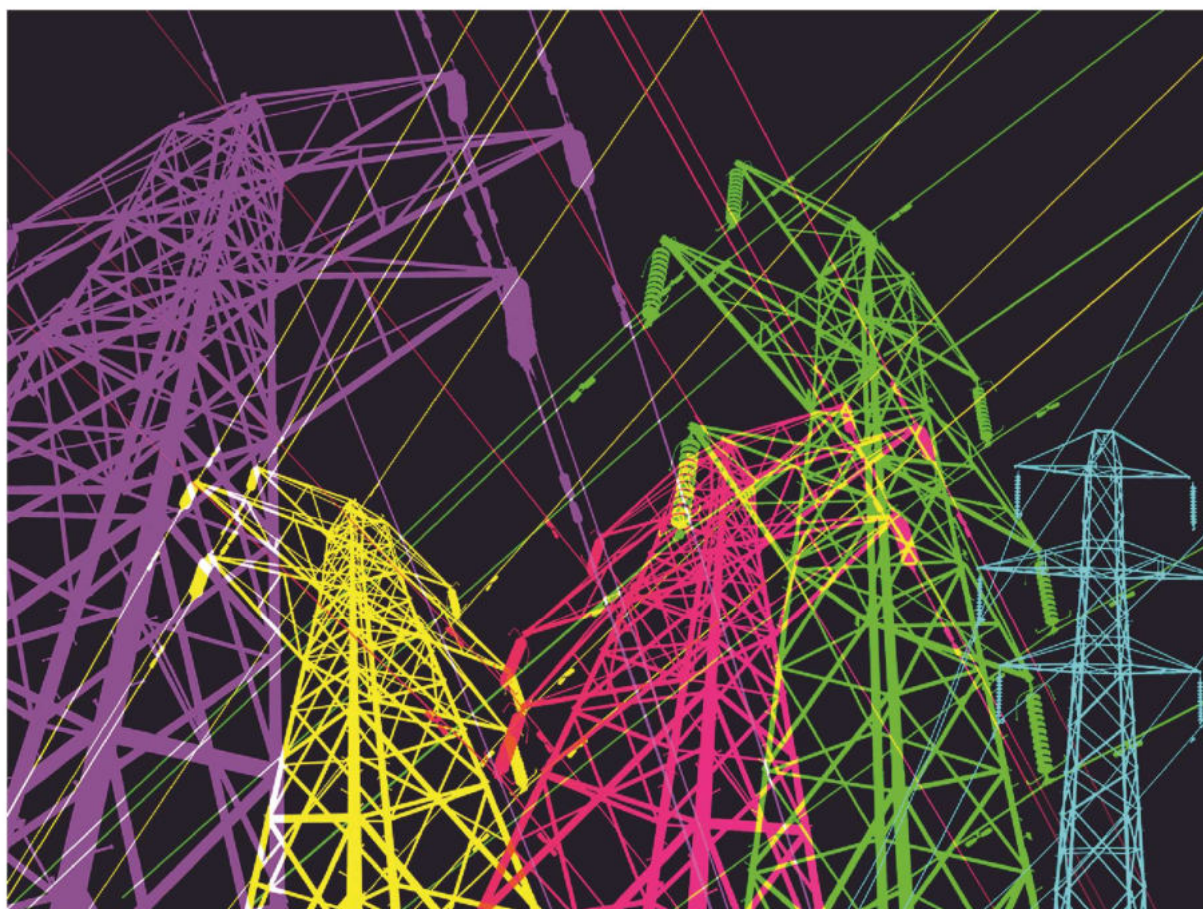




Annual Report 2017





Asian Insulators Public Company Limited



More than half of Porcelain Insulators uses in power transmission and distribution grids are our products. A progressive porcelain manufacturing plant with production flow and state-of-the-art raw materials preparation, pug mills and kilns with ISO-9001 Quality Assurance Program allows for the manufacture and marketing of high quality insulators products. Along with product innovation and improvements to make AI an industry leader in the design and production of high quality porcelain insulators.



AI at a glance

Insulators Business



Asian Insulators Public Company Limited

Asian Insulators Public Company Limited is progressive porcelain manufacturing plant with production flow and state-of-the-art raw materials preparation, pug mills and kilns with ISO-9001 Quality Assurance Program. This allows for the manufacture and marketing of high quality insulator products. Along with product innovation and improvements to make AI an industry leader in the design and production of high quality porcelain insulators.

Engineering Business



AI Engineering Services Company Limited

Provides the services for design, supply and installation of high voltage substation, distribution and transmission line system, along with project management with discipline engineers. AI Engineering Services is a market leader providing industrial maintenance, construction and engineering services to the water, power, and communications industries with over 10 years successfully delivered major infrastructure solutions. AI Engineering Services values safety, teamwork, honest and open communication, outstanding customer service and integrity. These fundamental beliefs are applied at all levels throughout the organization.

Alternative Energy and Vegetable Oil Business



AI Energy Public Company Limited

One of the largest refineries crude palm oil to biodiesel (B100) as an alternative energy source. A refinery plant with the continuous process and friendly to environment. Biodiesel can be used as a substitution for diesel oil as it is commonly use in trucks, and ships for transportation. The benefit of biodiesel is reduced dependence on foreign oil sustainability, it is non-toxic and biodegradable, promotes economic development, produces lower emissions, and extended engine life. Another refinery plant, with 800 tons capacity per day for refining crude palm oil to vegetable oil for both domestic and export with “Pamola” brand.



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Financial Highlights (Consolidated Financial Statement)

Financial Statements	2017	2016	2015
Statement of Income (Million Baht)			
• Net Sales	3,012.76	4,169.03	4,267.00
• Total Revenues	3,458.23	4,672.15	4,381.86
• Gross Profit	276.10	509.33	354.01
• Profit before Interest and Income Tax Expenses	263.66	332.78	154.39
• Net Profit	224.57	311.14	144.49
Balance Sheets (Million Baht)			
• Total Assets	3,183.66	3,525.14	3,632.72
• Total Liabilities	218.46	392.50	561.59
• Total Shareholders' Equity	2,965.20	3,132.64	3,071.13
Financial Ratio			
• Gross Profit Margin	8.43	10.94	8.12
• Net Profit Margin	6.49	6.66	3.30
• Return on Equity	7.57	9.93	4.70
• Return on Assets	7.05	8.83	3.98
Operating Result Per Share			
• Net Profit per Share	0.09	0.10	0.06
• Book Value per Share	0.81	0.85	0.84



Company and Business Profile

Company's name	Asian Insulators Public Company Limited
Year of establishment	1981
Stock code	AI
Registration No.	0107547000265
Type of business	Manufacturer and distribution of Porcelain Insulators
Head Office Address	254 Seri Thai Road, Kannayaow, Bangkok 10230
Tel.	0-2517-1451 0-2517-1026 0-2517-9447-8 และ 0-2517-8597-9
Fax.	0-2517-1465, 0-2540-0993
e-mail	asian@asianinsulators.com
Website	http://www.asianinsulators.com
Registered capital	700,000,000 Baht
Paid – up capital	699,999,021 Baht
Comprise of	700,000,000 ordinary shares, Baht 0.25 per value
Factory address	99 Moo 2 , Asia Road km. 70-71, Thambon Baan Morh, Amphure Prom Buri, Sing Buri 16120
Tel.	0-3659-9753-5 , 0-3659-9757
Fax.	0-3659-9756
Year of being listed in SET	2004
Contacts	Investor Relations Tel. 66-25171451 e-mail: ir@asianinsulators.com
Auditors	1. Mr. Vichai Ruchtanont Certified Public Accountant No.4054 2. Mr. Atipong Atpongsalul Certified Public Accountant No.3500 3. Mr.Sathen Vongsnan Certified Public Accountant No.3495 4. Miss Kultida Pasurakul Certified Public Accountant No.5946 5. Mr.Yuttapong Chuamuangpan Certified Public Accountant No.9445 from ANS Audit Co.,Ltd. 100/72, 22 nd Floor, 100/2 Vongvanij Building B, Rama 9 Rd., Huaykwang, Bangkok 10310 Thailand. Tel : 0-2645-0109 Fax : 0-2645-0110



Asian Insulators Public Company Limited (AI) founded on 12 May 1981 with a commitment to manufacture and distribute of high quality porcelain insulators products for electricity distribution and transmission lines.

Subsidiaries

AI Engineering Services Company Limited (AIES) founded on 17 September 1992. The main business is an engineering contractor for construction of high voltage substations and high voltage transmission lines, with a stakeholder of 99.84% with the registered capital of 200 million Baht.

AI Energy Public Company Limited (AIE) was found in October 2006. The main business is alternative energy manufacturer and vegetable oil refinery, with a 59.59.00 % stakeholder with registered capital of 1,130 million Baht.

Joint Venture Company

PPC Asian Insulators Company Limited (PPCAI) was established on 23 February 2004 with the registered capital of 263 million Baht. PPCAI is a Joint Venture Company between Asian Insulators Public Company Limited (AI) and PPC Insulators Holding GmbH (PPC), Austria with 25.10% and 74.90% stake respectively. PPC Insulators Holding GmbH (PPC), Austria invested into this Joint Venture Company via Porzellanfabrik Frauenthal Insulators GmbH (PFI), its subsidiary company.

Asian Insulators Public Company Limited and PPC Insulators Holding GmbH (PPC), Austria had signed the Joint Venture agreement on January 30th, 2004 with the common goal to manufacturer and distribute of porcelain Insulators to PPC Insulators Holding GmbH (PPC). The agreement has specified the distribution right for the company to act as representative to sell and distribute porcelain insulators to Thailand, Laos, Myanmar, Cambodia and Vietnam.

