	157	84	653
Electronics	274	128	155	557
Trader	256	41	14	311
Supporting Industries	195	80	43	318
Other	50	28	25	103
รวม	1,460	505	377	2,342

ที่มา : สถาบันการไฟฟ้าและอิเล็กทรอนิกส์



PICTURE 2: Manufacture Productivity Index

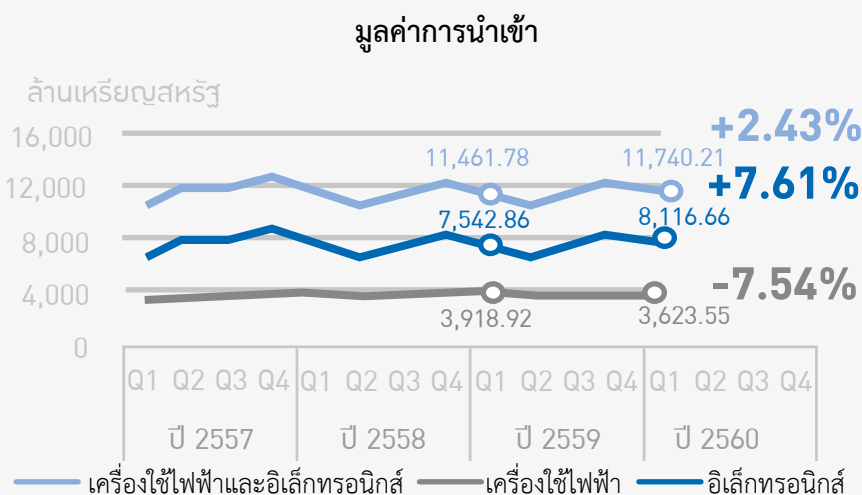
Local Market

ชนิด	ไตรมาส 1		%yoy
	ปี 2559	ปี 2560	
 เครื่องจักรเย็บผ้า	420,590	1,251,597	+197.58 %
 เครื่องปรับอากาศ	1,238,910	1,410,526	+13.85 %
 คอมเพรสเซอร์	2,065,041	2,226,993	+7.84 %
 หม้อหุงข้าว	800,361	849,084	+6.09 %
 พัดลม	788,031	824,739	+4.66 %
 เตาไมโครเวฟ	47,340	43,157	-8.84 %
 ตู้เย็น	454,788	414,265	-8.91 %
 กระจกน้ำร้อน	310,399	219,910	-29.15 %

PICTURE 3: Number of Electrical Appliances' Sales (Number) for 2016 and 2017

Sales situation of the electrical appliances for Q1 of 2017, almost all of main appliances products are increased by which washing machines, condensing units, compressors, rice cookers and fan are increased 197.58, 13.85, 7.84, 6.09 and 4.66 %yoy respectively except microwaves, refrigeration and hot pot that were decreased 8.84, 8.91 and 29.15 %yoy respectively.

International Market



PICTURE 4: Import Value (Million USD) for 2014 - 2017

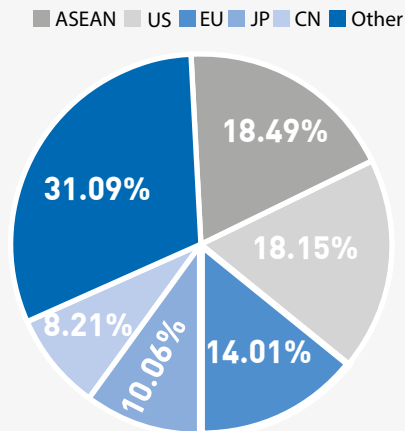
Import

Import value of the 2017 Electrical Appliances and Electronics was USD11,740.21 Million which was increased 2.43 %yoy. The products that have high import value are electrical parts (fuse, switchers, and plug), circuits and micro-assembly and etc. While computer parts are adjusted downward. The import value of the Electrical Group was USD3,623.55 Million, decreased 7.54 %yoy. Whereas import value of the Electronics Group was USD8,116.66 Million, increased 7.61%yoy, by importing more from Asian, China and Japan.

Export

Overall situation of export the electrical appliances and electronics for the year 2017 was better. On the other hand, the adjustment was under several risks especially uncertainty of international trade policies of the main business partners' countries likes USA and Europe which have changed their political leaders and structure of developed country demand that is changed to higher technology products. By that may effect to export volume of the Thai electrical appliances and electrics group. Recently, the fifth export portion of the Electrical Appliances and Electrics are Asian, USA, Europe, Japan and China with 18.49, 18.15, 14.01, 10.06 และ 8.21 percent portion respectively.

The 2017 export value of the Electrical Appliances and Electronics was USD14,230.35 Million, 6.90%yoy increased, from several products such as air-condition, washing machines, IC and telephone and parts. Where the export value of electrical appliances was USD5,868.02 Million, 8.71%yoy increased which the USA market was the highest growth of 30.85%yoy and the export value of the electronics group was USD8,362.33 Million or increased 5.66%yoy due to China and Japan imports electronic parts from Thailand more 17.45 and 15.35 %yoy respectively.



PICTURE 5: Export Portion of the Electrical Appliances and Electronics

Air-Condition Industry Trend

Because Thailand is a production base for leading air conditioner brands, in particular Japanese having a reputation for good quality and cutting-edge technology, we are able to manufacture and export a substantial number of smart air conditioners, especially those equipped with inverter technology for temperature controls, plus other sensors that can track people movements so as to direct the air flow to them.

As assessment by KResearch shows in 2016 Thailand's smart air conditioner exports accounted for 57.7 percent of the total air conditioner shipments. The export growth of our smart air conditioners averaged 22.1 percent p.a. for 2013-2016, doubling that of our key rival, China. Currently, China's smart air conditioner shipments account for about 40 percent of their total air conditioner exports because China focuses on marketing air conditioners equipped with standard technologies and the fact that many Chinese air conditioner brands are relatively new to global markets. This makes it difficult for China to contend in the global smart air conditioner market, particularly in developed countries, despite the fact that their technologies and manufacturing capacities are on par with other brands like those of Japanese. Meanwhile, Thailand has manufacturing capability and competitive potential to export smart air conditioners going forward.

KResearch is of the view that the value of Thai smart air conditioner exports will eclipse that of China in 4-5 years. In 2017, such exports may reach perhaps USD2.17-2.19 billion, increasing 23.9-25.1 percent YoY, accounting for 62 percent of the total air conditioner exports. KResearch expect that our smart air conditioners will be able maintain the export growth of over 20 percent in the next three years (2018-2020) and their global competitiveness will be sustained because Thailand has many factors that can attract leading manufacturers to invest in smart air conditioners here, particularly our strong supply chains that are able to facilitate production and exports going forward.

SOURCES: 1. Economic, Business and Foundation Economy Analysis of the Government Savings Bank
2. KResearch, Kasikorn Thai Bank

Risk Factors

In business operations, there are some internal and external uncertainty that might negatively affect how the company achieves its goals. Such risks include strategy, operation and financial risks. Thus, preparing for uncertainty may reduce those risks and reduce the impact to the company.

The company's audit committee, board of directors, managing director and department managers regularly assess, analyze risks and their trend that might affect the company. Detail of policy related is followed:

Risk Management Policy C.I.Group Public Company Limited

C.I.Group Public Company Limited ("The Company") is committed in its management of risks against corporate objectives that include risk management in safety and health of employees, society and communities as well as environment and corruption, to be complied with laws and regulations. The Company would provide fair treatment to all stakeholders while focusing on business performance and investment objectives in accordance with good corporate governance to minimize the probability of risks may effect to the Company' success or reduce damage from occurred risks, and/or in our endeavor to capture a business opportunities by using COSO-Enterprise Risk Management Framework 2004 as a risk management framework.

Definition

Risk means situation that have probability to occur in which could effect to achievement of the Company's objectives.

Guidelines

1. The Company shall have a system and process for risk management at enterprise level as well as in all subsidiaries which shall be aligned with corporate objectives and strategies.
2. The Company shall manage risks to be within the Risk Appetite level or in any case not to deviate from the risk tolerance levels.
3. The Audit Committee will also act as Risk Management Committee which shall govern the corporate risk management to be in accordance with The Company Policies, provide advice and suggestions and monitor to ensure of efficiency and productivity of risk management as specified in the Charter of the Audit Committee.
4. The Company's managements and executives shall manage corporate and subsidiaries risks in a holistic manner and shall govern risks management under their accountability or as per appointed by the Board of Directors. Also, the managements shall report the risk management performance to the Audit Committee for their consent and advice on regular basis or as appropriate.
5. Manager of every functions of the Company shall be responsible on manage risks at the corporate level, function level and at the operation level within their scope of responsibilities or as per appointed by Management or Executives as well as initiate and stimulate employees' awareness of criticality of risk management.
6. Internal Audit Department shall be responsible on providing advice, opinion, suggestion and guidelines of risk management to other corporate units. Also, shall be responsible on preparing the Corporate Risk Management to management and to report to the Audit Committee on regular basis or as appropriate.



7. All employees shall follow and adhere to the Company's Risk Management system and process of corporate, department and operation level as stipulated by the Company by which set as one accountability.

Regarding to operate under the Risk Management Policy, shall inclusive of setting framework, manual and recruitment to be sufficient to implement the most beneficially Risk Management Policy in the organization.

Review and Improvement of the Policy

The Policy and all Manuals/Guidelines of Risk Management shall be reviewed and improves on regular basis by reporting appropriateness and efficiency of applying in the organization to the Audit Committee in order to continuous improvement.

This Risk Management Policy has been considered and approved by the Board of Directors No.7/2016 on November 11th, 2016.

Details of risks and preventive measures are as follow;

1. Risk of fluctuations in raw material prices

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

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

2. Supply risk

The company relies on a few large suppliers. In 2017, the company ordered 81.06% of required copper tubes from 3 large suppliers. The largest of which accounted for 39.34% of total copper tubes orders.

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

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

3. Risks from raw material shortage

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

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

4. Risks from exchange rates

The company received 38.60% of its revenue from export market. Thus, the company is exposed to foreign exchange risk. However, the company also orders some of its raw materials from overseas. In 2017, export revenue accounted for 38.60% of total revenue and imported 55.60% of total materials from overseas. Since these revenue and cost are in US Dollars, the company enjoys natural hedging to a certain extent.

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

5. Risks from free trade agreements and trade organizations

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

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

6. Risk from major customer dependency

In the last 3 years, none of the company's largest customer account for more than 30% of total sales which could conclude proportion of sales to 5th major customers of the company for 2015-2017 as followed:



	2015	2016	2017
Sale proportion to the top 5 customers*	75.99	68.59	65.94

**Inclusive of international distributors*

Most of these major customers have maintained good relationship with C.I.Group for a long time. The company has invested in research and development of new products during these times. The quality of our products has been proven by various quality certifications thus the company believes that it can retain existing customers and can further expand its customer base to new and existing markets.

