

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR' S REPORT
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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Auditor's Report

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

I have audited the accompanying consolidated (Restated) 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, 2015, the consolidated and separate statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion on the consolidated and separate statements of financial position, the separate statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows, and for disclaimer of opinion on the consolidated statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows.



Basis for Disclaimer of Opinion on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows

1. I did not observe the physical inventory taking as at December 31, 2014 of AI Energy Public Company Limited which is the subsidiary of Asian Insulators Public Company Limited. I am unable to satisfy myself by mean of other audit procedures on the quantity and valuation of the inventory balances of the subsidiary as at December 31, 2014 of Baht 434.10 million shown in the consolidated statements of financial position. As a result, I am unable to conclude whether there could be any necessary adjustments on the reporting profit in the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows.
2. The predecessor auditor of Asian Insulators Public Company Limited and its subsidiaries disclaimed an opinion on the Company's consolidated financial statements ended December 31, 2014 (Before restated) of Asian Insulators Public Company Limited and its subsidiaries whose report dated March 24, 2015 due to AI Energy Public Company Limited, its subsidiary, had no effective of internal control regarding to cost of sales and inventories including misappropriation of assets utilization. As a result, information and evidence about the production transaction is not reasonable and the controlling process of taking raw materials and goods in and out of the factory is not proper. This evidence has impact on cost of sales and inventories including other related accounts.

As discussed in Note to Financial Statements No. 33.5, the subsidiary 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 predecessor auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. The subsidiary's former 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 (Before restated), as the predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

Consequently, the subsidiary's current management had investigated and prepared the new documentation to support the accounting transactions related to above matter No.2 in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the consolidated financial statements for the years ended December 31, 2015 and 2014 as shown in Note to Financial Statements No. 38.

I have audited the evidences supporting the accounting transactions prepared by the subsidiary's current management. However certain supporting evidences are newly prepared. As a result, I am unable to obtain the sufficient appropriate evidence to conclude that the newly prepared supporting evidence represent the evidences supporting the accounting transactions which have been arrived from the normal internal control environment.

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Due to the impact of the above matters No. 1 and No.2, I was unable to conclude whether the outstanding balances on the consolidated financial statements for the year 2014 have been correctly brought forward to the current year or have been appropriately restated. There might be adjustments which may significantly effected the consolidated financial statements for the year 2015, or effected on the comparability of the current year's figures and the corresponding figures. Accordingly, I am unable to express an opinion on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flow.

Disclaimer of Opinion on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows

Because of the significance of the matters described in the Basis of Disclaimer of Opinion on the Consolidated Statement of Profit or Loss and Other Comprehensive Incomes, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flow for the year ended December 31, 2015 of Asian Insulators Public Company Limited and its subsidiaries.

Basis for Qualified Opinion on the Consolidated Statement of Financial Position

As discussed in Basis for Disclaimer of Opinion on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows paragraph, I was unable to conclude whether any adjustment were necessary to be made to the Company's consolidated statement of financial position of the year 2015, and whether these might be the possible effect of this matter on the comparability of the current year's figures and the corresponding figures. My opinion is qualified on the consolidated statement of financial position.

As discussed in the Note to financial statements No.12, the financial statements for the year ended December 31, 2015 of PPC Asian Insulator Company Limited, an associated company, is based on the management's information which had not been audited by an auditor. The Company's consolidated financial statements for the year ended December 31, 2015, included an investment in equity method amounted to Baht 4.59 million, and attribute loss from associated for the year ended December 31, 2015 amounted to Baht 12.70 million. I have not been able to obtain sufficient appropriate audit evidence regarding investments and loss from associated company in the consolidated financial statements. Accordingly, I was unable to conclude if there might be any adjustments were necessary to be made to these accounts.

Qualified Opinion on the Consolidated Statement of Financial Position

In my opinion, except for the possible effect of the matter described in Basis for Qualified Opinion on the Consolidated Statement of Financial Position paragraph, the consolidated statement of financial position referred to above present fairly, in all material respects, the consolidated statement of financial position as at December 31, 2015 of Asian Insulator Public Company Limited and its subsidiaries, in accordance with Thai Financial Reporting Standards.