The Joint Venture Company shall manufacture the Porcelain Insulators according to ANSI and IEC standard for export only. The production technology will be supported by both companies



Message from Chairman



Asian Insulators Public Company Limited and its subsidiaries have derived 3,458.23 million Baht in Total revenues in year 2017, 25.98.% decreased from the year, Earning Before Interest and Income tax expenses (EBIT) equal to 263.66 million Baht, a 7.62 % of the total revenue, 224.57 million Baht in net profit, a 6.49 % of the total revenues. The earnings per share was 0.09 Baht.

Porcelain Insulators business derived revenue 862.91 million Baht, increased by million Baht 98.12, a 12.83 % from last year.

The Engineering business, or the subsidiary with the revenue of 154.34 million Baht, a 63.64 % or 270.11 million Baht decreased from last year.

The Alternative energy and Vegetable Oil business derived revenue from sale of biodiesel and its by-products of 2,461.06 million Baht, a 29.48% or 1,028.91 million Baht decreased from last year.

Asian Insulators Public Company Limited Group managed under the corporate governance with a firm commitment to ethical transaction with the improvement of life and environment. On behalf of the Company, we sincerely thank the shareholders, customers, business partners, financial institutions, and employees for entrusting the Company with these responsibilities and for supporting the Company through the year.

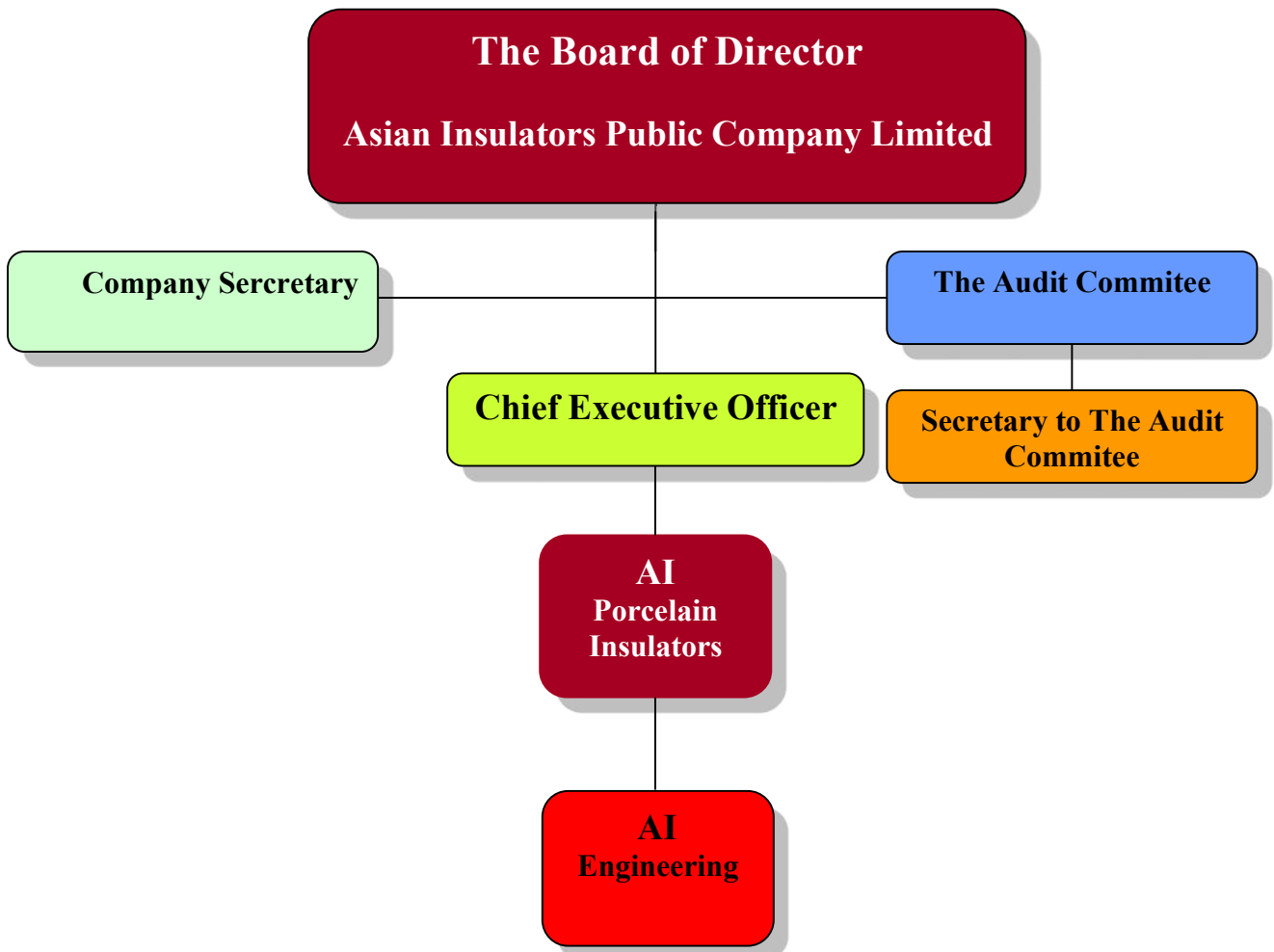
A handwritten signature in black ink, appearing to read 'Narong Thareratanavibool'.

Narong Thareratanavibool

Chairman



Business Structure





Board of Directors

Roles and Responsibility of the Board of Directors.

The Board of Directors holds responsibilities for all the Company's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, independent and impartial manner, for the benefits of all shareholders and other stakeholders. The Board has roles and responsibilities stated in the Board of Directors' Charter, which are:

- Board of Directors has the role and responsibilities to the shareholders for the company business and manage as per company objective for maximum benefit to the shareholders with ethical and mutual Benefit.
- Board of Directors shall appoint and authorize Chief Executive Officer to execute the company business plan
- It is a duty of directors to attend every board meeting, except with reasonable excuses.
- The Board of Directors meeting should have regularly every 3 months and scheduled in advance. The Chairman is acting on the behalf chair person in the meeting, prepare the agenda, and make sure that all the reverent information has been received by Directors members within a propitiate time.
- The Chairman of the board should promote prudent consideration and allocate appropriate time for the management to present adequate issues and enough for the directors to broadly discuss important matters with care.
- In the matter of consider any agenda, the Directors has the right to seek out, or request more information, or need advisory from the expert, all the expense shall be bored by the Company.
- The resolution from the meeting shall be recorded; any disagreement in the meeting shall be recorded on the minutes of meeting as well.
- The Board of Directors shall appoint a Company Secretary to support and prepare the agenda, invitation letter, filing and advice to the Board of Directors for any laws,regulation that may concern.
- The Board of Directors should provide a report indicating its responsibilities to prepare financial statements, and be exhibited alongside the auditor's report in the company's annual report.
- The role and responsibilities of Board of Directors are as follow:
 1. Approve for strategic planning, execute and company's budget.
 2. Approve the operating results each quarter compare to the plan and future tend.
 3. Approve the investment, buy or accusation or Joint Venture Agreement for those within the Stock Exchange of Thailand's regulation.
 4. Approve on company behalf of any that concern with debts, business strategy, financial, and goodwill.
 5. Approve and sign contract agreement on the company behalf of unusual business and important normal business operation.
 6. Approve any connected transaction between companies, subsidiary, joint venture, and related person for those which not require the approval from shareholders.
 7. Approve any business transaction that has the impact to debt to equity ration more than 1 : 1
 8. Approve interim dividend payment.
 9. Approve any change in accounting method and financial



10. Appoint the Company Secretary
11. Approve an authorization for Chairman, Chief Executive Officer, or any Directors for any duty. The authorization shall be enforce until further notice.
12. Approve the Corporate Governance Policy.
13. Authorize to approve on the company behalf for execute any matter as per the laws, company objective, and resolution from the Annual General Meeting.
14. Authorize to execute any matters to conform the laws, company's objective, regulation and resolution from the Annual General Meeting of the shareholders.

Board of Director Remuneration

The Company has established a set of well-defined and transparent remuneration policy for Directors. Executive Directors are responsible for reviewing and consideration appropriateness of each director, and the Company financial status, to ensure that remuneration is comparable to other companies. A member of a committee who is also a member of other committees shall receive additional remuneration according to their increased responsibilities.

The Company has already received approval on its remuneration policies from Annual General Meeting of shareholders No. 1/2560, dated April 28, 2017 for the total and not more than 3,500,000 Baht.

Name	2017 Meeting Allowance (Baht)	2017 Director's Remuneratio n (Baht)	2016 Meeting Allowance (Baht)	2016 Director's Remuneratio n (Baht)	2015 Meeting Allowance (Baht)	2015 Director's Remuneratio n (Baht)
Mr. Narong Thareratanavibool	-	-	151,800	303,600	126,500	303,600
Mr. Thanit Thareratanavibool	-	-	132,000	264,000	110,000	264,000
Mr. Kovit Thareratanavibool	-	-	66,000	264,000	110,000	264,000
Mr. Noppol Thareratanavibool	-	-	110,000	264,000	110,000	264,000
Police General Wichean Potephosree	303,600	303,600	177,100	303,600	202,400	303,600
Mr. Boonlert Khawcharoenporn	264,000	264,000	154,000	264,000	154,000	264,000
Dr. Veeraphat Phetcharakupt	264,000	264,000	132,000	264,000	154,000	264,000
Total	831,600	831,600	922,900	1,927,200	966,900	1,972,200



Board of Directors Meetings

Board of Directors meetings are planned for the until year for at least one meeting in every four months. The Chairman of the Board issues a meeting along with the meeting agenda and relevant supplementary documents to each Director within prorate time ahead of the meeting.

At each meeting, Directors are openly and freely expresses their opinions and ask for the related document from management. Also the right to seek the advice from consultant or advisors with the cost charge to company account. The Chairman of the Board conclude and take the minutes of each are properly documented and, after approval from the Board is given, are filed for auditing purpose and reference by directors and related persons. In the even of director disagree with the resolution, the minute of meeting shall be documented and recorded in the minute of meeting. Board of directors has appointed a secretary to the Board of director who in charge of record the minute of meeting, agenda, invitation to the meeting, filing, and record.