7.Management risk

Due to the fact that the company's Managing Director, Mr. .Aree Poomsanoh, is also a member of the Board of Executive Committee. However, there are 4 members in the Board of Executive Committee and the company's articles specify clear and strict management powers for each position. The risk of having a person with significant power is reduced. Moreover, the Board of Executive Committee and Managing Directors cannot authorize any transactions that himself or herself can be classified as a stakeholder. Moreover, the Board of Directors consists of an Audit Committee working together with Internal Audit department whose duty is to conduct auditing procedures for transactions and to ensure that the company is transparent and property controlled within area of authority for each member of Board of Executive Committee.

8.Liquidity Risk

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

9.Risks from subsidiaries

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

However, the company's subsidiaries, De Lamai Co., Ltd., are able to sold out the leasehold and assets of the Room Hotel therefore could reduce risk of loss from its hotel business. By that would support the subsidiary's liquidity. The company expects that its subsidiaries will be running their businesses at full pace which will provide synergy to the company in the future.

10. Other risks

Since a widespread flood in 2011, the company has become aware of natural disasters and other risks that may cause damage to assets, machines, and other fixed assets which are essential for its operations and may cause business interruptions. The company has sought adequate insurance policies covering various risks to the business in order to reduce effects of those risks. Moreover, the company has 3 production capacities in 3

factories at different locations. In case of disruption in one of the factories, the others has excess capacities to cover a disrupted factory to ensure that the company is able to meet demands of its customers.

11. Technology Change Risk

One of the risks that industrial players will face is a change of technology in production process or the product itself. Some of those changes may allow the company to benefit from increasing productivity such as increased machine productivity in some areas where time consumption may be reduced or less labour requirements. All of these may lead to cost reduction. On the other hand, such changes may harm the company if it is not able to adapt in a timely manner such as change in product or substitute products. However, heat exchanger industry is quite mature and the change has been minimal. Over the past 30 years, changes in technology that occurred was not too radical and the company was able to keep up with all the changes. To reduce such risk, the company became a member of ASRAE (the American Society of Heating, Refrigerating and Air-conditioning Engineers) which is a key organization with knowledge in Heat, Cool and Air Conditioning systems of the USA. so that the company has access to latest news and technology to ensure that the company maintains latest production capability. Moreover, the company focuses on research and development to ensure that it can adapt to any change and reduce technology change risk.

12. Environmental Effects risk

Due to the fact that the company is in industry sector, the company's production process requires oil, water and some chemicals that may affect the environment or its labour. To reduce environmental effect risk, the company provides suitable safety equipment to ensure safety of labour. The company also uses closed system when dealing with chemicals such as coloring spray to ensure that there will be no chemical waste released to the environment. The company has installed adequate water treatment system to recycle water and ensure that water released to public drainage will be free from chemicals. Moreover, the company has a safety committee and high safety standard for all its employees. Any compromised safety issues will be dealt with according to its effects.



Financial Highlight

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

Million Baht

Details	Amount		
	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
Total Assets	1,237	1,191	1,213
Total Liabilities	371	310	390
Shareholder's Equity	865	881	824
Total Revenues	1,073	938	887
Gross Profit (Loss)	150	144	122
Net Profit (Loss)	21	15	(53)
Earnings (Loss) per share	0.02	0.02	(0.06)

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

Million Baht

Details	Amount		
	31 Dec.2015	31 Dec. 2016	31 Dec. 2017
Total Assets	1,174	1,113	1,154
Total Liabilities	384	324	402
Shareholder's Equity	791	789	752
Total Revenues	1,095	958	900
Gross Profit (Loss)	150	145	119
Net Profit (Loss)	(7)	(2)	(33)
Earnings (Loss) per share	(0.01)	(0.002)	(0.038)

Shareholders and Management Structure

Shareholders Structure

Shareholders

The list of 10 major shareholders as of December 29th, 2017 is as follow:

Total Shareholders	2,816
% Shares in Scripless Holding	87.67

Rank	Major Shareholders	# Shares	% Shares
1.	Poomsanoh Group		
	Mr. Aree Poomsanoh	95,571,200	11.05
	Miss. Alisa Poomsanoh	75,073,500	8.68
	Mr,Theera Poomsanoh	12,000,000	1.39
2.	Sangnoi Group		
	Mr. Phairote Sangnoi	40,239,200	4.65
	Mrs. Alisa Sangnoi	32,239,800	3.73
3.	Wangkorkiat Group		
	Mr. Taweesak Wangkorkiat	30,500,000	3.53
	Mr. Nattapat Wangkorkiat	4,600,000	0.53
4.	Mr. Ungkul Thepsarskul	22,350,800	2.58
5.	Mr.Surajit Parnchan	21,343,000	2.47
6.	Mrs. Araya Tontanasin	15,900,000	1.84
7.	Thai NVDR Co., Ltd.	14,952,546	1.73
8.	Mr.Pairoj Tachadanai	11,500,000	1.33
9.	Mr.Shurin Thirangkul	11,047,300	1.28
10.	Miss Panom Wongpradith	10,700,000	1.24

Management Structure

Committee

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

(1) The Board of Directors

The Board of Director is comprised of 7 peoples as name follows:

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

Definitions

Executive Directors

Directors who holds executive positions and are responsible for managing the company

Non-executive Directors

Directors who do not hold executive positions and are not involved in management of the company. Non-executive directors might or might not be independent directors.

Independent Directors

Directors who are independent from major shareholders and are independent from any kinds of relationship that will prevent independent consideration. Independent directors must have following qualifications;

- (1) Independent directors must not be or has been directors involving in management of operation, employees, consultants or controlling member of the company, its subsidiary, joint venture, subsidiary of the same level, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- (2) Independent directors must not be related by birth or by law in a relationship as father, mother, spouse, brother, sister and child including spouse of child, management, major shareholders, controlling member or person(s) that will be appointed as management or controlling member of the company or its subsidiary.
- (3) Independent directors must not have any business relationship with the company, subsidiary, joint

venture, major shareholders or controlling member in a way that might affect independent consideration. He or she must not be or never have been implied shareholders, or controlling member having business relationship with the company, its subsidiary, joint venture, major shareholders or its controlling member unless he or she has ceased from such case for at least 2 years prior to his or her appointment. "Business relationship" as stated earlier includes normal business transactions, renting or letting properties, assets or service transactions, giving or receiving financial support by borrowing or lending, guaranteeing, giving assets as collateral for debt or that of the same kind that creates a binding liability for more than 3% of total tangible assets or from 20 million Baht or more whichever is lower. Thus, such calculation comply with method of calculations for related party transaction according to the Stock Exchange Commission's rule for related party transactions. Such calculations is inclusive of those that happened within 1 year prior to business relationship of the person.

- (4) Independent directors must not be or have been the company's auditor(s), its subsidiary, joint venture, major shareholders or controlling member and must not be implied shareholders, controlling member or partners of auditor's office that has the auditor(s) of the company, its subsidiary, joint venture, major shareholders or controlling members unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- (5) Independent directors must not be or have been professional service provider of any kind including legal or financial advisor that received professional fee of 2 million Baht or more from the company, its subsidiary, joint venture, major shareholders or controlling members and must not be implied shareholders, controlling member or partner of such professional firm unless he or she has ceased from such case for at least 2 years prior to his or her appointment.
- (6) Independent directors must not be directors appointed as representative of company's directors, major shareholders or shareholders who are related to major shareholders.
- (7) Independent directors must not operate in a company of the same kind or is in direct competition as that of the company, its subsidiary or partner in partnership or as executive directors with involvement in management, employee, consultants or hold more than 1% of voting rights of other companies that operate in the same business or in direct competition with the company or its subsidiary.
- (8) Independent directors must not have any characteristics that may prevent him or her from giving independent opinions on the company's business operations.

Authorized Directors

Authorized Directors who can sign to comply with the company are Mr. Aree Poomsanoh or Mr. Theera Poomsanoh or Mrs.Chankapaw Dissakul or Mr. Taweesak Wangkorkiat co-sign totally two persons and affix the company seal.

Scope of Authority and Duty of the Board of Directors

1. To manage the company honestly in accordance with laws, objectives, obligations and resolutions of Shareholder Meeting and to take precautions in order to protect the company benefits.
2. To authorize an appointment a set of directors as Executive Committee to execute one or several tasks in order to implement the work assigned by the Board of Directors as well as to authorize an appointment the Chairman of Executive Committee together with other committee such as Audit Committee, Nomination and Remuneration Committee as deemed appropriate.
3. To set objective, procedure, policy, plan, and company budget and monitor the management of the Board of Executive Committee or the assigned person to follow with the policy set forth.
4. To consider review and approve and govern policy, direction, strategy, business plan, and annual budget, investment on big project proposed by the Board of Executive Committee by supporting in apply innovation and technology to value added to the business.
5. To continuously follow up on the operation as plan and budget set forth.
6. To consider and approve other activities concerning the company and have it done to benefit the company.
7. Govern in intelligent technology and ensure of disclosure policy inclusive of confidential information leakage. The confidential information management will cover keeping information method especially market sensitive information.
8. Monitor sufficiency of liquidity, debt payment capability and recover business method in case the company is facing cash flow problem. Also, ensure of financial management understanding of the employees and provident fund.

Except for the following tasks which can be implemented only under the resolutions from Shareholder Meeting and under the stipulation that any director or person who might be involved with either conflicts of interests or any other beneficial conflicts with the company or subsidiary company shall not be granted the right to vote in that matter.

- a) Matters stipulated by Laws must be obtained the resolutions from Shareholder Meeting.
- b) Transactions that any directors are involved with either conflict of interest or any other beneficial conflicts particularly stated by Laws or Stock Exchange Specifications must be obtained the resolutions from Shareholder Meeting.

The execution of the following matters must be approved by the Committee Meeting and the Shareholder Meeting with the votes not less than 3 over 4 of total votes of the eligible shareholders present in the meeting.

- a) To sale or transfer all or important part of the company business.
- b) To purchase or acquire of other company or private company.
- c) To make, to amend or to abolish the contract to rent all or some important part of company business.
The appointment of other person who will manage company business or the merging with other person in order to share profit and loss.
- d) To amend the Memorandum of Associations or Objectives.
- e) To increase or decrease capital, to issue debenture, to merge or to terminate the business.

Rotation of Retirement

At every Annual General Meeting of Shareholders, one-third of the directors liable to retirement by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office. The directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who will have to retire is to be determined by lot, unless otherwise agreed to among themselves.