Basis for Qualified Opinion on the Separate Financial Statement

As discussed in the Note to financial statements No.12, the financial statements for the year ended December 31, 2015 of PPC Asian Insulator Company Limited, an associated company, is based on the management's information which had not been audited by an auditor. The Company's separate financial statements for the year ended December 31, 2015, included an investment in cost method amounted to Baht 5.40 million. I have not been able to obtain sufficient appropriate audit evidence about investments and its impairment in the separate financial statement. Accordingly, I was unable to conclude if there might be any adjustments were necessary to be made to these accounts.

Qualified Opinion on the Separate Financial Statement

In my opinion, except for the possible effect of the matter described in Basis for Qualified Opinion to the Separate Financial Statements paragraph, the separate financial statements referred to above present fairly, in all material respects, the separate statement of financial position as at December 31, 2015 and the separate financial performance and cash flows for the year then ended of Asian Insulator Public Company Limited, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

1. I have ever reported on the audit of the consolidated financial statements for the year ended December 31, 2015 dated March 29, 2016 by disclosing that the production yield of AI Energy Public Company Limited, its subsidiary, during the period of January to June 2015 was significantly lower than normal production yields. I received clarification letters of such events from the subsidiary's Audit Committee, Managing Director, Factory Manager, Accounting and Finance Manager, Quality Control Manager, and Logistics Supervisor on March 28, 2016 which I had not been able to obtain the sufficient evidence to support the appropriateness of such clarification.

As discussed in Note to Financial Statements No.33.6, the subsidiary engaged the National Metal and Materials Technology Center of National Science and Technology Development Agency to verify the result on the subsidiary's biodiesel production process to assess the appropriateness of such low production yield and found out that the loosed quantity of oil from the tank washing process are in line with production yield reported by the subsidiary. The loosed quantity of oil from the process resulting in an unusual low production yield may be caused by the imperfect separation of layers. I have tested computation and verified the evidences supporting the related production information and found they are in line with the subsidiary management's clarification.

2. As discussed in the Note to financial statements No. 38, the Company had prepared the consolidated financial statements for the years ended December 31, 2015 (Before restated) and 2014 (Before restated) and published the financial statements on March 29, 2016 and March 24, 2015 respectively. In 2016, the Company disclosed an accounting error in respect of the non-controlling interest. The Company therefore restated the consolidated financial statements for the years ended December 31, 2015 and 2014.



Other Matter

The consolidated and separate financial statements for the year ended December 31, 2014 (Before restated) , of Asian Insulator Public Company Limited and its subsidiaries were audited by other auditor, whose report dated on March 24, 2015, contained a disclaimer of opinion on those consolidated financial statements regarding the inability to obtain the sufficient appropriate audit evidences on the inventory balances and expressed a qualified opinion on the separate financial statements regarding the financial statement of an associated company is based on the management's information which had not been audited by an auditor.



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, April 26, 2018

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

		Unit : Baht				
		Consolidated financial statements		Separate financial statements		
		2015	2014	2015	2014	
Notes		(RESTATED)	(RESTATED)			
ASSETS						
Current assets						
	Cash and cash equivalents	5	154,714,222	204,456,053	29,358,236	12,433,105
	Current investments	6	419,179,862	259,340,524	216,342,649	39,608,531
	Trade and other receivables - net	4, 7, 38	545,627,792	636,762,370	220,808,798	137,285,786
	Unbilled receivables	8, 38	19,667,969	17,718,276	-	-
	Inventories - net	9, 38	464,814,914	543,630,018	86,119,954	108,897,222
	Oil supplies	10	1,986,547	2,368,196	-	-
	Non-current assets held for sale - net	11	-	2,540,000	-	-
	Total current assets		1,605,991,306	1,666,815,437	552,629,637	298,224,644
Non-current assets						
	Investments in associated company - net	12	4,589,145	17,290,878	5,400,000	26,400,000
	Investments in subsidiaries	13	-	-	862,555,182	862,555,182
	Pledged deposits at financial institution	14	3,555,800	2,000,000	-	-
	Property, plant, vessel and equipment - net	15, 38	1,982,448,949	2,030,764,902	593,948,313	652,787,291
	Intangible assets - net	16	4,013,424	5,041,183	3,907,108	4,896,137
	Deferred tax assets	26	18,080,860	3,928,073	6,284,878	3,512,259
	Other non-current assets	38	14,042,935	17,055,411	311,892	311,892
	Total non-current assets		2,026,731,113	2,076,080,447	1,472,407,373	1,550,462,761
	Total assets		3,632,722,419	3,742,895,884	2,025,037,010	1,848,687,405