Self-Assessment of the Board - The Board instituted a review of its individual self-assessment that to help directors review their performance together with issue and obstacles identified during the year. In year 2017, all directors had conducted the self-assessment of the Board for one time.

Board of Directors and Audit Committee Meeting Attendance

Name	Year 2017		Year 2016		Year 2015	
	Audit Committee Meeting	Board of Directors Meeting	Audit Committee Meeting	Board of Directors Meeting	Audit Committee Meeting	Board of Directors Meeting
Mr. Narong Thareratanavibool	--	7 / 7	--	6 / 6	--	5 / 5
Mr. Thanit Thareratanavibool	--	7 / 7	--	6 / 6	--	5 / 5
Mr. Kovit Thareratanavibool	--	6 / 7	--	3 / 6	--	5 / 5
Mr. Noppol Thareratanavibool	--	2 / 7	--	6 / 6	--	5 / 5
Police General Wichean Potephosree	5 / 5	7 / 7	1 / 1	6 / 6	3 / 3	5 / 5
Dr. Veeraphat Phetcharakupt	5 / 5	7 / 7	1 / 1	6 / 6	3 / 3	5 / 5
Mr. Boonlert Khawcharoenporn	5 / 5	7 / 7	1 / 1	6 / 6	3 / 3	5 / 5



Details of Directorship of Asian Insulators and Executives in Subsidiaries, and Related Companies

Subsidiaries and Related Company					
Name	Asian Insulators PCL	2.1	2.2	2.3	2.4
Mr. Narong Thareratanavibool	Chairman	X	//	//	
Mr. Thanit Thareratanavibool	Chief Executive Officer	//	//	//	
Mr. Kovit Thareratanavibool	Director	//	//		//
Police General Wichean Potephosree	Director	/			
Mr. Boonlert Khawcharoenporn	Director	/			
Dr.Veeraphat Phetcharakupt	Director	/			

Remark

1. x = chairman : / = Director : // = Executive Director
2. Companies
 - 2.1 Asian Insulators Public Company Limited
 - 2.2 AI Engineering Services Company Limited
 - 2.3 AI Energy Company Limited
 - 2.4 PPC Asian Insulators Company Limited



Audit Committee

Each quarter the Audit Committee reviews the Company's financial reports in conjunction with accounting department and the office of the auditor general, and presents finding to the Board. The Board is accountable for the Companies Group's consolidated financial statements, as well as other financial information (such as report on the Board's responsibility to financial report) presented in the annual report. The financial statements are prepared under generally accepted accounting principles, examined, and certified by the office of the auditor general. Essential information, including financial and non-financial information, is completely and consistently disclosed.

As December 31, 2017. Audit Committee comprised of three persons as follow:-

No.	Name	Position
1.	Police General Wichean Potephosree	Chairman of Audit Committee
2.	Mr. Boonlert Khawcharoenporn	Audit Committee
3.	Dr. Veeraphat Phetcharakupt	Audit Committee

And appointed Mrs. Mattika Chansuwan as a Secretary to Audit Committee.

The Charter of the Audit Committee

1. Qualifications of the Audit Committee

The Audit Committee can freely express their opinions on responsibilities delegated by the Board of Directors, without influence from any individual or group. The qualifications of the Audit Committee are as follows:

- 1.1 Direct or indirect freedom from financial and managerial influences of the company, joint venture or main stockholders.
- 1.2 No direct or indirect connection to the financial or administrative functions of the company, joint venture or major stockholders for at least one year prior to joining the committee. Unless the Board of Directors deems that the relationship does not bias the function and opinions of the Audit Committee.
- 1.3 Not connected to nor relatives of any member of the Board of Directors, administrators or major stockholders.
- 1.4 Not appointed to protect the interests of anyone on the Board of Directors or major stockholders in the organization.

2. Composition of the Audit Committee

The state of the Audit Committee is as follows:

- 2.1 The Audit Committee must consist of members of the Board of Directors and meet the qualifications required by the Stock Exchange of Thailand.
- 2.2 Audit Committee members must be appointed by the Board of Directors.
- 2.3 The Audit Committee shall be composed of at least 3 persons, at least one of whom must have a good knowledge of, and experience in, accounting and finance.



- 2.4 One member of the Audit Committee will be selected and appointed by the Board of directors to be the Chair person.
- 2.5 The manager of the Internal Audit Office will be the secretary of the Audit Committee.

3. Authority

The Audit Committee is responsible for ensuring that the company is run in a clear and honest way. In addition, the committee has to inspect the performances of the Chief Executive Officer and administrators so as to make sure that the policies of the Board of Directors have been followed completely, in correctly and in the best interests of the stockholders. This includes the following:

- 3.1 Ensuring that the company has correct financial reports in keeping with general accounting standards, with sufficient details and transparency.
- 3.2 Ensuring that the company has appropriate and effective internal control and auditing.
- 3.3 Ensuring that the company follows the laws on the Stock Exchange market, the regulations of the Stock Exchange market and the laws related to the company's business.
- 3.4 Selecting and appointing the company's accounting auditor, and setting his/her stipend.
- 3.5 Considering which items of the company's information should be revealed in situations where such a revelation might benefit a competitor and presenting the information correctly and completely.
- 3.6 Ensuring that the company has an appropriate and effective risk management system in place.
- 3.7 Examining and reviewing internal auditing plans and the performance of the internal auditing office in coordination with the accounting auditor.
- 3.8 Preparing reports on the results of the company audits to be included in the company's annual report, endorsed by the chair of the Audit Committee.
- 3.9 Reporting the auditing results of the company's performance to the Board of Directors at least 4 times a year.
- 3.10 In performing auditing work under its jurisdiction, the Audit Committee is empowered to invite any administrators and personnel concerned with the issue under consideration to join meetings or to provide necessary documents.
- 3.11 Having the authority to engage consultants or outside people for advice when necessary.
- 3.12 Performing any other jobs delegated by the Board of Directors with the consent of the Audit Committee.



4. Audit Committee's term

The Audit committee shall serve for a term of at least 3 years. At the end of a 3-year term, an Audit Committee member can be re-appointed. In addition, A member of the Audit Committee may be removed by any of the following:

- 4.1 Death.
- 4.2 Resignation.
- 4.3 Lack of qualifications required by this Charter or by the regulations of the Stock Exchange of Thailand.
- 4.4 End of term of appointment as a member of the Board of Directors.

Any member of the Audit Committee who wishes to resign from his/her position can submit a letter of resignation to the Chairman of the Board. Then, the Board of Directors will approve the resignation.

At the end of the 3-year term, members of the Audit Committee must continue in their positions to perform auditing jobs until a new Audit Committee has been appointed.

If any position on the Audit Committee become vacant for other reasons, before the end of the term, the Board of Directors shall appoint a qualified person to fill the vacant position within 90 days. This person will be appointed for the remaining period of the person he replaces.

5. Meetings

The meetings of the Audit Committee are characterized as follows:

- 5.1 Meetings to consider budget and other matters shall be held not less than 4 times a year and shall be held not less than 7 days before the meeting of the Board of Directors. The chairman can call additional meetings to discuss urgent matters as required.
- 5.2 Any members of the Audit Committee who stand to gain or lose in any matters before the committee has no right to vote in such matters.
- 5.3 When a vote is taken at a meeting, a majority wins the vote. If the votes are equal, the Chairman will cast the deciding vote. However, any dissenting opinions shall be presented to the Board of Directors.
- 5.4 The Chairman of the Audit Committee shall report the results of each meeting at the subsequent meeting of the Board of Directors.



Board of Directors

Narong Thareratanavibool

Position Chairman

Education - Master in Business Administration Executive Program
Kasetsart University

- National Defense College

Siminar

Chief Financial Office Certification Program

Director Accreditation Program, Thai Institute of Director Association

Chairman 2000, Thai Institute of Directors Association

Director Certification Program, Thai Institute of Directors Association

Capital Market Academy Leader Promgram No.15

Previous Experience

1983 – 2003 Managing Director – Asian Insulators Company Limited

2006 - 2008 Director – PPC Asian Insulators Company Limited

Other Current Position

Since 2538 Director – AI Engineering Services Company limited

Since 2006 Director – AI Energy Company limited

Since 2006 Director – AI Logistics Company Limited

Since 2007 Director – AI Ports and Terminals Company limited



Thanit Thareratanavibool

Position Chief Executive Officer

Education - Bachelor of Science in Mechanical
Engineering Northeastern University, Boston
Massachusetts, U.S.A.

- Master Degree in Business
Administration
Kasetsart University, Thailand.

Seminar Director Accreditation Program, Thai Institute of Director Association
Director Certification Program, Thai Institute of Directors Association
Capital Market Academy Leader Program No.17

Previous Experience 1998 – 2003 Deputy managing Director - Asian Insulators Company
Limited

2006 - 2008 Director – PPC Asian Insulators Company Limited

Other Current Position Since 1995 Managing Director – AI Engineering Services
Company Limited

Since 2006 Director – AI Energy Company Limited

Since 2006 Director – AI Logistics Company Limited

Since 2007 Director – AI Ports and Terminals Company Limited



Kovit Thareratanavibool

Position Executive Director

Education - Master in International Business University of Dallas,
Texas, U.S.A.