Election of the Directors

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

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

Selection and Appointment of Directors and Executive Management

Directors' Selection

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

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

Executive Managements' Selection

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

1. Hire and appoint of the Chief Executive Officer and/or Chief Executive Officer of Businesses (CEO) must be approved by the Board of Directors.
2. Appointment of Chief Financial Officer, Chief Investment Officer and/or Chief Operation Officer is under authorization of the Board of Executive Committee.

3. Appointment of any management level lower than above is under authorization of the Chief Executive Officer and/or Executive Management belowed depend upon situation.

Director Development

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

Directors Orientation

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

(2) The Board of Executive Committee

The Board of Executive Committee is comprised of 4 people as name follows:

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

Scope of Authority and Duty of the Board of Executive Committee

1. To manage the company honestly in accordance with laws, objectives, obligations, resolutions of Shareholder Meeting and resolutions of the Board of Directors Meeting and to take precaution to protect the company benefits.
2. To determine organization structure, authorization lines and to ensure its coverage of details in terms of selection, training, employment, reshuffle and dismissal of company personnel.
3. To plan and to determine the business plan, business strategies and annual budget and then to propose to the Board of Directors for approval. Also, to consider and to approve the allocation of annual budget, to amend, adjust, or increase annual expense budget in case of urgent needs and then to present to the Board of Directors accordingly.
4. To audit and monitor the company business operation, policy, and administrative guidance in a manner that is compatible to business situation.
5. To audit and to monitor in order to ensure that the company is operated in accordance with the approved business plans.

6. To consider company large-scaled investment project and have it presented to the Board of Directors for approval.
7. To authorize and to approve the following financial implementations.
 - a) The Board of Executive Committee is entitled to approve unlimited financial amount in case that such implementation is stated in the business plan or annual budget.
 - b) If not stated in documents mentioned in (1), the Board of Executive Committee is entitled to approve an amount not exceeding 150 million Baht. Such approval shall include the approval on the expense occurred from general operations. Investment on permanent property, loan, acquisition of credit including provision of guarantee, etc. and acknowledge the Board of Directors.
8. To implement other tasks as periodically instructed by the Board of Directors.

However, The Chairman of the Board of Executive Committee or the Board of Executive Committee are not entitled to approve any matters that might be a conflicts of interest to themselves or other party or matters that may cause any beneficial conflicts whatsoever with the company or subsidiary company.

(3) The Audit Committee

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

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

The audit committee number 3 has adequate expertise and experience to review creditability of the financial reports.

Audit Committee Secretary: Ms.Wanphen Khaosuwon

Independent Director / Audit Committee Qualification

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

1. Holding not exceeding 1% shares of paid-up capital amount of the company and its affiliates, joint-ventures, or related companies (inclusive of a number of shares hold by those concerned persons)
2. Neither participation in top management of the company and its affiliates, joint-ventures, related companies or major shareholders, nor being salary employee, staff or consultant of company and its affiliates, joint-ventures, related companies or major shareholders.
3. Neither partaking in the interest nor beings stakeholder directly and indirectly in relation to finance and administration of the company and its affiliates, joint-ventures, related companies or major shareholders, and must not participate in such interest and stakes within two years prior to being appointed as audit committee, unless the Board of Director, under deliberate discretion, assumes that such conduct shall not affect the performance and independent comment by the audit committee.
4. Not being a next of kin or relative of the executives or company's major shareholders



5. Not being appointed as fiduciary proxy for the directors, major shareholders, or shareholders who are associated with major shareholder.
6. Independently perform duty and express the opinion or report the Performance assigned by the Directors, and not being subjected to the executives or major shareholders or shareholder's relatives.
7. Not be or have not been auditor of the company, sub-company, co-company and major shareholder.
8. Not be or have not been any vocational service provider inclusive of consultant on law or financial which earn more than 2 MB per year.
9. Not engage in the same type of business and being a significant competitor for the company/sub-company

Scope of Authority and Duty of the Board of Audit Committee

1. To ensure that the company disclose its accurately and adequately Financial Statements to public by co-operating with the Auditor and Director who is in charge with preparing a financial report quarterly and annually. The Audit Committee may suggest the Auditor to examine or investigate any matters are considered necessary and important during the auditing period.
2. To review the company's internal control system and internal audit system to ensure that they are suitable and efficient , to attend a non- management meeting with an auditor at least once a year , to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit ;
3. To review the Company's compliance with the law on securities and exchange , the Exchange's regulation, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration by taking into consideration the creditability, personnel sufficiency, work volume of auditing firm as well as experience of the personnel to be appointed as company's auditor.
5. To review and ensure if the connected transactions or the transactions that may lead to conflicts of interests are in compliance with the laws and the Exchange's regulations, reasonable and created highest benefit to the Company;
6. To prepare, and to disclose an Audit Committee's Report in the Company's Annual Report which must be signed by the Audit Committee's Chairman. The Report must consist of :
 - an opinion on the accuracy, completeness and creditability of the Company's Financial Report,
 - an opinion on the adequacy of the Company's internal control system ,
 - an opinion on the suitability for an Auditor and reasons to believe that the company's Auditor is appropriate to be re-appointed for another term.
 - an opinion on the compliance with the law on Securities and Exchange, the Exchange's regulations, or the laws relating to the company's business,
 - an opinion on the transactions that may lead to conflict of interests,
 - the number of the Audit Committee Meetings and the attendance of such meetings by each committee member,
 - an opinion or overview comment was received by the Audit Committee from its performance of duties in accordance with the charter, and

- other transactions which, according to the audit committee's opinion, should inform to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To conduct other tasks as instructed by the Board of Directors whereas agreed by the Audit Committee, i.e. to make revisions on financial policies and risk management, make revisions on compliance with business ethics, make co-revisions with company directors on important issues which need to be disclosed to public stated by laws, for instance, report and analysis of management team.

Scope of Authority and Duty of the Managing Director

- 1) To direct and oversee the administration and the management to be in accordance with policies, plans and budget approved by the Board of Directors or the Board of Executive Committee and report the company performance to the Board of Directors or the Board of Executive Committee consecutively.
- 2) To consider the suitability of an annual budget allocation prepared by the Board of Executive Committee prior to propose to the Board of Directors.
- 3) To authorize an approval on the overall purchase and the expenditure on general matters as stated in the Company Authority Table.
- 4) To consistently evaluate the company operation in order to prevent risks from various factors inside and outside the company.
- 5) To authorize the issuance of orders, regulations, announcements, memorandum so that the company is operated in compliance with the policy or for company's interest.
- 6) To provide an authority and/or to sub-authorize to other persons to carry out specific task. Such sub-authorization shall be under the scope of authorization as stated in the given power of attorney and/or shall be comply with the regulations, specifications or order stated by the Board of Directors and/or the company.
- 7) To implement other tasks as periodically instructed by the Board of Directors or the Board of Executive Committee.

However, the Managing Director is not entitled to approve any matters that might be of a conflict of interests or conflicts to himself or other party or may cause any beneficial conflicts what so ever with the company or subsidiary company.

The Company's Secretary

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

Scope of Duty of Company Secretary

- 1) Advice Directors regarding laws, rules and regulations related.
- 2) Ensure the company follows the laws, rules and company's regulations related to good corporate governance.
- 3) Set up meetings as required by rules and regulations, prepare and keep Directors' Record, Invitation



Letter for Board of Director Meeting, Minutes of Board Meeting and Annual Report together with Invitation for the Annual General Meeting of Shareholders and the Minute of AGM in fully secure and effective.

- 4) Disclose information and news to SEC and/or SET as required by law and regulations.
- 5) Contact and communicate with the shareholders, SET and SEC
- 6) Support and being an assistant to the new Directors in order to find and provide necessary information and courses that could be value added to director jobs
- 7) Other tasks as requested by the Board of Directors.

Executive Remuneration

Remuneration in Cash

Remuneration for the Board of Directors

In 2016 and 2017, the remuneration of directors can be summarized as follows:

Name of the Directors	Position	2016			2017		
		Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance BOD;AC	Meeting Allowance (Baht)	Gratuity (Baht)	No.of Attendance BOD;AC
1. Pol.Gen, Dato'Prung Boonpadung	Chairman of the Board of Directors, Independent Director and Chairman of the Audit Committee	70,000	540,000	8/8;6/6	45,000	540,000	5/5;4/4
2. Mr. Aree Poomsanoh	Director, Vice Chairman of the Board of Directors	35,000	300,000	7/8	25,000	300,000	5/5
3. Mr. Taweesak Wangkorkiat	Director	40,000	300,000	8/8	25,000	300,000	5/5
4. Mr. Theera Poomsanoh	Director	30,000	300,000	6/8	25,000	300,000	5/5
5. Mrs.Chankapaw Dissakul	Director	40,000	300,000	8/8	25,000	300,000	5/5
6. Mr.Songphol Annanon	Independent Director & Audit Committee	45,000	450,000	5/8;4/6	35,000	450,000	4/5;3/4
7. Mr.Nadith Rodphet	Independent Director & Audit Committee	60,000	450,000	7/8;5/6	45,000	450,000	5/5;4/4
Total		320,000	2,640,000		225,000	2,640,000	

Executive Remuneration

In 2015-2017 The executive remuneration is summarized as follows:

Type of Remuneration	2015	2016	2017
Salary	18,192,000	23,520,000	25,160,000
Incidental benefit	410,500	2,042,800	2,110,000
Other	534,172	673,800	682,800
Total	19,136,672	26,236,600	27,952,800
Number of Executive	8	9	9

Note: As of 31 December 2017, The Company has 5 Executive Managements and 4 Executive Committee.

Other Remunerations consists of ESOP-1 and Provident Fund.