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Notes		(RESTATED)	(RESTATED)		
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
	Bank overdrafts and short-term loans from financial institutions	17	324,034,630	366,918,380	- 50,000,000
	Trade and other payables	4, 18, 38	163,456,677	257,864,246	54,514,669 48,523,929
	Current portion of long-term loan from financial institutions	19	-	22,080,000	- -
	Advance received and deferred construction revenue	8	28,258,977	617,446	- -
	Income tax payable	38	9,276,433	38,850,928	5,511,648 2,272,041
	Total current liabilities		525,026,717	686,331,000	60,026,317 100,795,970
Non-current liabilities					
	Long-term loan from financial institutions - net	19	-	76,880,000	- -
	Non-current provisions for employee benefits	20	36,564,209	30,809,593	20,710,451 17,685,656
	Total non-current liabilities		36,564,209	107,689,593	20,710,451 17,685,656
	Total liabilities		561,590,926	794,020,593	80,736,768 118,481,626

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Notes		(RESTATED)	(RESTATED)		
Shareholders' equity					
	Authorized share capital				
	Common shares 2,800,000,000 shares at Baht 0.25 each				
	(2014 : Common shares 500,000,000 shares at Baht 1 each)	700,000,000	500,000,000	700,000,000	500,000,000
Issued and fully paid-up share capital					
	Common shares 2,799,996,084 shares at Baht 0.25 each				
	(2014 : Common shares 500,000,000 shares at Baht 1 each)	699,999,021	500,000,000	699,999,021	500,000,000
	Premiums on share capital	902,769,092	902,769,092	902,769,092	902,769,092
Retained earnings (deficits)					
	Appropriated				
	Legal reserve	61,815,719	50,000,000	61,815,719	50,000,000
	Unappropriated	(524,115,415)	(467,936,479)	279,716,410	277,436,687
Other components of shareholders' equity					
	Difference on business combination under common control	(3,258,930)	(3,258,930)	-	-
	Capital surplus from share premium of subsidiary	360,580,334	360,580,334	-	-
	Gain on disposal of investment in subsidiaries	861,442,927	861,442,927	-	-
	Total shareholders' equity of the Company	2,359,232,748	2,203,596,944	1,944,300,242	1,730,205,779
	Non-controlling interests	711,898,745	745,278,347	-	-
	Total shareholders' equity	3,071,131,493	2,948,875,291	1,944,300,242	1,730,205,779
	Total liabilities and shareholders' equity	3,632,722,419	3,742,895,884	2,025,037,010	1,848,687,405