Siminar Director Accreditation Program, Thai Institute of Director Association
Director Certification Program, Thai Institute of Directors
Association Finance for Non-Finance Director,
Thai Institute of Director Association
Chief Finance Officer 2000, Thai Institute of Director
Association

Previous Experience 1998 – 2001 General Manager – Crown Ceramic Company Limited

Other Current Position Since 1995 Director – AI Engineering Services Company Limited
Since 2006 Managing Director – PPC Asian Insulators Company
Limited
Since 2006 Director – AI Energy Company Limited
Since 2006 Director – AI Logistics Company Limited
Since 2007 Director – AI Ports and Terminals Company Limited



Police General Wichean Potephosree

- Position** - Chairman of Audit Committee
- Director
- Education** - Master in Business Administration
Executive Program Kasetsart University
- National Defense College
- Siminar** Chief Financial Office Certification Program
Director Certification Program, Thai Institute of Directors
Association
Audit Committee Program, Thai Institute of Directors
Association
Executive Financial Management Certificate Program
Advanced Audit Committee Program (AACP) 17/2014

- Previous Experience**
- Commissioner General of Royal Thai Police
 - Committee of Boonyachinda Foundation for Police and Family
 - Committee of Asian Insulators Public Company Limited
 - Dependent Committee of Group Company of Pacific-pipes System Pvt Ltd
 - Dependent and Audit Committee Wanachai Group Company (PLC)

- Other Current Position**
- Dependent and Audit Committee Wanachai Group Company (PLC)
 - Dependent Committee of Group Company of Pacific-pipes System Pvt Ltd
 - Committee of Boonyachinda Foundation for Police and Family
 - Committee of Human Resources Administration, the National Communications Commission
 - Sub-committee of National Police Policy concerning Monitoring and Following up National Police Policy



Mr.Boonlert Khawcharoenporn

Position	- Audit Committee - Director
Education	- Bachelor of Electrical Engineering Chulalongkorn University
Siminar	Director Accreditation Program, Thai Institute of Director Association Director Certification Program, Thai Institute of Directors Association
Previous Experience	1966 - 2003 Deputy Governer Provincial Electricity Authority of Thailand
Other Current Position	Since 2007 Chairman of Corporate Governance. Nomination Audit Committee. Lighting and Equipment Public Company Limited



Dr. Veeraphat Phetcharakupt

Position - Audit Committee
- Director

Education - Bachelor of Business Administration-Banking and Finance, Chulalongkorn University, 2001
- Master of Science in Finance, University of Essex.
- Doctor of Philosophy in Finance, University of Essex.
- Chartered Financial Analyst (CFA Level III)

Siminar

Director Accreditation Program, Thai Institute of Director Association

Previous Experience

2008 - 2011 Bank of Ayudhya Pcl. Investment Banking Department
2011 – 2013 MFC Asset Management Public Company Limited
2013 - 2015 MFC Advisory Co., Ltd. Acting President
2015 - Present Country Group Holdings Public Company Limited,
Executive Vice President



Change in Asian Insulators Shares held by The Management in 2015 – 2017

No.	Name	Position	31 Dec 17	31 Dec 16	31 Dec 15	Increase / Decrease
1.	Mr. Narong Thareratanavibool	Chairman	593,600,000	596,228,892	596,228,892	0
2.	Mr. Thanit Thareratanavibool	Chief Executive Officer	192,816,064	192,816,064	192,816,064	0
3.	Mr. Kovit Thareratanavibool	Executive Director	58,800,000	58,800,000	58,800,000	0

Note: 1. The common shares held include those of spouse and minor children

2. Year 2015, the company had increased the Registra Capital for 500 million Baht to 700 million Baht, and the par value of 0.25 Baht.



Management Compensation

The remuneration of the management is paid according to the policies and criteria set by Chief Executive Officer. It is tied directly to the performance of the Company and each individual performance. It also competitive with the same industry compensation.

Remuneration of the Management

	Year	2017	Year	2016	Year	2015
	Number	Amount	Number	Amount	Number	Amount
Remuneration	27	30,981,042.00	25	31,221,130.00	24	28,667,161.00
Bonus	25	4,882,328.00	25	5,106,966.00	23	4,479,519.00
Total		35,863,370.00		36,328,096.00		33,146,680.00



Corporate Governance

Corporate Governance Policy

The Board set up a Corporate Governance Committee, comprise of Management, Audit Committees, Independent Directors to investigate critical matters under the corporate governance principles to create maximum benefit for shareholders, taking into account the overall stakeholders' concerns and interests, business ethics, and transparency. The committee has at least half with non-executive directors, and one-third of the committee is fully independent and has no relationship with executive members. The Chief Executive Officer has been appointed as one of the committee member.

1. Rights of Shareholders

The Company recognizes that investors will put trust and confidence in its business only if they can be assured that the Company has an equitable policy and maintains shareholders' fundamental rights and equitability under the law, as well as business management that is suitable, efficient, effective, and accepted by investors and stockholders as one with good corporate governance.

As a rule, the Company schedules an Annual General shareholders' meeting (AGM) within four months of the annual closing date of its accounting books. For urgent matters relating to shareholders' interest or requiring shareholders' approval under any rules, conditions, or applicable laws, it will call an extraordinary shareholders' meeting.

- Shareholders' Meeting

The Board acknowledges the right of shareholders to receive equal treatment and voice their opinions at meetings. The Company has invite minor shareholders to propose items for the AGM ahead of time to promote fair and equitable treatment of all shareholders, which is part of good corporate governance practice. The Company also arranged for delivery of the notice of the general meeting of shareholders, containing the completed agenda in compliance with regulatory statutes, the Stock Exchange of Thailand's requirements and the Company's Articles of Association, together with proxy forms and a complete set of meeting documentation and other details to shareholders not less than 14 days prior to the meeting date. This also provides sufficient time for shareholders who cannot attend the meeting to delegate their authority to other individuals or the Independent Directors to exercise their voting right. In addition, to give shareholders enough preparation time, at least three days ahead of the meeting the invitation must be announced through one Thai and one English newspaper for at least three consecutive days. In the meeting held in 2017, meeting invitation was made available on the Company's website at least 14 days ahead of meeting. The Company ensures that each shareholder can reasonably assured of meeting security measures and given two hour of available registration time.

At each meeting, the Company exercise equitable of all shareholders. After explaining the Company rules on voting and vote counting for individual agenda item, the chairman of the meeting must address each opinion, question, or recommendation of shareholders, giving adequate time for debate on each agenda item. The chairman ensure that the meeting proceeds according to the order of the agenda and does not add an item without notify shareholders in



advance. For the selection of Directors, individual votes are required, and the Company executives will answer all questions clearly and precisely.

On the meeting date, the Company arranged for staff to facilitate registration of shareholders and/or their proxies using a barcode registration system, and handing out printed ballots to each shareholder for voting on each meeting agenda item. The previous General Meeting of Shareholders, the Chairman of the Board acted as the Chairman of the meeting, which was also attended by the Chairman of Audit Committee, Chief Executive Officer; together there were 7 directors in attendance. The minutes of the meeting must be completely and accurately recorded with a written summary of voting results on each matter.

After the meeting, the Company submitted the report of the shareholders' meeting, which contained meeting minutes, voting records, and every question raised by shareholders, to SET within 14 days. Meeting information can be accessed through the Company website (www.asianinsulators.com)

Annual General Meeting of Shareholder company organized one shareholders' meeting: the Annual General Shareholders

- **Before the Meeting**

The Company had announced that AI had given opportunity to our shareholders to propose Shareholders Meeting Agenda in the coming Annual General Meeting of Shareholders on via website of Stock Exchange of Thailand and Company's website. The Company had appointed Independent Directors to take care of minority shareholders rights from being limited and to hear from them for their suggestions and inquiries. The said issues for the coming Annual General Meeting of Shareholders can be proposed from through e-mail address of Independent Directors at ind_dir@asianinsulators.com, or by registered mail to the Chairman, Board of Directors, Chief Executive Officer, or Secretary to the Board at the address: Asian Insulators Public Company Limited No. 254 Seri Thai Road, Kannayaow, Bangkok 10230.

Independent Directors will consider the shareholders' proposals and further pass to the Board of Directors for their consensus for final decision.

If The Boards argues that any issues are significant or beneficial to AI or the shareholders, the Board will put the said issues in the meeting agenda remarked as "Agenda from shareholders" in notice to shareholders or clarify them at the Shareholders' Meeting. If the proposals have not passed the consensus, then the reasons shall be given to the shareholder who proposed the agenda.

There were no proposals which raise by the shareholders via e-mail, and register mail.

The meeting date was announced on the website of Stock Exchange of Thailand. The Company also arranged for delivery of the notice of the general meeting of shareholders, containing the completed agenda in compliance with regulatory statutes, the Stock Exchange of Thailand's requirements and the Company's Articles of Association, together with proxy forms and a complete set of meeting documentation and other details to shareholders not less than 14 days prior to the meeting date. In addition, the Company also placed the meeting notice in Thai and English daily newspaper for at least 3 consecutive days prior to the meeting date. Should shareholders wish to appoint proxies to attend the meeting and



vote on their behalf, they may do so under the procedure or delegate Independence Directors as their proxies. In addition, to promote corporate governance, the Company has provided the opportunity for shareholders to propose matters of importance to the Company in advance, which will be considered as agenda items for the 2017 General Meeting of Shareholder on the Company website.

- **On the Meeting Date**

Registration begins two hours ahead of time. The Company arranged for staff to facilitate registration of shareholders and/or their proxies using a bar code registration system, and handed out printed ballots to each shareholder for voting on each meeting agenda item. The previous General Meeting of Shareholders, the Chairman of the Board acted as the Chairman of the meeting, explaining voting and vote-counting procedures, balloting, and clearly disclosing voting results on each agenda item, and allowing shareholders to ask questions or express their view. The Chairman also ensures that Directors or the Manager net replied to questions with clarity, total of 7 Directors attended the AGM – namely the Chairman of the Board, four Executive Directors, and three Audit Committee Members, and Management.