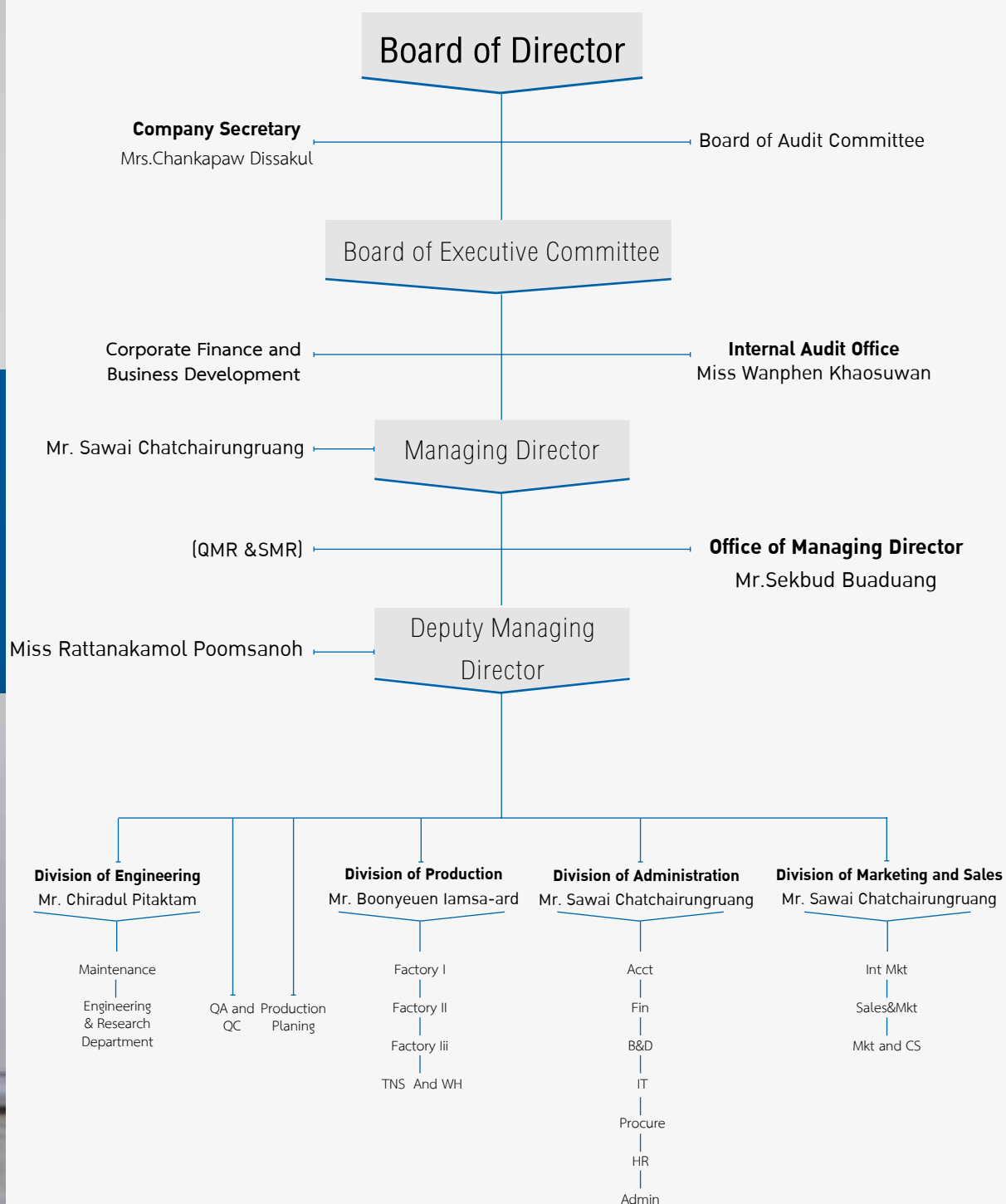
SOLUTIONS FOR TOMORROW

Develop and create brand awareness. Supply high quality product and services to domestic and export markets.



Organization Chart

C.I.Group Public Company Limited





BOARD OF DIRECTORS AND EXECUTIVES

Board of Directors



Pol.Gen.Prung Boonpadung

Age 68 years old

Positions : Chairman of the Board of Directors
Independent Director And Chairman of the Audit Committee

% of share holding : -none-

Number of CIG shares held as of 31 December 2017 :

Self hold : none

Spouse/underage child : none

No transaction on CIG share held during 2017

Highest Education : Master of Public Administration (MPA)

National Institute of Development Administration (NIDA)

Working Experience

Chief of Royal Court Security Police

- Deputy Commissioner General : Royal Thai Police
- Commissioner Special Branch : Royal Thai Police
- Commissioner Provincial Police Region 9 : Royal Thai Police
- Commissioner Provincial Police Region 5 : Royal Thai Police

Board of University Council :

Suan Sunandha Rajabhat University

Chairman of the Board of Promotion Committee : Suan Sunandha Rajabhat University

Police Sub-committee :

Human Resources Department

President of the Sub-Committee of Ethic : Parliament

Other current positions

Chairman of the Board and Chairman of the Audit Committee :

C.I.Group Public Company Limited

Advisor :

The Foundation of Thai-Chinese International School

President of the Parent and Teacher Association Of

Demonstration School of Suan Sunandha Rajabhat

University : Suan Sunandha Rajabhat University

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 90/2011
- Role of the Chairman Program (RCP) Class 27/2012
- Ethical Leadership Program (ELP) Class 2/2015
- Advanced Audit Committee Program (AACP) Class 21/2015
- Driving Company Success with IT Governance (ITG) Class 1/2016
- Family Business Governance (FBG) Class 5/2016
- Successful Formulation & Execution of Strategy (SFE) Class 27/2016
- Financial Statements for Directors (FSD) Class 32/2017
- Risk Management Program for Corporate Leaders (RCL) Class 6/2017
- Directors Certification Program (DCP) Class 240/2017



Mr. Aree Poomsanoh

Age 62 years old

Position : Vice Chairman of the Board and Chairman of the Executive Committee

% of share holding : 11.05 %

Number of CIG shares held as of 31 December 2017 :

Self hold : 95,571,200 shares

Spouse/underage child : none

During 2017, buy 2,000,000 CIG' shares

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

Working Experience

Chairman of the Board Managing Director :

C.I.Group Public Company Limited

Director : Sirakorn Company Limited

Director : AC Square Energy Company Limited

Director : A.S.A. Property Company Limited

Director : A.S.A. Real Estate Company Limited

Director : A.S.A. Karnchang Company Limited

Other current positions

Vice Chairman of the Board Chairman of the Executive

Committee : C.I.Group Public Company Limited

Chairman of the Board : De Lamai Company Limited

Chairman of the Board :

C.I.G.(Thailand) Company Limited

Director : V&A High Tech Company Limited

Director : Siam Railway Development Company Limited

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 27/2004

- Role of the Chairman Program (RCP) Class 14/2006

- Role of the Compensation Committee (RCC)
Class 8/2009

- Corporate Governance for Executives (CGE)
Class 5/2015



Mr. Taweesak Wangkorkiat

Age 65 years old

Position : Directors and Member of the Executive Committee

% of share holding : 3.53 %

Number of CIG shares held as of 31 December 2017 :

Self hold : 30,500,000 shares

Spouse/underage child : none

No transaction on CIG share held during 2017

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

Working Experience

Director and Member of the Executive Committee :

De Lamai Company Limited

Other current positions

Director and Member of the Executive Committee :

C.I.Group Public Company Limited

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 27/2004



Mr. Theera Poomsanoh

Age 60 years old

Position : Director and Member of the Executive Committee

% of share holding : 1.39%

Number of CIG shares held as of 31 December 2017 :

Self hold: 12,000,000 shares

Spouse/underage child : none

No transaction on CIG share held during 2017

Highest Education : M.B.A. (Marketing), National Institute of Development Administration

Working Experience

Managing Director : C.I.Group Public Company Limited

Director : AVV Company Limited

Director : AC Square Energy Company Limited

Other current positions

Director and Member of the Executive Committee :

C.I.Group Public Company Limited

Director and Member of the Executive Committee :

De Lamai Company Limited

Director : MDICP Holdings Co., Ltd.

Director & Secretary : Air-Conditioning & Refrigeration Group The Federation of Thai Industries

Director : North East Consultant Ltd.

Director : C.I.G (Thailand) Company Limited

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 27/2004



Mrs. Chankapaw Dissakul

Age 51 years old

Position : Director and Member of the Executive Committee

% of share holding : 0.08%

Number of CIG shares held as of 31 December 2017 :

Self hold : 705,768 shares

Spouse/underage child : none

No transaction on CIG share held during 2017

Highest Education : M.S. (Financial/ Economics/ Business Administration) Emporia State University, USA

Working Experience

General Manager/ Marketing Manager/ Administrative

Manager : C.I.Group Public Company Limited

Director and Executive Committee :

De Lamai Company Limited

Other current positions

Director and Member of the Executive Committee :

C.I.Group Public Company Limited

Company Secretary : C.I.Group Public Company Limited

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 60/2006

- Company Secretary Program (CSP) Class 47/2012

- Ethical Leadership Program (ELP) Class 1/2015

- Director Certificate Program (DCP) Class 223/2016

- Board Matters and Trends (BMT) Class 3/2017



Mr. Songphol Annanon

Age 46 years old

Position : Independent Director And Audit Committee

% of share holding : -none-

Number of CIG shares held as of 31 December 2017 :

Self hold : none

Spouse/underage child : none

No transaction on CIG share held during 2017

Highest Education : MSA in International Business,
Central Michigan University

Working Experience

Partner : Dr.Ukrit Mongkolnavin Law Office

Senior : Lawyer Dej-Udom & Associates

Lawyer : Chongchai Teangtham Law & Accounting Office

Lawyer : Chairapee Law Office

Audit Committee : Scan Global Public Company Limited

Other current positions

Audit Committee : C.I.Group Public Company Limited

Director : Annanon Law Office

Senior Lawyer : Punyariddhi Law Office

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 90/2011



Mr. Nadith Rodphet

Age 47 years old

Position : Independent Director and Audit Committee

% of share holding : -none-

Number of CIG shares held as of 31 December 2017 :

Self hold: none

Spouse/underage child : none

No transaction on CIG share held during 2017

Highest Education : MBA, Thammasat University

Working Experience

Country Finance Manager : Avanade (Thailand) Co.,ltd

Internal Audit Manager & Financial Controller :

Millennium Auto Group

Finance Director :

SME Trade Promotion Company Limited

Business Manager :

Metro Infinium (Thailand) Company Limited

Audit Committee : Scan Global Public Company Limited

Other current positions

Audit Committee : C.I.Group Public Company Limited

Financial Controller : Netizen Company Limited

Certified from Thai Institute of Directors (IOD):

- Director Accreditation Program (DAP) Class 90/2011



Executive Management

**Mr. Aree Poomsanoh****Position**

Chairman of the Executive Committee

Highest Education

B.A. (Administration), Sukhothai Thammathirat Open University

Number of CIG shares held as of 31 December 2017 :

Self hold : 95,571,200 shares

Spouse/underage child : none

During 2017, buy 2,000,000 CIG' shares

**Mr. Sawai Chatchairungruang****Position**

Managing Director and President of Corporate Finance and Business Development

Highest Education

M.S (Accounting), Chulalongkorn University

Number of CIG shares held as of 31 December 2017 :

Self hold : none

Spouse/underage child : none

No transaction on CIG share held during 2017

**Miss Rattanakamol Poomsanoh****Position**

Deputy Managing Director

Highest Education

B.Eng. (Computer), Assumption University

Number of CIG shares held as of 31 December 2017 :

Self hold : 100,000 shares

Spouse/underage child : none

No transaction on CIG share held during 2017

**Mr. Sakebud Buaduangsano****Position**

Assistant to Managing Director

Highest Education

Master in Microbiology, Faculty of Medicine
Chiang Mai University

Number of CIG shares held as of 31 December 2017 :

Self hold: none

Spouse/underage child : none

No transaction on CIG share held during 2017



Mr.Boonyeuen Iamsa-ard

Position

Division of Production Manager

Highest Education

High Vocational Certificate (Business Computer),
College of technology, Laem Thong

Number of CIG shares held as of 31 December 2017 :

Self hold : none

Spouse/underage child : none

No transaction on CIG share held during 2017



Mr.Chiradul Pitaktham

Position

Division of Engineering Manager

Highest Education

MBA (Finance), NIDA

Number of CIG shares held as of 31 December 2017 :

Self hold : 226,000 shares

Spouse/underage child : none

No transaction on CIG share held during 2017



Mrs.Saowakon Udomrat

Position

Accounting Department Manager

Highest Education

B.S. (Accounting), Sripatum University

Number of CIG shares held as of 31 December 2017 :

Self hold : none

Spouse/underage child : none

No transaction on CIG share held during 2017

Corporate Governance

The Board of the C.I. Group Public Company Limited has emphasized the good governance practices to ensure the constant growth and development of the business. The company has embraced and complied with the Code of Best Practices in accordance with the Stock Exchange of Thailand. The company also encourages all members of the Board to be trained the Director Accreditation Program (DAP) held by the Thai Institute of Directors (IOD).