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(RESTATED)	(RESTATED)		
Notes	3, 4, 28, 30, 32, 38				
Revenues					
		4,267,000,441	5,083,557,551	812,778,070	694,312,430
		45,810,022	133,541,324	-	-
		28,906,788	297,270,666	-	-
		19,549,187	35,291,157	-	-
		-	1,000,000	-	-
		20,619,137	28,760,500	7,308,304	11,981,912
	13	-	-	9,983,929	21,964,643
		<u>4,381,885,575</u>	<u>5,579,421,198</u>	<u>830,070,303</u>	<u>728,258,985</u>
Expenses					
		(3,921,176,555)	(4,605,799,958)	(477,923,968)	(441,747,034)
		(37,003,291)	(78,126,200)	-	-
		(26,484,248)	(222,103,860)	-	-
		(22,589,099)	(47,143,226)	-	-
		-	(496,687)	-	-
		(48,446,462)	(62,040,327)	(5,228,127)	(5,976,763)
		(159,094,248)	(151,130,550)	(82,032,656)	(64,070,218)
		(13,650,099)	(27,818,098)	(1,899,518)	(3,726,217)
	12	-	-	(21,000,000)	-
	12	(12,701,732)	(7,101,936)	-	-
		<u>(4,241,145,734)</u>	<u>(5,201,760,842)</u>	<u>(588,084,269)</u>	<u>(515,520,232)</u>
		<u>140,739,841</u>	<u>377,660,356</u>	<u>241,986,034</u>	<u>212,738,753</u>
	27	3,752,343	(52,740,149)	(5,671,660)	(4,658,733)
		<u>144,492,184</u>	<u>324,920,207</u>	<u>236,314,374</u>	<u>208,080,020</u>
		-	-	-	-
		<u>144,492,184</u>	<u>324,920,207</u>	<u>236,314,374</u>	<u>208,080,020</u>
Profit (loss) attributable to :					
		177,855,715	288,192,192	236,314,374	208,080,020
		(33,363,531)	36,728,015	-	-
		<u>144,492,184</u>	<u>324,920,207</u>	<u>236,314,374</u>	<u>208,080,020</u>
Total comprehensive income (loss) attributable to :					
		177,855,715	288,192,192	236,314,374	208,080,020
		(33,363,531)	36,728,015	-	-
		<u>144,492,184</u>	<u>324,920,207</u>	<u>236,314,374</u>	<u>208,080,020</u>
Earnings per share					
	23	0.06	0.10	0.08	0.07
		2,799,996,084	2,799,996,084	2,799,996,084	2,799,996,084

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

Consolidated financial statements

Notes	Equity attributable to equity holders of the Company										Total Shareholders' Equity
	Retained earnings (Deficits)			Other components of shareholders' equity				Total		Non-controlling interests	
	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Difference on combination under control	Capital surplus from share premium of subsidiary	Cash on disposal of investment in subsidiaries	Total other components of shareholders' equity	Equity holders of the Company		
38	500,000,000	902,769,092	50,000,000	(640,054,469)	(3,258,930)	360,580,334	861,442,927	1,218,764,331	2,031,478,954	923,607,087	2,955,086,041
	500,000,000	902,769,092	50,000,000	(467,936,479)	(3,258,930)	360,580,334	861,442,927	1,218,764,331	172,117,990	(178,328,740)	(6,210,750)
21	199,999,021	-	-	-	-	-	-	-	199,999,021	-	199,999,021
25	-	-	11,815,719	(11,815,719)	-	-	-	-	-	-	-
24	-	-	-	(222,218,932)	-	-	-	-	(222,218,932)	(16,071)	(222,235,003)
38	699,999,021	902,769,092	61,815,719	(524,115,415)	(3,258,930)	360,580,334	861,442,927	1,218,764,331	2,359,232,748	711,898,745	3,071,131,493
	500,000,000	902,769,092	50,000,000	293,810,159	(3,258,930)	360,580,334	861,442,927	1,218,764,331	2,965,343,582	708,585,689	3,673,929,271
24	-	-	-	(1,049,938,830)	-	-	-	-	(1,049,938,830)	(35,357)	(1,049,974,187)
38	500,000,000	902,769,092	50,000,000	(467,936,479)	(3,258,930)	360,580,334	861,442,927	1,218,764,331	2,203,596,944	36,728,015	324,920,207
	500,000,000	902,769,092	50,000,000	(467,936,479)	(3,258,930)	360,580,334	861,442,927	1,218,764,331	2,203,596,944	745,278,347	2,948,875,291

.....Director
 (Naiyong Tharatanavibool)