1. Mr. Narong Thareratanavibool - Chairman
2. Mr. Thanit Thareratanavibool – Executive Director
3. Mr. Kovit Thareratanavibool – Executive Director
4. Mr. Noppol Thareratanavibool – Executive Director
5. Police General Wichean Potephosree – Chairman Audit Committee
6. Mr. Bunlerd Korcharoenporn – Audit Committee
7. Dr. Veeraphat Phetcharakupt – Audit Committee

Consideration of items and voting were conducted in order of the announced agenda. This included consideration of the appointment of individual directors and their remuneration, together with consideration of appointment of external auditors and the audit fees to be approved by the meeting. The Chairman of the meeting provided the opportunity for shareholders to inquire about various matters and express their opinions, which were answered and supplemented with additional information. Voting and vote-counting procedures were conducted in a transparent matter. Comprehensive minutes of the meeting were recorded, along with details of the voting on each agenda item.

- **After the Meeting**

After the meeting, the Company submitted the report of the shareholders' meeting, which contained meeting minutes, voting records, and every question raised by shareholders, to SET within specified time. Meeting information can be accessed through the Company website (www.asianinsulators.com)



2. Role of Stakeholders

The Company has a clear policy for the Role of Stakeholders. Regardless suppliers, customers, shareholders, investors, independent auditors, government sectors, community, labor, competitors to proceed the right as per the given laws and with the company Code of Conduct . The Role of stakeholders in 0was as follow:-

- **Shareholders** In Annual General Meeting dated shareholders attended the AGM. There was no additional agenda raise before the meeting as the Company had given opportunity to our shareholders to propose Shareholders Meeting Agenda via website of Stock Exchange of Thailand and Company's website. The shareholder had exercised their right by voting all agendas that required voting for approval. At the meeting, shareholders are allowed to express their opinion freely, and give suggestion. There were additional questions that shareholders had asked the Management and Directors in the AGM. All the questions had been provided with sufficient details information as given to the shareholders.
- **Suppliers** The Company builds good relationships for mutual benefit and strictly observe contractual agreement made with all suppliers including quality products and on-time delivery.
- **Employee** The Company consider its employees a key success factor and supports their professional development, and attends to the quality of the workplace. The Company provides such as proper compensation, lunch, provident fund, health and life insurance, uniforms, transportation, social security, first aid and nursery to all employees.
- **Customers** The Company is committed to satisfying its customers and the public through its products and services, as well as providing confidence in its quality at suitable prices.³, the Company had surveyed the customer satisfaction and received the score 3.73 in quality, services, and prices which shows a good rating from customers. No complain receive from customers.
- **Competitors** The Company observes the framework of fair competition and refrains from harming the reputation of business competitors through false accusations. In, The Company had followed the Company's Code of Conduct principle. Not a single dispute arose with any competitors during the year.
- **Creditors** The Company realizes that by keeping good relations with the creditors, they can gain trust and confidence, and shall carry out together with practices under its obligation.To create synergy among the Group, the Company proposed that its directors or executives should be appointed as directors of the Board of subsidiary companies to ensure alignment of policies and business plans and maximize value of all stakeholders.



3. Disclosure and Transparency

Business decisions made by Management and employees must be only for the Company's best interest. They must avoid financial or other relationships with external parties that would result in financial losses for the Company or a conflict in loyalty or interest, and must not compromise the efficiency of business operation. The Management and employee must not be involved in such decisions, including the approval of such transactions, under the disclosed information relating to a possible conflict of interest with the Company. The Company is require to review Executive, Management and shareholders should resolve any conflict of interest with care and honesty, reason, and independence within the code of conduct. And to provide the reasonable information for mutual benefit of the Company.

All the Company Directors and Management, including their spouses and children under legal age, must report any changes in their Company share ownership to SEC under section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three days from the date of sale, purchase, disposal, or receipt of such shares.

4. Business Ethics

The Company has provided a section concerning business ethics for directors, management officer and employees in the Company's Code of Conduct Manual. The aforesaid section was proposed to the Company's directors for acknowledgment and made available on the Company's internal communication media so as to inform the management officers and employees and so that the management officers and employees can refer to it while performing their work. A training to alert the Company's employees and a follow-up on the compliance with the business ethics are regularly held.

The training course was conducted for management officers and employees. Two assessments and the follow-up on the compliance with the Code of Conduct were made. No incidents of non-compliance was found.

5. Controlling, System and Internal Audit

The Board of Directors have placed particular emphasis on an efficient internal control system and promotion of an appropriate business culture recognizing risk control as important to the Company's overall operation activities. The Audit Committee has the duty and responsibility of reviewing the effectiveness and adequacy of all risk management processes and internal control systems by discussing and evaluating operation results with internal auditors. These discussions include the internal auditors' scope of work, role and responsibilities, audit plans, and audit conclusions regarding the adequacy and effectiveness of the internal control system. Major recommendations or material deficiencies must be reported to the Board of Directors in timely manner for effective action. In additional, external auditor from the Company's financial auditor must evaluate and review internal control and audit system on yearly basis as well.3, the external auditor from the Company's financial auditor has evaluated and reviewed internal control and audit system one time. The Audit Committee had conducted the auditing for Controlling and system of the Company in for one time as well.



6. Responsibilities of the Board

Board of Directors has the role and responsibilities to the shareholders for the company business and manage as per company objective for maximum benefit to the shareholders with ethical and mutual benefit. The Board of Directors had a meeting regularly every 3 months and scheduled in advance. The Board of Directors comprise of 7 members. Three members are Executive Directors and other three members are Independent Directors. The Board has appointed Mrs. Mattika Chunsuwan as a secretary to the Board who in charge of record the minute of meeting, agenda, invitation to the meeting, filing, and record, there were five meetings of the Board.

The Audit Committee considered and appointed Police General Wichean Potephosree as the Chairman of the Audit Committee since he has the knowledge in accounting and financial matters.

Self-Assessment of the Board - The Board instituted a review of its individual self-assessment to help Directors review their performance together with issue and obstacles identified during the year.

One self-Assessment of the Board was conducted in 2017.

7. Investor Relations

The Company realizes the value of accurate, complete, and transparent disclosure of information. The Company has established the Investors Relations Department as the company's representative to communicate with investors, analysts, and shareholders. The object of this policy is to ensure that disclosure of the Company's financial and general information to shareholder, investors and general public will be accurate, complete and timely, equally accessible to all, and in accordance with relate laws and regulations. The company's information is disseminated via various channels:

- i. The Stock Exchange of Thailand
- ii. The Annual Report
- iii. The Company's Financial Report
- iv. Notification of the Board of Directors' resolutions and other matters
- v. The Office of the Securities and Exchange Commission
- vi. Newspaper
- vii. Television Station
- viii. The Company's website (<http://www.asianinsulators.com>)
- ix. Company Visits / One – on One Meeting
- x. Non-deal Road show
- xi. Opportunity day / Analyst Meetings



The Company has appointed Mr. Thanit Thareratanavibool in charge of Company Secretary. To communicate and release operating results and Company information to investors, shareholders, and related parties. Investors and interested parties can also make inquiries through telephone number 0-2517-1451, or e-mail: ir@asianinsulators.com

Any release of operating results and Company information to investors, shareholders, and related parties which company has informed SET can be found at <http://www.asianinsulators.com> has released information to investors, shareholders, and related parties through SET a total of 25 times.

AI regularly presents information to analysts, investors via road shows, company visit, conference calls and conference. activities took place:

Type of Meeting	No. of Events	No. of Companies	No. of Persons
One – on – One Meeting	-	2	-
Conference Calls	2	-	-
Group Analyst Meeting	-	-	-
Road show	-	-	-
Opportunity Day	-	-	-

Major Shareholders of Asian Insulators Public Company Limited

At the closing registration on December 6, 2017

Shareholders	No. of ordinary shares	% of total shares
1. Mr. Narong Thareratanavibool	593,600,000	21.200
2. Mr. Thanit Thareratanavibool	192,816,064	6.886
3. Mr. Noppol Thareratanavibool	499,654,372	17.845
4. THAI NDVR Company Limited	111,662,920	3.988
5. Mr. Kovit Thareratanavibool	58,800,000	2.100
6. Mr. Chonrasin Worakitjanuwat	60,000,000	2.143
7. Mr. Sirikul Thareratanavibool	50,973,080	1.820
8. Mr. Anurag Thareratanavibool	50,400,000	1.800
9. Mrs. Pakapan Sawedkomolnun	48,305,600	1.725
10. Others	1,133,784,048	40.50
Total	2,799,996,084	100.00

Remark: The up to date of major shareholders will be posted on the Company's website before the Annual General Meeting



Dividend Policy

- **The Company's Dividend Policy**

Company and subsidiary have the policy to pay the dividend to the shareholder each operation year, and not less than 40% of the net profit after tax and legal reserved. The dividend pay out is depend on the investment of the new project in the future. The Board of Directors' decision to payout the dividend is subject to approval of shareholder at the General Annual Meeting, except the interim dividend payout. The Board of Directors has authorized to approve the interim dividend payout, and inform the shareholders at the next shareholder meeting.

- **The Dividend Policies of Subsidiaries**

The Company has not fixed a dividend payment ratio for our subsidiaries. Their dividend payments shall depend on the operating results of each company.

Dividend payments of subsidiaries to the Company must be made accordance with each company's regulation on dividend payment that must be approved by a resolution of their general meeting of shareholders. Interim dividend payments are allowed. In paying dividends subsidiary companies shall record some profit. If there is an operating loss, dividend payments are barred until such losses are recovered. In additional, at least one-twentieth (1/20) of all profits must be set aside as provisioning reserves until provisioning reserves reach one-tenth (1/10) of companies' total capital.



Risk Management and Risk Factors

With the Company policy to lower the Company's business risk and subsidiaries into reasonable level.

1. Business Risk

Porcelain Insulators Business

As the market leader, The Company manufactures and distributes Porcelain Insulators which are used in distribution and transmission of electricity. The major clients are Utilities / State Enterprise such as the Provincial Electricity Authority (PEA) and the Metropolitan Electricity Authority (MEA). If there is any change in demand for Porcelain Insulators, it will be reflected in the revenue and profit of the Company.