Under the Principle of the Good Corporate Governance, the company concentrate on effective internal control as an important method of management which could be a mirror of good corporate governance. Beyond that method, the company put an effort on 5 measurements which are:

1. Organizational Control and Environmental
2. Risk Management
3. Management Control Activities
4. Informational and Communication
5. Monitoring System

With objectives to ensure of the company's operation would reach the target of internal control under effectiveness of operation, usage of resources, asset monitoring and control, preventive or decreasing mistake and damages, leakage of all important issue of the company, waste, trustable of financial and others report and comply with law, rules, regulation, cabinet resolution and policy inclusive of the company's rules and regulation in order to create maximum benefit for shareholders and to ensure of rights of shareholders are protected.

In the Board of Director Meeting No.4/2017 on Friday 11th August, 2017 has acknowledged and consider appropriate of applying the 2017's Corporate Governance Code (CG CODE) for listed companies to be used as a principle of the board of directors in order to create good corporate governance method of the company. The resolution of the meeting considered to review appropriateness of compliment the new CG CODE to the company business continuously or at least once a year.

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

1. The Board of Directors will perform their duties with high attention and responsibility; independence and define clearly between roles of President of the Board of Directors and President of the Board of Executive Committee.
2. The Board of Directors have an important roles in set vision, strategies, policy and important plan which must consider on risks in order to implement an appropriate method of doing business together with must ensure that the company's financial system and accounting audit are reliable and accepted.
3. The Board of Directors shall be leader in ethic, a role model on CG's behavior of the company and shall monitor on conflict of interest management and related items.
4. Board of Directors may set up a committee to decide on important issues.
5. Board of Directors must evaluate themselves for ease of auditing.
6. Board of Directors will set up Ethics Code of Conduct for management and all employees.

7. Board of Directors must disclose financial and non-financial data in a timely and equally manner for all shareholders and stakeholders.
8. Board of Directors must ensure that all shareholders are treated equally and have access to necessary information and provide suitable means for them to contact the company.
9. Board of Directors must set up a fair and transparent system for management recruitments.
10. Operate business in accordance with applicable law, regulation, rule and requirement set out by Stock Exchange Committee (SEC), requirement of the Stock Exchange of Thailand, and comply with the resolution of the shareholder meeting.
11. Prevent the company from entering into the conflict of interest which may occur among the companies, establish confidences with the shareholder under the transparent and verifiable tradeoff approach.
12. The Board of Directors consist at least no less than three independent committees.
13. Provide the evaluation and risk control appropriately.
14. The Board of Directors should hold a meeting at least on quarterly basis regularly and special meeting is allowed to be held when necessary. The meeting agenda should be designed in advance pursuant to the company's regulation so that the Board members have enough time to examine the information prior to the meeting.
15. The Board of Directors must be consisted of many variety of qualifications including skills, experience and expertise in guiding the company. The Board of Directors must also consisted of at least one directors who are not involved or associated with the core business of the company.

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

Leadership and Vision

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

Conflicts of Interest

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

1. The Directors shall neither operate nor engage in nor partake as shareholder or partnership with any juristic person operating the similar business or competing with the company, unless informed in the shareholder meeting prior to appointment resolution.
2. Executive and employees shall neither use internal information for their own exploitation in buying and selling the company's stock, nor disclose the third party or any concerned persons the internal information that jeopardizes the shareholders.
3. Executives and employees shall not utilize their position or acquired information to operate activity or

any business relevant to company business to compete.

4. In case that the company and its affiliates have some related transactions or acquired the crucial corporate assets sold, the Board and the Management shall conduct a meeting for such respective matter carefully, honestly and reasonably for the sake of the optimum interest of the company and overall shareholders. The Directors or executives who are stakeholders concerning such a case are required to leave the Board meeting and disclose the information through channels so that the stakeholders can be advised thoroughly and equitably.

Business Ethics

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

Balance of Power for Authority of Non-executive Directors

The company currently has overall 7 directors, composing of 4 executive committees and 3 independent committees who have real independence out of the Management and have neither business relationship nor any other kinds of relationship with the company. This is to ensure of the autonomy and neutrality of the Board in respect of governance.

Control Over Affiliates and/or Subsidiaries

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

Approval of related transactions

For related transactions, they must be necessary and sound for the best interest of the company

A future related transaction depends on the reasons and necessity. Paying and receiving remunerations must comply with market or fair value and an approval from the audit committee is required.

Related transaction policy

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

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

Surveillance of Internal Information Use

To protect the exploitation and misappropriation of undisclosed internal information, the company requires that the members of the Board, executives and their spouse or immature dependents shall not make use of the company's internal information undisclosed to the public for their own purpose of buying, selling, transferring, or being assigned of the corporate assets prior to date of public disclosure or one month before public disclosure of the financial statement. This is to permit the transparent administration and the benefit of all concerned

parties.

Regarding to buying, selling, transferring, or being assigned of the company's securities, the Directors and executives shall report the change in the possession of assets to the Stock Exchange Committee (SEC), and Stock Exchange of Thailand, pursuant to the requirements provided by the Stock Exchange Committee (SEC). Also, a copy of such a report shall be filed to the company secretary as a documentary proof.

Governance in other areas

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

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

Shareholder's Right

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

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

Shareholders' Meetings

Program of Shareholder's Meeting

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

In the year 2017, the AGM was held on April 24 at 13.30 hrs. at the Meeting Room no.3, Queen Sirikit National Convention Center 60 New Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand. During 2017's, there was not any Extraordinary General Meeting held at all.

Meeting Notice in Advance

For the 2017 AGM, the Board of Director's meeting No.1/2017 on Tuesday 28th March, 2017 decided to call a shareholders' meeting on Monday 24th April, 2017, its decision, meeting date, meeting agenda was disclosed in details ahead of time by announcing on SET's website to alert the shareholders before sending meeting

notices.

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

The AGM meeting notice and supporting documents were made available at CIG's website 30 days prior of the meeting date.

Organize of the Meeting

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

The chairman ensures that the meeting proceeds according to the order of the agenda and does not add an item without notifying shareholders in advance. If the meeting should decide to change the order of the agenda, it would need at least two-thirds of the vote of the shareholders in attendance. Alternatively, the shareholders with at least one-third of all the sold-shares may ask the meeting to consider other matters not mentioned in the meeting notice. At the 2017 AGM, the order of the agenda was not changed and there was no request to consider any other matter.

The minute of the meeting must be completely and accurately recorded. Voting completes each applicable agenda item. As a rule, shareholders' meetings last 2 hours. The 2017 AGM began at 13.30 hrs., with registration beginning at 12.00 hrs. At the meeting's opening, the shareholders and proxy holders in total of 88 shareholders which holding 355,086,970 shares or 41.06% of the total shares sold, which exceeded one-third of all the sold shares of 864,786,632 shares.

Disclosure of Shareholders' Meeting Outcomes

For the year 2017's AGM, the company duly submitted the summary of resolutions made to SET and the SET Board within the afternoon of the date of the meeting (April 24th, 2017). It also duly submitted the report of the shareholders' meeting with minutes, voting records, and every question raised by shareholders to SET and the SET Board within 14 days after the meeting which also could be access via the company's website.

Equitable Treatment of Shareholders

The company treats all shareholders fairly despite different shareholding proportions and thus different voting proportions. The fundamental rights of the shareholders are conserved regardless of their gender, age, origin, nationality, religious belief, physical impairment or political inclinations. At the AGM, the company has set staffs to take care and services shareholders. For any activity of the company, it will also open opportunities

to everybody without any condition.

Proposing Additional Meeting Agenda Items and Nominating Directors

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

For the AGM of year 2017, the company posted such criteria on its website and posted an announcement on the website of SET from 12 September to 30 December 2016, so that the shareholders could propose meeting agenda items and/or nominate directors in advance. However, it attracted no recommendation of such agenda items and no nomination of directors, and the Corporate Secretary has duly informed the Board meeting on the matter.

Facilitating Shareholders at the Meeting

For the 2017's AGM, the company facilitated all shareholders by manning officers to welcome and take care of them, and provided adequate convenience. The meeting venue was well chosen to facilitate all shareholders. Officers were set to verify documents. On the meeting days, registration opened 2 hours ahead of the meeting and extended until the period before the last meeting agenda. A barcode system quickened registration. Finally, the shareholders had access to a reception and fell free to have some snacks which the company had set for treating them.

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

Appointing Proxy

To maintain the rights of shareholders who cannot attend the 2017 AGM in person, they can appoint proxies or delegate their votes to the assigned independent director of the company in attendance. To this end, the company has specified these independent directors' name in proxy form defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The company shall treat proxies as if they were shareholders. Thirty days ahead of each meeting, the company discloses the proxy form, which is attached along with details and procedures on its website. Shareholders may make further inquiries about this by phone or other channels such as the company's website or e-mail.

Stakeholder's Role

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

Shareholders

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

Employee

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

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

Guidelines

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

Business Partner

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

Guidelines

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

Creditor

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

Guidelines

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

Customer

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

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

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

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

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

Competitor

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

Guidelines

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

Community and Society

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

Respect for International Human Rights Principles

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

Guidelines

- 1) Employees must understand and comply with all laws related to their duties and responsibilities.
- 2) Employees who are required to work in foreign countries should study local laws, customs and cultures

of the countries they are visiting so that all products, samples and equipment, documents and operation procedures comply with local laws and customs.