.....Director
 (Thanit Tharatanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Notes	Separate financial statements							Total Shareholders' Equity
		Issued and paid-up share capital	Premiums on share capital	Retained earnings			Other components of shareholders' equity		
				Appropriated to legal reserve	Unappropriated	Shareholders' Equity			
Balance as at January 1, 2015		500,000,000	902,769,092	50,000,000	277,436,687	-	-	1,730,205,779	
Changes in shareholders' equity for the year:									
Increase ordinary shares	21	199,999,021	-	-	-	-	-	199,999,021	
Legal reserve	25	-	-	11,815,719	(11,815,719)	-	-	-	
Dividend paid	24	-	-	-	(222,218,932)	-	-	(222,218,932)	
Total comprehensive income for the year		-	-	-	236,314,374	-	-	236,314,374	
Balance as at December 31, 2015		699,999,021	902,769,092	61,815,719	279,716,410	-	-	1,944,300,242	
Balance as at January 1, 2014		500,000,000	902,769,092	50,000,000	1,119,295,497	-	-	2,572,064,589	
Changes in shareholders' equity for the year:									
Dividend paid	24	-	-	-	(1,049,938,830)	-	-	(1,049,938,830)	
Total comprehensive income for the year		-	-	-	208,080,020	-	-	208,080,020	
Balance as at December 31, 2014		500,000,000	902,769,092	50,000,000	277,436,687	-	-	1,730,205,779	

.....Director
(Narong Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015 (RESTATED)	2014 (RESTATED)	2015	2014
Cash Flows from Operating Activities				
Profit before income tax expenses	140,739,841	377,660,356	241,986,034	212,738,753
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	149,691,649	139,546,526	67,067,699	67,842,073
Amortization of computer softwares	1,998,615	1,934,575	1,954,978	1,893,251
Amortization of other non-current assets	-	733,681	-	-
(Gain) Loss on equipment disposal	154,921	(124,128)	(43,085)	(162,561)
Loss on unused equipment	-	524,810	-	-
Unrealized gain on investments in Open-end Fund	(2,701,742)	(3,056,471)	(305,717)	(124,360)
Reverse on doubtful debts	-	(431,851)	-	-
Bad debts	-	18,518	-	-
Loss on impairment of assets	5,990,192	-	5,990,192	-
Loss on diminution of inventories	4,723,745	120,260	4,723,745	-
Loss on diminution of non-current assets classified as held for sale	-	1,934,990	-	-
Loss on impairment of investment in associate	-	-	21,000,000	-
Share of loss from investment in associate	12,701,732	7,101,936	-	-
Dividend income	-	-	(9,983,929)	(21,964,643)
Unrealized (gain) loss on exchange rates	(495,576)	133,347	(523,740)	14,552
Long-term employee benefit expenses	5,754,616	4,941,619	3,024,795	2,726,236
Interest income	(739,926)	(2,388,574)	(158,815)	(1,640,855)
Interest expenses	11,630,564	24,404,595	889,480	2,636,075
Amortization of withholding tax	435,684	80,992	-	-
Gain from operating activities before changes				
in operating assets and liabilities	329,884,315	553,135,181	335,621,637	263,958,521
Changes in operating assets - (increase) decrease				
Trade and other receivables	91,120,528	(252,692,638)	(83,523,011)	(40,928,845)
Unbilled receivables	(1,417,492)	(15,419,547)	-	-
Inventories	74,473,010	(35,959,292)	18,053,523	27,951,221
Oil supplies	-	2,452,957	-	-