Regardless the above, Utilities / State Enterprises have the policy and projects to expand the distribution and transmission line network as per National Development Plan. The expansion of the distribution and transmission lines networks shall be in line with the development and expansion of economic and Gross Domestic Products (GDP) of the country, and has indication of continuing growth and demand. Also the Utilities / State Enterprises have a clear policy in the procurement and require the quality products as per international standards such as American National Standard Institution (ANSI), International Electrotechnical Commission (IEC), Australian Standard (AS) and Thailand Institution of Standard (TIS). The Company's products have been certified with Quality Management to ISO 9001:2000, and only company in Thailand that has all Porcelain Insulators products required by utilities for Thailand's distribution and transmission lines networks. With a strong business reputation and over 30 years of experience, our products have been accepted by utilities in quality and reliability. There is a chance to have a new comer to porcelain Insulators business in Thailand, but the production technology of Porcelain Insulators has a great barrier to the new comer. Since it require a high production technology compare to normal ceramic products such as sanitary ware and tableware. porcelain insulators have a high international standard, and only one quality. No degradable quality products. Any Porcelain Insulators products which do not conform to the standard shall be rejected and destroyed. Regarding to the Utilities / State Enterprises have a policy as per resolution from the Government to procure only the products that local made and conform to Thailand's Standardization and ISO 9001. These have reduced the Company's business risk of competition from foreign entrants.

The procurement from Utilities / State Enterprises is proceeding with the E-auction procurement. These procurement systems expose the Company to the risk of a price war which could reduce the Company's market share. But the Company has the advantage over other manufacturers that the Company has all the product required by the Utilities and some of the porcelain insulators products require high technology in production process. The Company has our own research and development center for the new products and new production technologies which can reduce the production defect and production cost. The Company has registered for product patent of the products that have been research and develop by the Company. These make the Company more competitive than the others.

The Company is the only manufacturer who has a complete range of products that require by clients. Some of the products that have been researched and developed by us or our innovation have register for patent. Also the improvement of the production process has greatly reduced the amount of defect in the production lines to the level that less than the industry average. This makes the company more competitive. The company also has the policy not to compete in labor intensive products or simple production technology such as the low voltage insulators. These has reduced the competitive into acceptable level



In the case of Joint Venture between foreign company and local company to establish the new production facilities in Thailand is more complicated, due to the transfer technology know-how. The Company has reduced the business risk for Thailand market by established PPC Asian Insulators Company Limited with PPC Insulators Group as a partner who has experience in insulators production and marketing more than 100 years in this business. The Joint Venture Company manufacturing porcelain insulators for Europe and North America with the Company holds the 25.10% stake. This has reduced a great deal of risk for any new comer from oversea manufacturing. The Company has insurance covering all the assets, and the business interruption insurance as well.

Engineering Business

Engineering business for specialize in design, supply and construction of high voltage substation and transmission line is to expose to the business risk, since most of them are turnkey projects which belong to the Utilities / State Enterprise. The Company business has to realize on their expansion power projects network. The Utilities / State Enterprise have the policy to expand the distribution and transmission line network as per the National Development Plan. The expansion of the distribution and transmission line networks shall be in line with the development and expansion of economic and Gross Domestic Products (GDP) of the country, and has indication of continued growth and demand. Also the Utilities / State Enterprises have the clear policy in the procurement and hiring of good quality contractors which have the qualified past record performance in the same engineering fields.

The Company has the qualification to perform the engineering work according to the requirement of the Utilities / State Enterprise, the company has also given services to private companies which required the engineering services in design, supply and construction of substation and transmission line for their factories and facilities. This has reduced the great deal of the risk in having only one client. All the projects that the Company is involved in shall be insured by damage insurance for all risks.

Alternative Energy and Vegetable Oil Business

Alternative energy business is specialized in refining the crude palm oil to Biodiesel and is expose to the business risk in supply the Biodiesel to the major oil companies only at the cost plus. The Biodiesel business mostly depends on demand from the end users via the supply from major oil companies, and subsidies from the government sector in the promotion of alternative energies such as Biodiesel. Regarding to the government policy to add 1.5 % - 5% of Biodiesel into diesel fuel. These would bring up the large demand for Biodiesel, but it would be a risk to the Company if the oil refineries make their own refinery for Biodiesel themselves.

The Company has invested in research and development in refinery the crude palm oil process. One of the great things from the research and development was the success in improving the refinery process of Biodiesel from batch process into continuous process. This has reduced a great deal of the refinery costs in the methanol recovery process. By products from the process can also generate extra revenue for the company.

The Company has made the modification and improvement for the second refinery plant to refine the crude palm oil for vegetable oil with “Pamola” brand for domestic and export market. The vegetable oil markets are very competitive and the price of local crude palm oil is in line with the world market or commodity goods. It would be a risk to the Company if the price of crude palm oil plunge that could cause the inventory loss.

The Company has all the insurance covering all the assets, and the business interruption insurance as well.



2. Raw Materials Risk

Porcelain Insulators Business

The Company is exposed to the raw materials risk. Raw materials that use in the porcelain insulators production are 80% from local source and 20% from abroad. The main raw material is plastic clay which is available locally, but it needs to be selected carefully. The long term contract in price and quantity with supplier are used after the Company has tested raw materials. Most of raw materials that available local have reserved that can be used for over 30 years. The Company also seeks out for the raw materials from abroad as well. The Company's reputation and long relationship with local and oversea suppliers has lasted over 30 years, there are very slim chance and risk that suppliers will not supply the raw materials to the Company. The price of liquid petroleum gas (LPG) which uses for firing the products also depend on the global prices, but the Company is able to pass on the cost to clients in the future contracts in the case of high increase in price of LPG.

Alternative Energy and Vegetable Oil Business

The Company is exposed to raw material risk. Raw material that use for the refining of Biodiesel and vegetable oil is crude palm oil which is a commodity product. The prices and quantity are move up and down are seasonal. Import the crude palm oil from oversea is not economical, since the import duty is more than a 140% tariff.

The Company has overcome the raw material risk by improving and modifying the Biodiesel production process to use palm stearine (one of the by products from cooking oil refinery) as well. Also importing palm stearine from abroad to Thailand is allowed without any import duty or minimal import duty. Also the large existing tank farms which could stock up the raw materials to be used for periodically and the ocean vessel fleet from AI Logistics Company Limited that can transport the import raw materials from oversea if needed.

3. Employee Turn over Risk

The Company recognizes the important of the human resource. The training center of each company has established the training and development of the staffs' skill to suit the Company and subsidiary Company's employee needed in office and production lines. The Company's welfare are very attractive such as provident fund, health and life insurance, uniforms, transportation, lunch, social security, first aid and nursery are provided as the Company's welfare which make the turnover rate in the acceptable level.

4. Foreign Exchange Rate Risk

The Company and subsidiaries have the policy to minimize the risk from fluctuation in exchange currency, regarding the procurement of raw materials which are from local and oversea by the Company or subsidiaries. The foreign suppliers paid in foreign currency such as United States Dollar and Euro and Japanese Yen. The Forward Foreign Exchange is used to minimize the fluctuation in exchange currency. The Foreign Currency Deposit is use to manage the revenue in foreign currency for the Company and subsidiaries.



Connected Transaction

The Company has the connected transaction between subsidiaries and the joint venture company limited. The Company has directors as a shareholder and connected person, which the mention connected transaction has described in the appendix of this balance sheet by the auditors. Also the audit committee had appropriate commented. The connected transactions are ordinary business of the Company with appropriate reasons, conditions. There is no transfer pricing, or benefit transfer between the Company and/or subsidiaries companies, or joint venture Company, or companies that have associated directors, or related persons involved.

Connected Transaction in the companies

Connected Transaction	Relationship
1. Related persons	Major shareholder and / or Executive Directors of the Company.
2. Subsidiary	
AI Engineering Services Company Limited	A subsidiary company that has the same Directors and Executive Directors, which are:- <ul style="list-style-type: none">● Mr. Narong Thareratanavibool● Mr. Thanit Thareratanavibool● Mr. Kovit Thareratanavibool
AI Ports and Terminals Company limited	A subsidiary company that has the same Directors and Executive Directors, which are:- <ul style="list-style-type: none">● Mr. Narong Thareratanavibool● Mr. Thanit Thareratanavibool● Mr. Kovit Thareratanavibool● Mr. Noppol Thareratanavibool
AI Logistics Company Limited	A subsidiary company that has the same Directors and Executive Directors, which are:- <ul style="list-style-type: none">● Mr. Narong Thareratanavibool● Mr. Thanit Thareratanavibool● Mr. Kovit Thareratanavibool● Mr. Noppol Thareratanavibool
AI Energy Public Company Limited	A subsidiary company that has the same Directors and Executive Directors, which are:- <ul style="list-style-type: none">● Mr. Narong Thareratanavibool● Mr. Thanit Thareratanavibool
PPC Asian Insulators Company Limited	A subsidiary company that has the same Directors, which is:- <ul style="list-style-type: none">● Mr. Kovit Thareratanavibool



Connected Transaction :

Sales or services and expenses rendered to related parties for the years ended December 31,

Unit: Baht

Transaction	Year 2017	Year 2016	Year 2015
Revenue from selling goods and raw materials			
AI Engineering Services Company Limited	1,566,423	3,643,900	
AI Energy Public Company Limited			
AI Ports and Terminals Company Limited	-	-	17,423,000
AI logistics Company Limited	-	-	12,250,000
PPC Asian Insulators Company Limited	2,300,102	2,534,410	3,792,580
Revenue from selling Ready Mixed Clay			
PPC Asian Insulators Company Limited	84,067,110	101,740,387	149,695,676
Dividend income			
AI Engineering Services Company Limited	14,975,893	-	9,983,929
Other Revenue – rental and services			
AI Engineering Services Company limited	1,299,946	1,309,719	1,224,870
AI logistics Company Limited	638,376	590,913	606,426
AI Energy Public Company Limited	1,181,685	975,741	1,134,323
AI Ports and Terminals Company Limited	223,838	310,533	532,729
PPC Asian Insulators Company Limited	570,400	719,408	1,543,706
Purchase of goods			
PPC Asian Insulators Company Limited	7,902,900		
Samart Palm Co.,Ltd.	-	3,426,310	27,366,310
Samart Palm Oil Co.,Ltd.	-	21,077,881	28,665,777
Samarpalm Industries Co.Ltd.	19,919,742	45,892,519	41,518,704
Purchase of scrap clay			
PPC Asian Insulators Company Limited	31,923,662	48,134,120	60,168,198
Purchase of consumed supply			
AI Energy Public Company Limited	-	216,355	39,650
PPC Asian Insulators Company Limited	-	10,928	61,506

The Company has a contract to sell the ready mixed clay and buy the scrap of ready mixed clay (for manufacturing Porcelain Insulators) with PPC Asian Insulators Company Limited.