- 3) The company must comply with international human rights guidelines and must educate its employees while avoiding activities that violate them.

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

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

Guidelines

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

Employee Safety and Welfare

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

Currently, the company has set up the Workplace Environment and Bio-Hygiene Safety Commission, which included professional safety officials, management safety officials, and supervisor safety officials. All commission shall be trained on the work safety according to the curriculum provided by the Ministry of Labour, and responsible for coordinating, promoting, and enhancing the work safety area to employees. In addition, Enterprise Place Welfare Commission has been established aiming to take care of the employees, coordinate the understanding between the company and employees. Also, the company has partaken as member of the

“White Plant” project to express the intention of the corporate social responsibility to cope with the proliferation of illicit drug problems which are currently spreading over the business places according to policy promoted by the Ministry of Labour.

Receiving and Offering Customary Gifts, Assets or other Benefits

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

Guidelines

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

Disclosure of Information and Transparency

Financial and Non-Financial Reports

The company trusts that disclosure of information is a key index of transparency, an important factor to create confidence among investors and stakeholders. Thus, it is important to control and set standard in disclosure of information in both financial and non-financial to be precisely correct and accurately align with the required laws and regulation. The information must include all major concern, is adequate, trustable and on-time both in Thai and English. Channels of disclosure information are through the Set Community Portal’ system of the SET and SET Community Portal and through the company’s website. The company strictly respects rules and regulations as set forth by SET, SEC and other government organization and following up all the changes (if any) at all time to ensure if the company’s policies and regulations are correct including the standard set which

could ensure shareholders' trust in our transparency, accuracy and accountability. The company also creates appropriate mechanism to receive complaints and fair treatment both for those who file complaints and those who have been complained such as:

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

Investor Relations

The company has assigned the Central Management by the executive directors and MD to disclose the company's information and responsible for getting contact with the analysts and related investors. The company has focused the accuracy and transparency of the information disclosure for the benefit of the investors through the company website <http://www.coilinter.com>. If any questions relevant to disclosure or further information, they are recommended to contact the Central Management at call 02-976-5290 or via email: secretary@coilinter.com

Complaint-Filling and Access to Information

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

- Tel: 0-2976-5290
- Web site: www.coilinter.com

- E-mail: secretary@coilinter.com

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

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

- A. The Corporate Secretary : secretary@coilinter.com
- B. The Corporate Audit (Internal Audit): internalaudit@coilinter.com

For the year 2017, no complaints on ethics were made.

Board Responsibility

Segregation of the Chairman and the President & CEO Position

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

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

Board Meeting

The company has policy that the Board of Directors shall convene the meeting at least every three months, and additional meeting is permitted when necessary. At any meeting, the agenda shall be predetermined precisely and the letter of meeting appointment shall be mailed seven days in advance so that the Directors shall have enough time to investigate the related matter and topics reasonably prior to commencement of meeting. During resolution, the meeting must consist of at least 2 to 3 of total Directors. The detailed discussion at the meeting shall be recorded in writing, and the Board-approved meeting report shall be retained and be verified by the Board and concerned persons.

Overall, the Board of Directors has held 6 meetings in the FY 2017 which are 5 BOD and 1 AGM. The directors could propose idea and opinion open and freely. For which agenda that may relate or has any conflict of interest to the directors, the said directors will not vote or even not attend the meeting during the agenda.

Meeting of Non-Executive Directors

The Board of Directors does support non-executive directors meeting among each other and/or with auditor to exchange concern about management and operation without any Management attending. In 2017, the Audit Committee had meeting with auditors 4 times (without management attending).

Self-Assessment of the Board

The company has set Board Self-Assessment in every year by has decided the self-assessment of the committee to align with the company's CG principles which complied with the SET's. The Board Self-Assessment consist of 3 set which are 1.) Self-assessment of the board of directors 2.) Self-assessment of individual director 3.) Self-assessment of each sub-directors committee (Audit Committee)

It was to be a vital tool for improving Board performance, provide reference data for the corporate governance rating, cover the assessment of all committees, as well as serving as information for the monitoring/assessment from external auditors.

The Self-Assessment of the Board Method

There are two types of self-assessment forms, Assessment of the Board and Assessment of individual Directors which must be filled independently (Self-Assessment). The Self-Assessment Form has criteria by calculating into percentage of each item's total point as follows:

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

The findings from the self-assessments were as follows:

Assessment of the Board consisted of four categories:

- | | |
|--|---|
| 1) Construction and Qualifications of Directors | 2) Directors' Meeting |
| 3) Roles, Duties and Responsibilities of the Directors | 4) other matters such as relationships with the Management, self-assessment and improvement of the Directors and the development of the Management. |

Procedure of Assessment

- 1) Assess performance of the board of directors as a whole at least once a year every year to help directors to review performance concern and obstacle during the year in order to increase effectiveness of the board performance as per the corporate governance code.
- 2) The company secretary proposes the Board of Director's Assessment Form to each directors for their assessment on yearly operating performance of the board and collect to sum up the results from every directors. Then, conclude and analyses the assessment results to the Board of Director to consider and figure out how to improve effectiveness of the board of directors performance.

Overall results for the year 2017 were good for most directors, with an average score at 92.00%.

Assessment of Individual Directors (Self-Assessment) consisted of three categories:

- 1) Construction and Qualifications of Directors
- 2) Directors' Meeting
- 3) Roles, Duties and Responsibilities of the Directors.

Procedure of Assessment

- 1) Directors assess their performance individually at least once a year every year to help directors to review performance concern and obstacle during the year in order to increase effectiveness of the board performance as per the corporate governance code.
- 2) The company secretary proposes the Individual Director's Assessment Form to each directors for their assessment on yearly operating performance of the board and collect to sum up the results from every directors. Then, conclude and analyses the assessment results to the Board of Director to consider and figure out how to improve effectiveness of the board of directors performance.

In 2017, overall results of the three categories indicated excellent conformance by most directors, with an average score at 84.95%.

Assessment of the Audit Committee's Performance

Under the company's Audit Committee Charter 2013 on performance assessment, the Audit Committee Manual for State Enterprises under the Ministry of Finance, and SET's Good Governance handbook for internal auditors and the audit committee section 1.1: responsibility of the Audit Committee, the Audit Committee must assess its performance by undertaking self-assessment at least once a year. The individual self-assessment or the entire Committee's assessment is presented yearly to the Board, specify in problems leading to unfulfilled objectives. The Audit Committee's meeting No.1/2017 on 28 February, 2017, passed a resolution to use the assessment form since it conform to the good governance stipulated by SET, with a waiver of cross-assessments because there were only three audit committee members. The Audit Committee's Meeting No. 1/2018 dated 8 March, 2018, passed a resolution to approve the assessment of the Audit Committee's performance 2017 with the following details:

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

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

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

Directors and Executive Remuneration

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

Director's Compensation

The 2017's Annual General Meeting of the shareholders on 24 April, 2017 had resolution to approve Director and Audit Committee's remuneration for the year 2017 not exceeded THB 8,000,000 per year, there were details of compensation as follows:

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

Management Succession Planning

There is a recruitment and selection plan for persons who would take responsibility in every important management's position to ensure of appropriateness and transparency. Also, has set individual development plan both in short and long term aims to develop knowledge and capability on his/her work, management skill, personality and teamwork behavior along with the Company's Value and Culture to increase management and leadership potential to successors to be readied for the positions in time or when the positions was vacant.

Guidelines for management succession for each position are as follow:

1) Managing Director

The company has set succession plan for Managing Director position to ensure of readiness of the company when the position is vacant or unable to perform inclusive of decreasing risk or effect from dis-continue of management where the potential group is middle management from Assistant to Managing Directors up who have high performance. The plan is for develop successors competencies and prepare to be readied as a candidate to take the position or might recruit and select person with qualification as the company's required with vision, competencies and experiences suit with the Company's Culture which the Chief of Executive Directors would select and propose to the Executive Board to vote prior to propose to the Board of Directors to approve the right person to take the position later on.

2) Manager

The company has set Succession Plan for replacement managers from Deputy of Managing Director, Assistant to Managing Director or Department Managers level which unable to perform or the position is vacant. Managing Director will take responsibility to select successors for the positions by consider from qualification, knowledge, competencies and experiences as required for each position. When successors are picked, the company will set an individual plan for each successor both in short and long term plan in order to ensure of readiness of successor when required.

The process of succession plan for manager level are:

- Analyze business situation of the company in term of policies, strategies, investment plan and operating extension plan.
- Assess man power to be complied with the company' strategies both in short and long term.
- Set man power preparation plan by either develop existing man power or recruit new to be prompt when need.
- Set Recruitment and Employee Training and Development Plan in advance prior to retirement or resign from the position.

- e. Set each position competencies which are education, skill, personality and attitude and Individual Development Plan for each successor.
- f. Select, performance assessment and evaluate potential of staffs to be potential successors.
- g. Use testing and evaluations tools to analyze employees' competencies.
- h. Inform successors who pass performance assessment and competencies evolution in advance to be prepared and job learning prior to take the position and also setting alternative successor.
- i. Develop and assess potential successors if could developed and create works as per expectation. If not, changing is allow.

Policy on Serving as Directors of Other Companies

In the year 2017, CIG had 2 affiliates, so the company put highly attention to adopt group management structure for synergy and alignment of policies. To achieve this, the company has appoints directors or management team members to serve as directors in these companies to supervise policies and business management which align with the company's for the benefit and value addition for all stakeholders. The objectives for such appointments are as follows:

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

The company currently has three directors in the Director's Pool. The company has set a policy to limit the number of listed companies in which each director or management can hold a directorship to a maximum of three. This policy aims to protect the Company's best interests and to ensure that directors have sufficient time in performing their duties. This policy is also set to decrease the risk of conflict of interests and to ensure conformance to applicable laws and related regulation.

Directors' Development

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

Related Transaction and Acquisition/Sales of Company's Assets

In case that the company and its affiliates have some transaction relevant to or acquiring or sales the company assets that may lead to any kind of interest conflict, the company has to conduct the measures to

bring forth the transparency and equitability for the benefit of the shareholders, by embracing the following guidelines;

- 1) The transaction is regarded for the company interest as the transaction with the outsiders.
- 2) The transaction is passed on comments through entering the transaction under sound consideration of the audit committee in term of reasonability and price appropriation.
- 3) The transaction is consented by the Board of Directors transparently in conjunction with the stockholder's decision-making.
- 4) Information is disseminated to those concerned persons equitably.