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015 (RESTATED)	2014 (RESTATED)	2015	2014
Non-current assets classified as held for sale	2,540,000	(2,440,000)	-	-
Other non-current assets	2,071,650	(8,747,400)	-	-
Changes in operating liabilities - increase (decrease)				
Trade and other payables	(97,356,280)	99,726,717	3,988,130	(23,412,227)
Advance received and deferred construction revenue	27,687,826	(15,811,667)	-	-
Cash provided by operating activities	429,003,557	324,244,311	274,140,279	227,568,670
Payment for employee benefit obligations	-	(10,917,030)	-	(10,061,570)
Refund of income tax	-	3,106,833	-	-
Income tax paid	(39,974,940)	(163,577,245)	(5,204,672)	(155,273,224)
Net cash provided by operating activities	389,028,617	152,856,869	268,935,607	62,233,876
Cash Flows from Investing Activities				
Interest received	739,926	2,394,134	158,815	1,640,855
Increase in fixed deposits with obligation	(1,555,800)	-	-	-
Short-term investments	(157,137,597)	875,234,644	(176,428,402)	880,217,874
Dividend income from investments in subsidiary	-	-	9,983,929	21,964,643
Purchase of property, plant, vessel and equipment	(105,524,826)	(174,033,408)	(12,850,389)	(17,777,577)
Proceeds from disposal of equipment	119,515	168,126	78,935	201,246
Payment for purchases of intangible assets	-	(81,192)	-	-
Payment assets payable	-	(2,676,301)	-	(511,407)
Payment deposit on assets	-	(6,798,123)	-	(1,107,521)
Net cash provided by (used in) investing activities	(263,358,782)	694,207,880	(179,057,112)	884,628,113

.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015 (RESTATED)	2014 (RESTATED)	2015	2014
Cash Flows from Financing Activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(42,883,751)	223,300,570	(50,000,000)	-
Interest paid	(11,331,931)	(24,102,879)	(733,453)	(2,474,021)
Increase in long-term loans from financial institutions	-	110,000,000	-	-
Payment for long-term loans from financial institutions	(98,960,000)	(99,669,589)	-	-
Dividend payment	(22,219,912)	(1,049,938,830)	(22,219,911)	(1,049,938,830)
Subsidiary's dividend paid to non-controlling interests	(16,072)	(35,357)	-	-
Net cash used in financing activities	(175,411,666)	(840,446,085)	(72,953,364)	(1,052,412,851)
Net increase (decrease) in cash and cash equivalents	(49,741,831)	6,618,664	16,925,131	(105,550,862)
Cash and cash equivalents at beginning of the years	204,456,053	197,837,389	12,433,105	117,983,967
Cash and cash equivalents at end of the years	154,714,222	204,456,053	29,358,236	12,433,105

Supplemental disclosures of cash flows information

Non-cash transactions consisted of:

Assets payable for plant and equipment	3,086,355	13,629,680	2,370,322	3,001,151
Transferred deposit to plant and equipment	-	20,695,920	-	150,000
Transferred machinery to non-current assets classified as held for sale	-	2,034,990	-	-
Increase share capital to accommodate the stock dividend	199,999,021	-	199,999,021	-
Effect of adjusted actuarial losses from employee benefit plan				
- Increase in deferred tax assets	-	-	-	216,064
- Increase in provision for long-term employee benefits	-	-	-	(1,080,319)
- Decrease in retained earnings	-	-	-	864,255

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

Asian Insulators Public Company Limited (“the Company”) was registered as a Thai limited-company under the Civil and Commercial Code on May 12, 1981, and was registered as a public company limited with the Ministry of Commerce on March 19, 2004. The Company was listed on the Stock Exchange of Thailand on September 9, 2004.

The Company’s main businesses are as producing and selling porcelain insulators and electrical equipment.

The Company’s registered office is located at No. 254 Seri Thai Road, Khan naa yao Sub-District, Khan na yao. District Bangkok and The Factory located at No. 99 Moo 2, Asia Highway Road, Km. 70 -71 Tambol Banmor, Amphur Promburi, Singburi Province.