Balances of receivable, payable and accrued income from sales, purchase and service rendered to related parties

Unit: Baht

Transaction	Year 2017	Year 2016	Year 2015
Trade receivable			
PPC Asian Insulators Company Limited	8,435,279	27,824,174	16,817,285
AI Engineering Services Company Limited	-	926,128	-
Other receivables			
AI Engineering Services Company Limited	7,684	20,049	17,193
AI Logistics Company Limited	1,128	1,989	2,797
PPC Asian Insulators Company Limited	98,425	102,230	44,115
Trade accounts payable			
PPC Asian Insulators Company Limited	6,088,232	19,200,598	10,902,744
Samart Palm Company Limited	-	-	-
Samart Palm Oil Company Limited	-	-	-
Samartpalm Industries Company Limited	-	-	-
Related parties payable			
AI Energy Public Company Limited	-	-	13,900

Justification and Rationale for Connected Transaction

The Company's Audit Committee reviewed all of the connected transactions and viewed that all transactions were justified and reasonably conducted to provide utmost benefits for the Company and subsidiaries.

Measure or Procedure for Approval Transactions

In the past year, the Company has assigned the Audit Committee to review all connected transactions performed between the Company or subsidiaries and related companies. After the review, the Audit Committee was of the view that all connected transactions were conducted as a part of and accordance with the normal course of business, and the Company had made payment as remuneration for the transaction based on the fair market value.

As for any future connected transactions which may be performed between the Company or subsidiaries and any conflicting parties, the Company has assigned the Audit Committee to consider and approve such transactions. In this regards, the payment as remuneration for the transactions shall be based on fair market value.

Policy or Protect of Connected transactions.

The Company's Board of Directors shall comply with all rules and regulations concerning connected transactions and shall not approve any transactions which may cause the Board of Directors or any conflicting party to have interest or conflict of interest of any manner with the Company. Such transactions shall be disclosed to the Board



of Directors of Asian Insulators Public Company Limited for their consideration. In this regards, the Board of Directors of Asian Insulators Public Company Limited shall comply with the regulations, notifications, instructions or stipulations of the Stock Exchange of Thailand, including stipulation concerning a disclosure of connected transaction, and acquisition or disposition of significant assets of the Company or subsidiaries.

In the future, if a connected transaction between the Company or subsidiaries and a conflicting or interested party arises, Asian Insulators Public Company Limited will assign the Audit Committee to provide opinion on values, remunerations, including justification and rationale for such transaction. Asian Insulators Public Company Limited has always disclosed connected transactions in the Notes to Financial Statement audited by Auditor of Certified Public Accountant.



Management Discussion and Analysis

As the market leader in Porcelain Insulators business and a complete the whole ranges of porcelain insulators that use in distributions and transmissions electricity network in Thailand. The company is committing to quality of the products, continuous improving the production process, reducing the cost, human resources development, and research and development of the new products. These commitments are applicable thought out the company and subsidiaries.

Revenue Structure

Unit : Thousand Baht

Business	Company	Year		Year		Year	
		2017	%	2016	%	2015	%
Porcelain Insulators	Asian Insulators	836,453	25.54	752,666	16.17	820,260	18.81
Engineering	AI Engineering	151,854	4.64	422,989	9.09	28,907	0.66
Vegetable oil and Alternative Energy	AI Energy	2,286,251	69.82	3,478,885	74.74	3,512,097	80.53
Total		3,274,558	100.00	4,654,540	100.00	4,361,266	100.00

Operating Results

The Net Profit for the year 2017 was 255.68 million Baht; while in the year 2016 Net Profit was 293.85 million Baht. The net profit was decreased 38.17 million Baht from the year 2016; or decreased 12.99 %. The main reasons were as follows:

Insulators Business

Asian Insulators Public Company Limited ("AI") realized 838.02 million Baht for revenue from selling Porcelain Insulators and Raw materials in the year 2017 which compared to revenue of the year 2016 was 756.31 million Baht; increased by 10.81 % or 81.71 million Baht. While the cost of goods sold was 463.37 million Baht in the year 2017; compared to cost of goods sold was 440.29 million Baht in the year 2016, decreased by 5.24 % or 23.08 million Baht. The gross profit margin was 374.65 million Baht.

Engineering Business

- AI Engineering Services Company Limited ("AIES" a subsidiary company) realized 151.85 million Baht for revenue from the Engineering Construction in year 2017 which compared to revenue of year 2016 was 423.00 million Baht; decreased 271.15 million Baht, or 64.10% while the cost of construction was 135.55 million Baht in year 2017; compared to cost of construction in year 2016 was 381.56 million Baht; decreased by 246.01 million Baht, or 64.47 %. The gross profit margin was 16.30 million Baht. The main reasons from delays in construction tenders.



Alternative Energy and Vegetable Oil Business

- AI Energy Company limited (“AIE” a subsidiary company) realized the revenue for 2,286.25 million Baht from selling Biodiesel (B100), vegetable oil and it’s by products business in year 2017 which compared to revenue from selling Biodiesel (B100), vegetable oil and it’s by products in year 2016 was 3,478.89 million Baht; decreased 1,192.64 million Baht or 34.28 %. While the cost of goods sold was 2,399.58 million Baht in year 2017; compared to cost of goods sold in year 2016 was 3,323.36 million Baht; decreased 923.78 million Baht or 27.80%. The main reason was stock lost in crude palm oil. The gross loss margin was 113.33 million Baht.

Expenses and Income Tax

- Selling & administration expenses was 192.41 million Baht, decreased 1.79 % in year 2017 compared to year 2016 which was 195.92 million Baht, decreased 3.51 million Baht.

Statement of Income for the year (consolidated)

Unit : million Baht

Description	2017	2016	2015
Sales	3,012.76	4,169.03	4,267.00
Revenues from production contract	77.03	32.58	45.81
Construction contract	151.85	422.99	28.91
Vessel operating income	32.95	29.94	19.55
Total Revenues	3,274.56	4,654.54	4,361.27
Cost of sales	2,759.16	3,699.74	3,921.00
Cost of production contract	62.98	26.85	27.30
Cost of construction contract	135.55	381.56	26.48
Cost of vessel operating	40.77	37.06	22.59
Total Cost of sales	2,998.46	4,145.21	3,997.37
Gross profit	276.10	509.33	354.02
Profit earned from the sale of non-current asset held for sale - net	156.57	-	-
Other income	27.10	17.61	20.62
Share of profit (loss) from investments in associate	(3.71)	1.75	(12.70)
Selling and administrative expenses	192.41	195.92	207.54
Finance costs	1.58	8.01	13.65
Income tax Revenues (Expenses)	(37.50)	(13.62)	3.75
Net Profit	224.57	311.14	144.50
Profit (Loss) Attributable to			
Equity holders of the parent	255.67	293.85	177.86
Minority interest	(31.10)	17.29	(33.36)



Financial Status (Consolidated financial statement)

Assets

- Total assets as December 31, 2017 was 3,183.66 million Baht which was decreased by 341.48 million Baht or 9.69 % compared to December 31, 2016 which was 3,525.14 million Baht. The reason was from the decrease of trade receivables, inventory and Non-current assets held for sale.

Liabilities

- Total liabilities as December 31, 2017 was 218.46 million Baht which was decreased by 174.04 million Baht or 44.34 % compared to December 31, 2016 which was 392.50 million Baht. The reason was from payback the short-term loans.

Shareholders' Equity

- Total Shareholders' Equity as December 31, 2017 was 2,965.20 million Baht which was decreased by 167.44 million Baht or 5.34 % compared to December 31, 2016 was 3,132.64 million Baht. The reason was from dividend payout to shareholders.

Liquidity Ratio

- Liquidity ratio as December 31, 2017 was 6.74 time which increased by 1.84 time compared to the liquidity ratio at the December 31, 2016, which was 4.90 time.
- Debt to equity ratio as December 31, 2017 was 0.07 times which decreased by 0.06 time compared to the December 31, 2016 which was 0.13 time.
-

Remuneration for Auditor

The consolidated balance sheets of Asian Insulators Public Company Limited and its subsidiaries as at December 31, 2016 the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Asian Insulators Public Company Limited for the same periods were audited by

- Mr. Vichai Ruchtanont Certified Public Accountant No.4054
- Mr. Atipong Atpongsalul Certified Public Accountant No.3500
- Mr. Sathen Vongsnan Certified Public Accountant No.3495
- Miss Kultida Pasurakul Certified Public Accountant No.5946
- Mr. Yuttapong Chuamuangpan Certified Public Accountant No.9445

from ANS Audit Co.,Ltd. for AI in the year 2017 was not over 2,100,000 Baht. And Audit fee for subsidiaries are as following.