Dividend Policy

The Company has a policy to pay an annual dividend not less than 50% of the Company's net profits after deducting all provisional reserves required by the Articles of Association and law. However, the dividend payments are subject to the Company's cash flow, investment plans of the Company and its subsidiaries, necessity, and other suitability as per the consideration of the Board of Directors.



Related-transactions

Detailed Related-transactions

As during 2015 – 2017, the company and its subsidiaries transactions with party that may cause the interest conflict, the company has to undertake the following transactions with necessity and reasonability;

Related Individual / Juristic Person who may cause conflict of interest	Relationship	Description	Related-transactions Amount (million Baht)			Necessity and reasonability of transactions
			2015	2016	2017	
1. De lamai Co.,Ltd / Hotel Business	C.I.Group PCL., has held the ordinary shares 99.97% of the paid up capital of the De lamai Co.,Ltd. and Joint Directors ,	Long-term Loan	174.80	183.50	182.50	For using as working capital
		Interest receivable	5.19	1.39	4.13	
		Short-term Loan	2.00	2.76	10.76	
		Interest receivable	0.009	-	0.07	
2. Fakwantip Co.,Ltd/ Bio-Desel Manufacture	C.I.Group PCL., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd, has invested in Fakwantip Co., Ltd as a joint venture in a portion of 29.67% of registered capital	Short-term Loan	-	10.00	18.00	For using as working capital
		Interest receivable	-	0.03	0.03	
3. CIG (Thailand) Co., Ltd	C.I.Group PCL., has held the ordinary shares 99.98% of the paid up capital of the CIG (Thailand) Co.,Ltd, has invested in Fakwantip Co., Ltd as a joint venture in a portion of 29.67% of registered capital	Short-term Loan	-	0.25	0.25	For using as working capital
		Interest receivable	-	-	-	
4. Siam Railway Development Co., Ltd	C.I.Group PCL., has held the ordinary shares 100% of the paid up capital of the Siam Railway Development Co., Ltd	Short-term Loan	-	-	8.25	For using as working capital
		Interest receivable	-	-	0.03	

Measures or Approval Procedures for Related-transaction

In the inter-transaction procedures, it's necessary to be reasonable to allow the optimum interest of the company. That contingent inter-transaction should be considered based on reasonability and necessity. Pay and wages should be made in accordance with the fair price in the market and should be approved by the audit committee. Having such the preceding event occurred, the audit committee shall determine based on the necessity and reasonability of the transaction, and inform their opinion at the Board Meeting

Future Related-Transaction Policy

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

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



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

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

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

In the Board of Directors' opinion, the Company's internal control system is satisfactory and can assure the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its affiliated companies as of 31 December 2017.

Pol.Gen.

(Prung Boonpadung)
Chairman of the Board of Directors

(Aree Poomsanoh)
Chairman of the Executive Committee

Management Discussion and Analysis

Description and Analysis of Financial and Performance

Conclusion of Operational Performance for the Fiscal Year 2017

The following conclusion of the company's financial and performance is an analysis upon the Financial Statement of the Company, C.I.Group (Public) Company Limited and its affiliates (company) by December 31st, 2017 as states in Notes to Financial Statement item 1. General Information.

Operation Performance

(1) Overall Performance

Thailand's overall economy slightly declined for the year 2017 as a result of slow global economic recovery and domestic demand, both consumption and investment. Moreover, there were economic and political uncertainties. As a result, the overall electrical industry saw a downturn in demand across the board from slow recovery in domestic demand and exports. Home appliance and electronics industries play a key role in creating revenue for the country but many manufacturers have started migrating from Thailand to nearby countries from the increasing cost of labor. In the near future, industrial electrical and electronic industries are expected to rely on automatic manufacturing process to reduce labor cost. The industry's SMEs must adapt and develop the skills to work with new technologies. Thailand begins to face more risk factors such as lack of labor, high wage cost and restrictions on investment.

With current domestic and international situation, the company has not achieved all of its goals, and with that, the overall performance has declined compared to those of previous years. The company and its subsidiaries reported net loss of 33.17 million Baht and net loss of 1.96 million Baht for 2017 and 2016 respectively. In 2017, the company recorded sales of 832.95 million Baht. The gross profit margin decreased 2.01% compared with that of last year and the cost of goods sold per sales increased from 84.21% to 85.60%.

Overall, the increased cost of goods sold is a result of increasing of raw material costs which effect to raw material and production costs.

(2) Financial Performance for Each Business

1. Income

The company recorded revenue of 900.25 million Baht, a decrease of 57.41 million Baht or 5.99% compared to revenue of 957.66 Million Baht in 2016. Details for each business units are as follow;

Unit: million Baht

	2017	2016	Change	
			Amount	Percent
Manufacturing Business	855.10	904.20	(49.10)	(5.43)
Hotel Business	15.71	22.20	(6.49)	(29.23)
Trading Business	-	-	-	-



Revenue from the hotel business has decreased slightly from last year (2016) due to decreasing of customer from world economic which makes overall revenue reduced MB6.49 states in the 2017's Financial Statement when compare to the last year. By that the company did consider to resolve the lost problem by selling Leasehold and assets of the Room Hotel, created very little revenue to the hotel business of the Company, in total of MB1 (One Million Baht) which is monthly installment at THB100,000 (One hundred thousand Baht) each month, in total of 8 times (8 months) where pay on the contact date THB200,000. When the buyer fully paid, the company will transfer the leasehold and assets immediately. The Company will let the buyer totally manage the Room Hotel start from 1st January, 2018.

Revenue from sales and services

Unit : million Baht

	2017	2016	Change	
			Amount	Percent
Revenue from sales and services	870.81	926.40	(55.59)	(6.00)
Revenue from domestic sales	540.74	573.33	(32.59)	(3.52)
Revenue from export sales	330.07	353.07	(23.00)	(2.48)
Deduct Cost of sales and services	752.10	781.52	(29.42)	(3.18)
Gross Profit	118.71	144.88	(26.17)	(2.82)

2. Cost of sales and gross profit margin

Cost of sales in 2017 amounted to 752.10 million Baht, a decrease of 29.42 million Baht or 3.76% compared to cost of sales of 781.52 million Baht in 2016. The decrease cost of sales is a result of decreased sales which makes gross profit margin in 2017 decreased by 2.01% from that of 2016.

3. Sales, general and administrative expenses

Sales, general and administrative expenses in 2017 amounted to 175.80 million Baht, an increase of 11.08 million Baht or 6.73% compared to 164.73 million Baht in 2015 due to increasing of allowance for doubtful accounts 9.19 million baht.

4. Interest expenses

The company recorded interest expenses of 6.98 million Baht in 2016, a decrease of 0.12 million Baht or 1.69% compared to 7.10 million Baht in 2016 due to short term loan repayment and defaulted loan.

Profitability

Description	2015	2016	2017
Profitability Ratio			
Gross Profit Margin (%)	14.28	15.64	13.63
Operating Profit (%)	0.46	0.47	(3.98)
Cash Profitability (%)	125.17	128.87	106.38
Net Profit (%)	(0.66)	(0.21)	(3.68)
ROE (%)	(0.92)	(0.25)	(4.31)
Efficiency Ratio			
ROA (%)	(0.59)	(0.17)	(2.93)
ROFA (%)	13.77	12.89	6.58
Asset turnover (times)	0.88	0.84	0.79

Return on Asset (ROA) decreased from (0.17%) in 2016 to (2.93%) in 2017 and Return on Equity (ROE) decreased from (0.25%) in 2016 to (4.31%) in 2017 due to decreasing of the company performance. Net loss of the company increased from 1.96 million Baht in 2016 to net loss of 33.17 million Baht in 2017 due to the following factors;

Factors affecting the company's profitability in 2017

1. Changing commodity prices of raw materials

Average raw material prices have increased from that of 2016 while the company's pricing depends on commodity prices. With the business nature of the company, 2 months minimum stock is required and this inevitably creates a gap between actual price charged to customers and actual cost. The company strives to improve its raw material and inventory management and change pricing policy to cover existing risks.

2. Cost of sales

Overall cost of sales have decreased because of decreasing in revenue which also effect to the company gross margin.

3. Exchange rates

The company received import tax benefit for import of its main raw materials so the company orders its raw materials from overseas especially China. Therefore, the company is exposed to exchange rate risks. At the same time, the company also exports to overseas markets. Thus, if the company can maintain a good balance between export sales and raw material imports, the company will have less exposure to exchange rate risks.

Factors Effect to Future Operation Performance

1. Wage

Due to the government's policy on minimum wage which was a bit different in overall country has caused further labor shortage. As labors from upcountry find it unnecessary to work in Bangkok vicinity as they can work in their home towns getting the similar wage resulting in a higher labor cost pushes up manufacturing

cost. The company however, has acted on this by employing migrant workers and focuses on new technologies such as new automatic machinery to reduce labor dependency.

2. Exchange rates

Should US Dollars become volatile, the company may receive higher or lower order volumes which will affect sales. The company may delay placing orders for raw materials because copper and aluminum are the product's main cost which will directly affect profitability of the company. However, the company is fully aware of the exchange rate risk and systematically manage such risk by using financial instruments such as Forwards and natural hedging by balancing raw material imports and export sales.

Audit Fee

Audit Fee for 2015-2017

	(BATH)		
	2015	2016	2017
Audit Fee	1,160,000	1,325,000	1,325,000
Non-Audit Fee	114,860	143,312	366,390

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

Qualified Opinion

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

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

Basis of Qualified Opinion

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

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

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

Key Audit Matters

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

1. The completeness of allowance for diminution in inventories.

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

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

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

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

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

Other Information

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

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

Dr. Virach & Associates Office Co., Ltd.