2. BASIS FOR OF PRESENTATION FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements included the financial statements of the Company and its subsidiaries (“the Group”) and its equity in associate by shareholding in subsidiaries and associate as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			December 31, 2015	December 31, 2014
Subsidiaries directly held by the Company				
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	Thailand	99.84	99.84
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	Thailand	59.59	59.59
Subsidiaries held by AI Energy Public Company Limited				
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	Thailand	100.00	100.00
AI Ports and Terminals Company Limited	(1) Servicing port (2) Distributing ice (3) Trading electrical equipment, vegetable oil and other fuel oil	Thailand	100.00	100.00
Associate				
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	Thailand	25.10	25.10

- b) The Company is deemed to have control over an investee or subsidiaries if the Company has rights, or is exposed, to variable returns from its involvement with the investee, and the Company has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Significant balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) Investments in associate are stated by equity method in the consolidated financial statement.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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The separate financial statements, which presented investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

a) Financial reporting standards that became effective in the current year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in other comprehensive income. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015, there will be no impact on provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

The Company and subsidiaries recognize revenues from sales and services when the significant risks and rewards of ownership of the goods have passed to the buyer, and services are already rendered to customers.

Subsidiary recognizes revenues from construction contract under percentage of completion method. Current portion of additional income and other contracts with working period within one year are recognized in proportion to the completed construction and being billed for collection.

Subsidiary recognizes revenues from vessel operating on the proportion of time travelled compared with the total time to be taken of that trip.

Subsidiary recognizes revenues from loading of goods, revenue from warehousing and other services when those services are already rendered.

The Company and subsidiaries recognize other revenues and expenses on an accrual basis.

3.2 Cash and cash equivalents

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

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

3.3 Short-term investments

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of trading securities disposed during the year is calculated by the weighted average method.

3.4 Allowance for doubtful accounts

Subsidiaries set up allowance for doubtful accounts from the estimated loss which may be incurred where collection is doubtful.

3.5 Unbilled receivables / Deferred construction revenue

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

The contracts which have construction value more than amount billed to customers will be presented under current assets. For those contracts which have the amount billed more than the construction value will be presented as "Deferred construction revenue" under current liabilities.

3.6 Inventories

Finished goods and raw materials are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

Goods in process are stated at average cost of raw materials plus wages and manufacturing expenses.

3.7 Construction contracts in progress

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

3.8 Oil supplies

Oil supplies stated at cost are calculated by the weighted average method.

3.9 Non-current assets classified as held for sale

Saleable assets are stated at book value or net fair value, whichever is the lower. The Company set up the provision for diminution in saleable assets by estimating from the realizable sale value.

3.10 Investments

Investments in associate mean that company in which the group company has shareholding and significant influence over the group company. That is, the parent company has power to participate in determining the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associate are stated by equity method for the consolidation and by cost method after provision for diminution in investment for the separate financial statements.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

Cost of investments in subsidiaries disposed during the year is calculated by the weighted average method.

3.11 Property, plant, vessel and equipment

Property, plant, vessel and equipment are stated at cost. Depreciation for land improvement, plant, vessel and equipment is calculated by the straight-line method based on the estimated useful life of following assets:

Particulars	Useful Life (Years)	
	Consolidated	Separate Financial Statements
No depreciation is provided on land and assets under construction and installation		
Land improvement	5 - 10	5
Building and structures	5 - 40	20
Building improvement	10	10
Utility systems	5 - 20	5
Machinery and accessories	5 - 20	5 - 10
Vessel and improvement	3 - 10	-
Tools and instruments	5	5
Office furniture and equipment	5	5
Motor vehicles	5 - 20	5

3.12 Borrowing cost

The Company and subsidiaries recorded the interest on loan for machinery construction as part of machinery under installation until they are ready for utilization according to its objective.

3.13 Intangible assets

Intangible assets are computer system development expenses and deferred computer softwares to be amortized by the straight-line method within 5 - 10 years.

3.14 Income Taxes

Deferred tax assets/liabilities

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

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

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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

Income tax expenses

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

3.15 Employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

When the actuarial assumptions are changed, the Company recognized actuarial gains or losses in the other comprehensive income for the period in which they arise.

3.16 Basic earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of issued common shares during the year as dilution of par value taking place since January 1, 2014.