- | | |
|---|----------------|
| ● AI Engineering Services Company Limited | 700,000 Baht |
| ● AI Logistics Company Limited | 400,000 Baht |
| ● AI Energy Public Company Limited | 2,800,000 Baht |
| ● AI Ports and Terminals Company Limited | 500,000 Baht |



Report of the Audit Committee

The Audit Committees consists solely of three independent directors, namely:-

- | | |
|--------------------------------------|-------------------------------|
| ● Police General Wichean Potephosree | Chairman of Audit Committees |
| ● Mr. Bunlerd Korcharoenporn | Audit Committee |
| ● Dr. Veeraphat Phetcharakupt | Audit Committee |
| Mrs. Mattika Chansuwan | Secretary to Audit Committees |

The Audit Committee has performed its oversight duties set forth in the Audit Committee Charter in line with the regulatory requirements of the Stock Exchange of Thailand, namely : review of financial statements to ensure that they are accurate and adequate; review of internal control to have an adequate system that can achieve its objectives efficiently. The Committee also investigated the compliance with laws, rules and regulations and reviewed of external auditor and its fee.

In year 2017, the Audit Committee had 3 meetings. Each meeting had invited the external auditor to attend the meeting as well. After the meeting, the Audit Committee had reported and expressed their opinion to the Board of Directors. The key activities of Audit Committee in year 2017 are summarized as follows:

1. The Audit Committee held quarter's meeting with the external auditor and chief of Financial Officer to review the company's accounting system to ensure that the company observed the accounting standard and the adequate and timely information disclosure.
2. At quarterly intervals, the company's financial statement and the report from external auditor were reviewed for appropriate and sufficient direction over the financial statements preparation process and that the company's financial statement are deemed to be reliable, having been prepared in accordance with generally accepted accounting standards before propose to the Board of Directors for approval.
3. The internal control system was reviewed to ensure that the company has an adequate internal control system for its business, and achieves the objectives efficiently.
4. The Audit Committee has evaluated the performance of ANS Audit Co.,Ltd.
 - Mr. Vichai Ruchtanont Certified Public Accountant No.4054
 - Mr. Atipong Atongsalul Certified Public Accountant No.3500
 - Mr. Sathen Vongsnan Certified Public Accountant No.3495
 - Miss Kultida Pasurakul Certified Public Accountant No.5946
 - Mr.Yuttapong Chuamuangpan Certified Public Accountant No.9445

over the past year and has recommended to the Board of Directors for submission for approval by the shareholders at the Annual General Meeting, the re-appointment as external auditors.

(Police General Wichean Potephosree)

Chairman of Audit Committee



AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Asian Insulators Public Company Limited

Qualified Opinion

I have audited the accompanying consolidated and separate financial statements of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion paragraph No.1 and No.2, on the consolidated financial statements for the year 2017, the accompanying consolidated and separate financial statements referred to above fairly present, in all material respects, the consolidated and separate financial position as at December 31, 2017 and the consolidated and separate financial performance and cash flows for the year then ended of Asian Insulators Public Company Limited, and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion

1. As discussed in Note to Financial Statements No. 31.5, the subsidiary, AI Energy Public Company Limited, received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. Management provided a clarification of the facts to the SEC.

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the subsidiary in case of the preparation of incorrect financial statements for the year 2014, as the subsidiary auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

2. As discussed in the Note to financial statements No.13, the consolidated financial statements for the years ended December 31, 2017 and 2016 of Asian Insulators Public Company Limited, included an investment in the PPC Asian Insulators Company Limited, an associated company, based on financial statements of the associated company which had not been audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2017 and 2016 amounted to Baht 2.64 million and amounted to Baht 6.35 million, respectively, representing 0.08% and 0.18% of total assets in the consolidated financial statements, and the share of net profit (loss) under the equity method of the associated company in the consolidated financial statements for the years ended December 31, 2017 and 2016 amounted to Baht (3.71) million and Baht 1.76 million, respectively, representing 1.65% and 0.56% of consolidated net profit. Therefore, my audit opinion was qualified.



I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the section of my report titled “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements”. I am independent of the Group in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters, except with respect to the matter as mentioned in the Basis for qualified opinion paragraph.

Recognition of revenue from sale of porcelain insulators and components

Risk

As mentioned in Note to Financial Statements No. 3, as at December 31, 2017, the Company has recognized the undelivered sale of porcelain insulators and components, in the amount of Baht 101.93 million, to state enterprise customers who have already committed to the purchases. This is according to the customers’ requested arrangement whereby they own, and commit to the liability for, the products.

Auditor’s Response

I gained an understanding of, and tested, the internal control on the revenue recognition from the undelivered sales. I tested both the evidence of ownership of, and the acceptance of liability by, the customers on a sampling basis to ensure the following:

- It is highly probable that delivery will be made.
- Buyer specifically acknowledges the deferred delivery instructions.
- Usual payment terms apply.
- Items are on hand, and are identified and ready for delivery to the buyer at the time the sale is recognized.

Recognition of Revenue from Construction Contracts

Risk

The subsidiary, AI Engineering Services Company Limited, has revenue from construction contracts for the year ended December 31, 2017 in the amount of Baht 151.85 million. The subsidiary recognized revenue based on the stage of completion of contracts which it assessed with reference to the proportion of contract costs incurred for the work performed as at the statement of financial position date, relative to the estimated total costs of the contract at completion. The recognition of revenue, therefore, relies on estimates on the stage of completion of each contract. Profit or loss on contracts is a key risk for the



audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenue recognized in the year ended December 31, 2017.

Auditor's Response

My audit procedures included sampling selecting those contracts that could have a significant impact on the Group's financial results in order to assess the appropriateness of Management's estimated total construction cost by verification with reliable sources of external and internal audit evidence. I verified the propriety of the state of completion for the sampled items by verifying them with purchase documents and testing the basis of their calculation, and comparing them with calculations from the Company's engineers. In addition, I also conducted site visits for certain significant projects from the selected sampled items.

Quantity of inventories

Risk

As mentioned in Note to the Financial Statement No.10, as at December 31, 2017, AI Energy Public Company Limited, its subsidiary has outstanding inventories in amount of Baht 152.58 million. The calculation of the quantities of ending inventories must include the measurement and calculation methods, for which there are many variables. Such calculation is complex.

Auditor's Response

I gained an understanding of the subsidiary's physical stock-take plan and the variables involved in calculating the quantities of inventories. Further, I tested the calculation of inventory quantities and observed physical stock-take.

Inventory Valuation

Risk

AI Energy Public Company Limited, its subsidiary calculated the cost of inventories. This is a complex formula that may cause errors with respect to inventory costing. In addition, inventories are presented at cost or net realizable value, whichever is the lower. Therefore, Management must use significant judgment in determining the appropriate amount of allowance for devaluation of inventories.

Auditor's Response

I gained an understanding of the Subsidiary's inventory costing method and tested the computation of the cost of the outstanding inventories. Then, I performed an analytical review of the unit cost of inventory of current year as compared to the previous year in order to identify possible irregularities in the costing.

In addition, I assessed and considered the appropriateness of the assumptions used by Management for its determination of the allowance for devaluation of inventories and tested the calculation for the net realizable value. I then considered the appropriateness of the allowance for inventory devaluation on the outstanding inventory.



Other information

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

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

When I read the annual report, 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.

However, as discussed in the paragraph titled "Qualified Opinion", the investment in the PPC Asian Insulator Company Limited of associated company is recorded based on financial statements prepared by the management of associated company that was not audited by the Company's auditors, and, hence, are limited in scope. Therefore, if the management of the Company prepared Information other than financial statements and the auditor's report from sources that are limited in scope, then the annual report may be likewise be affected from that limited scope of information.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 consolidated 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 27, 2018



Appendix

My practice includes the following:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 cause 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 consolidated 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



Corporate Social Responsibility Activities

As a manufacturer operating in accordance with good corporate governance principles, Asian Insulators Public Company Limited does business ethically for the betterment of society and environment. The Company acknowledges our responsibility to society and the environment and has been involved in various social contribution activities that are also responsible through our personnel.

The Company Corporate Social Responsibility can be categorized into four areas; society, environment, customers and employees. These activities have included :

Excellent Establishment on Labour Relations and Welfare 2017 by Ministry of Labour



Blood Donation for The Thai Red Cross Society 22 May 2017





The personnel and environment

The company treats workers fairly by LPA (No. 2) BE 2551 Labour Relations Act.

2518 Workmen's Compensation Act 2537 Act fund (No. 2) Act 2542, the Social Security Act 2553

Labor relations and operations with legal requirements humanitarian grounds. Human rights and the planned employment policies.

No child labor The agency responsible for labor relations, direct monitoring. He is assured.

Operations of the Company No forced labor, no child labor.

Human Resource Development

The Company recognizes the importance of staff development. Thus promoting the development staff with knowledge and skills in line with the strategic plan. And the business plans of the Company Continuous The operation, according to the company's policies.

- Provide training within the company. By inviting speakers from outside to educate employees.
- Providing scholarships for employees to raise the qualifications, experience and advances to employees of the company. In that it is the executive that has the ability. And performance
- Developing and updating courses. The learning via electronic media. So that employees can get information anytime anywhere with internet access.



Asian Insulators Subsidiaries

AI Engineering Services Company Limited

Address : 254 Seri Thai Road, Kannayaow, Bangkok 10230 Thailand

Tel. 0 2540 0990 – 1 Fax. 0 2540 0993 Email : aies@aiengineering.co.th

AI Energy Public Company Limited

Address : 55/2 Moo 8, Klongmadaur District, Amphur Krathumban, Samutsakorn 74110 Thailand

Tel. 034 877485, 034 877486, 034 877487, 034 877488

Fax. 034 877491, 034 877492 Email : aienergy@aienergy.co.th