Bangkok : March 12, 2018



STATEMENTS OF FINANCIAL POSITION

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2017

ASSETS

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

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

STATEMENTS OF FINANCIAL POSITION

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

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

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

STATEMENTS OF FINANCIAL POSITION

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

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

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

STATEMENTS OF COMPREHENSIVE INCOME

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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



STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

CONSOLIDATED

	Note	BAHT							
		Shareholders' equity of the parent					Non- controlling interests	Total	
		Issued and paid-up share capital	Premium on common stocks	Premium on sale treasury stock	Retained earnings (deficits)				Total equity of the parent
					Legal reserve	Unappropriated			
<u>Year 2016</u>									
Beginning balances as at January 1, 2016		432,384,316	565,015,214	15,534,581	12,707,000	(235,002,143)	790,638,968	810	790,639,778
Capital increase	23	8,875	11,537				20,412		20,412
Total comprehensive loss for the year 2016						(1,959,396)	(1,959,396)	(5,463)	(1,964,859)
Ending balances as at December 31, 2016		432,393,191	565,026,751	15,534,581	12,707,000	(236,961,539)	788,699,984	(4,653)	788,695,331
<u>Year 2017</u>									
Beginning balances as at January 1, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(236,961,539)	788,699,984	(4,653)	788,695,331
Increase in non-controlling interests								300	300
Comprehensive loss for the year 2017 :-									
Total comprehensive loss for the year						(33,163,985)	(33,163,985)	(9,474)	(33,173,459)
Actuarial losses from employee benefit plan						(3,634,202)	(3,634,202)	-	(3,634,202)
Total comprehensive loss for the year 2017						(36,798,187)	(36,798,187)	(9,474)	(36,807,661)
Ending balances as at December 31, 2017		432,393,191	565,026,751	15,534,581	12,707,000	(273,759,726)	751,901,797	(13,827)	751,887,970

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



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

SEPARATE FINANCIAL STATEMENTS

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

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

STATEMENTS OF CASH FLOWS (1/3)

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

STATEMENTS OF CASH FLOWS (2/3)

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

STATEMENTS OF CASH FLOWS (3/3)

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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



NOTES TO THE FINANCIAL STATEMENTS

C. I. GROUP PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

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

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

Thai Accounting Standards (TAS)

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

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

Thai Financial Reporting Standards (TFRS)

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

38. TFRS 12 (revised 2016) Disclosure of Interests in Other Entities

39. TFRS 13 (revised 2016) Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

40. TSIC 10 (revised 2016) Government Assistance - No Specific Relation to Operating Activities

41. TSIC 15 (revised 2016) Operating Leases - Incentives

42. TSIC 25 (revised 2016) Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

43. TSIC 27 (revised 2016) Evaluating the Substance of Transactions in the Legal Form of a Lease

44. TSIC 29 (revised 2016) Service Concession Arrangements : Disclosure

45. TSIC 31 (revised 2016) Revenue - Barter Transactions Involving Advertising Services

46. TSIC 32 (revised 2016) Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

47. TFRIC 1 (revised 2016) Changes in Existing Decommissioning, Restoration and Similar Liabilities

48. TFRIC 4 (revised 2016) Determining Whether an Arrangement Contains a Lease

49. TFRIC 5 (revised 2016) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

50. TFRIC 7 (revised 2016) Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies

51. TFRIC 10 (revised 2016) Interim Financial Reporting and Impairment

52. TFRIC 12 (revised 2016) Service Concession Arrangements

53. TFRIC 13 (revised 2016) Customer Loyalty Programmes

54. TFRIC 14 (revised 2016) TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

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

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

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

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

Thai Accounting Standards (TAS)

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

15. TAS 24 (revised 2017)	Related Party Disclosures
16. TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
17. TAS 27 (revised 2017)	Separate Financial Statements
18. TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
19. TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
20. TAS 33 (revised 2017)	Earnings Per Share
21. TAS 34 (revised 2017)	Interim Financial Reporting
22. TAS 36 (revised 2017)	Impairment of Assets
23. TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2017)	Intangible Assets
25. TAS 40 (revised 2017)	Investment Property
26. TAS 41 (revised 2017)	Agriculture

Thai Financial Reporting Standards (TFRS)

27. TFRS 2 (revised 2017)	Share-based Payment
28. TFRS 3 (revised 2017)	Business Combinations
29. TFRS 4 (revised 2017)	Insurance Contracts
30. TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
31. TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Assets
32. TFRS 8 (revised 2017)	Operating Segments
33. TFRS 10 (revised 2017)	Consolidated Financial Statements
34. TFRS 11 (revised 2017)	Joint Arrangements
35. TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
36. TFRS 13 (revised 2017)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

37. TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
38. TSIC 15 (revised 2017)	Operating Leases – Incentives
39. TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

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

Thai Financial Reporting Standard Interpretations (TFRIC)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

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

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

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

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

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

3.2 Cash and cash equivalents

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

3.3 Short-term investments

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

3.4 Allowance for doubtful accounts

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



3.5 Unbilled receivables / Deferred construction revenues

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

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

3.6 Inventories

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

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

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

3.7 Non-current assets classified as held for sale

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

3.8 Investments

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

3.9 Investments property

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

3.10 Property, plant and equipment

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

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

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

3.11 Intangible assets

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

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

3.12 Leases

Financial leases

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

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



Operating leases

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

3.13 Employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

3.14 Deferred tax assets/liabilities

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

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

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

Income tax expenses

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

3.15 Earnings (loss) per share

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

3.16 Foreign currency transactions

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

3.17 Use of accounting estimates and judgment

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

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

4. CASH AND CASH EQUIVALENTS

BAHT

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

5. SHORT-TERM INVESTMENTS

BAHT

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

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

6. TRADE AND OTHER RECEIVABLES

BAHT

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

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

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

7. SHORT-TERM LOANS TO RELATED PARTIES

BAHT

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

**8. DEFAULT PAYMENT OF LOAN TO OTHER PERSON**

BAHT

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

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

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

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

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

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

The above factors cause the Company unable to determine a suitable net realizable value of the receivable. Thus, no allowance for doubtful accounts has been provided. However, the Company has ceased to record the interest received from the loan of Baht 80 million as from January 1, 2010, and will recognize the amount exceeding the accrued interest receivable as income in the period that the Company receives the payment.

9. INVENTORIES

BAHT

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

**10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

BAHT

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

11. INVESTMENTS IN SUBSIDIARIES

BAHT

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

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

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

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

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

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

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

12. OTHER LONG-TERM INVESTMENTS

12.1 INVESTMENTS IN OTHER COMPANY

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

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

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

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

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

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

12.2 FIXED DEPOSITS WITH OBLIGATION

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

13. LONG-TERM LOAN TO SUBSIDIARY

BAHT

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

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

14. INVESTMENTS PROPERTY

BAHT

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

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



15. PROPERTY, PLANT AND EQUIPMENT

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

BAHT

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

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

16. DEFERRED LEASEHOLD LAND

BAHT

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

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

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

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

17. INTANGIBLE ASSETS

BAHT

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

BAHT

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

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

BAHT

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

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

19. TRADE AND OTHER PAYABLES

BAHT

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

20. SHORT-TERM LOANS FROM OTHER COMPANY

BAHT

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

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

21. FINANCIAL LEASE LIABILITIES

BAHT

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

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

Vehicle Leasing Agreement

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

22. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

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

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

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



23. SHARE CAPITAL

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

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

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

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

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

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

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

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

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

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

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

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

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

24. WARRANTS

CIG-W7 WARRANTS

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



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

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

CIG-W6 WARRANTS

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

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

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

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

CIG-W5 WARRANTS

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

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

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

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

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

25. LEGAL RESERVE

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

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

26. DIRECTORS' REMUNERATION

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

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

27. EXPENSES BY NATURE

BAHT

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

28. INCOME TAX

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

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

Income taxes expenses recognized in the comprehensive income statements consist:

BAHT

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

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

BAHT

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



29. FOREIGN CURRENCY TRANSACTIONS

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

UNIT : THOUSAND

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

30. PROVIDENT FUND

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

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

BAHT

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

31. COMMITMENT AND CONTINGENT LIABILITIES

31.1 The Company has commitment and contingent liabilities as follows:

MILLION

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

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

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

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

32. FINANCIAL INFORMATION BY SEGMENTS

THOUSAND BAHT

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

THOUSAND BAHT

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

33. TRANSACTIONS WITH RELATED PARTIES

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

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

The significant transactions with related parties are as follow:

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

BAHT

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

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

BAHT

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

BAHT

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

34. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

34.1 Accounting policies

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

34.2 Risk from breach of contracts

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



34.3 Risk relating to interest rate of financial assets and liabilities

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

34.4 Risk from currency exchange rate

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

34.5 Fair value of financial instruments

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

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

35. EVENTS AFTER THE REPORTING PERIOD

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

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

De Lamai Co., Ltd.

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

36. FINANCIAL STATEMENTS APPROVAL

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

Company Profile

Company Name	C.I.Group Public company Limited
Initial	CIG
Business Type	Produce parts, coils, for all heat exchanger products such as air-condition, refrigeration, heat pump, air handling unit and etc, for both export and local market
Registration Number	0107547000133
Registered Capital	648,587,124 Bahts (As of December 31, 2017) Paid up capital 432,393,191.00 Bahts Par value 0.50 Baht per share
Head Office	1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290-9 Fax : 0-2976-5023
Branch Office	789/75 Moo 1 Pinthong Industrial Estate Nong-Kham, Sriracha, Chonburi Tel : 0-3829-6920-4 Fax : 0-3829-6919
Branch Office	526/1-3 Moo 3 Soi. Than Phu Ying, Thepharak Rd., Thepharak, Muang Samutprakan 10270 Tel : 0-2758-3034-6 Fax : 0-2758-3085
Home Page	http://www.coilinter.com

REFERRED PERSONS

Share Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991
Auditor	Mr. Virach Aphimeteetamrong, Mr. Chaiyakorn Aunpitipongsa, Mr. Apiruk Ati-anuwat, Mr. Preecha Suan, license no. 1378, 3196, 5202 and 6718 respectively, or other CPAs, who is in list of Auditors approved by the office of SEC, of the Dr.Virach & Associates office Co.,Ltd. Dr.Virach & Associates office Co.,Ltd. 518/3 Maneeya Center North Building, 7 th Floor Ploenchit Road, Lumpinee District, Patumwan, Bangkok 10330 Tel. : 0-2252-2860, 0-2255-2518, 0-2254-1210, 0-2250-0634, 0-2254-8386-7 Fax : 0-2253-8730



SUBSIDIARY COMPANIES

Company Name	De Lamai Co., Ltd.
Business Type	Hotel
Registration Number	0845547005846
Registered Capital	100,000,000.00 Bahts (as of December 31, 2017) Paid up capital 100,000,000.00 Bahts
Head Office	171/4-9 Moo 4 Maret Koh Samui, Suratthani Tel : 0-7791-3250 Fax : 0-7791-3255
Website	http://www.samayabura.com
Company Name	CIG (Thailand) Co., Ltd.
Business Type	Produce and sell air-condition and all other refrigeration parts
Registration Number	0135554002471
Registered Capital	60,000,000.00 Bahts (as of December 31, 2017) Paid up capital 53,000,000.00 Bahts
Head Office	1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023, 0-2598-2332
Company Name	Siam Railway Development Co., Ltd.
Business Type	Railway repairing center
Registration Number	0135560001243
Registered Capital	1,000,000.00 Bahts (as of December 31, 2017) Paid up capital 1,000,000.00 Bahts
Head Office	1/1 Moo 7 Bangkoowad Rd., Bangkoowad, Muang Pathumthani 12000 Tel : 0-2976-5290 (Auto 10 lines) Fax : 0-2976-5023, 0-2598-2332



C.I.Group Public Company Limited

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