3.17 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.18 Significant accounting judgements and estimates

Allowance for doubtful accounts

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

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Impairment of investments

Management assesses the impairment of investments in subsidiaries company by considering the operating result and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

Allowances for impairment of assets

The Company and subsidiaries consider asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of recoverable amount is requires judgment. An impairment loss is recognized as an expense in the statement of comprehensive income.

Property, plant and equipment

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

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

Leases

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

Post-employment benefits under defined benefit plans

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Deferred tax assets

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



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

4. RELATED PARTIES TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market value or, where no market value exists, at contractually agreed prices. Sale of hybrid clay and repurchase of scrap clay with PPC Asian Insulators Company Limited are conducted at agreed prices on the basis determined by both parties.

Details of the related parties are as follows;

Name	Nature of business	Nature of relationships
Subsidiaries directly held by the Company		
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	99.84 % holding of interest
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	59.59 % holding of interest
Subsidiaries held by AI Energy Public Company Limited		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00 % holding of interest
AI Ports and Terminals Company Limited	(1) Servicing port (2) Distributing ice (3) trading electrical equipment vegetable oil and other fuel oil	100.00 % holding of interest
Associate		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	25.10 % holding of interest
Related companies		
Smart Palm Company Limited	Crude Palm Oil	Director is relative of the directors of the Company
Smart Palmoil Company Limited	Crude Palm Oil	Director is relative of the directors of the Company
Smart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2015 and 2014 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	3,792,580	4,292,441	3,792,580	4,272,114
AI Engineering Services Co., Ltd.	-	-	-	10,227,752
AI Logistics Co., Ltd.	-	-	12,250,000	-
AI Ports and Terminals Co., Ltd.	-	-	17,423,000	2,960,000
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	149,695,676	207,557,000	149,695,676	207,557,000
Dividend income				
AI Engineering Services Co., Ltd.	-	-	9,983,929	21,964,643
Other income - rental and services				
PPC Asian Insulators Co., Ltd.	1,543,706	2,681,970	1,543,706	2,681,970
AI Engineering Services Co., Ltd.	-	-	1,224,870	1,238,515
AI Energy Public Co., Ltd.	-	-	1,134,323	1,198,954
AI Logistics Co., Ltd.	-	-	606,426	574,642
AI Ports and Terminals Co., Ltd.	-	-	532,729	559,990
Purchases goods				
Samart Palm Co., Ltd.	27,366,310	17,436,582	-	-
Samart Palmoil Co., Ltd.	28,665,777	19,745,072	-	-
Samart Palm Industry Co., Ltd.	41,518,704	4,670,505	-	-
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	60,168,198	131,529,109	60,168,198	131,529,109
Purchase of goods and consumed supply				
PPC Asian Insulators Co., Ltd.	61,506	91,550	61,506	91,550
AI Energy Public Co., Ltd.	-	-	39,650	45,065

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short - term employee benefits	54,222,597	47,755,977	27,712,159	26,691,734
Long-term post-employment benefits	1,285,657	1,081,365	575,605	553,240
Total directors and management's remuneration	55,508,254	48,837,342	28,287,764	27,244,974

The Company had significant balances with related parties as at December 31, 2015 and 2014, as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable				
PPC Asian Insulators Co., Ltd.	16,820,855	35,042,877	16,817,285	35,042,877
Other receivables				
PPC Asian Insulators Co., Ltd.	44,115	546,593	44,115	546,593
AI Engineering Services Co., Ltd.	-	-	17,193	12,258
AI Logistics Co., Ltd.	-	-	2,797	2,661
Related companies	-	23,855,074	-	-
Trade Accounts payable				
PPC Asian Insulators Co., Ltd.	10,926,316	20,527,585	10,902,744	20,527,585
Samart Palm Industry Co., Ltd.	-	1,681,350	-	-
Other payables				
AI Energy Public Co., Ltd.	-	-	13,900	47,300

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	614,836	605,152	105,000	105,000
Deposit at bank - saving	152,783,855	200,702,895	29,106,283	11,786,485
- current	412,903	596,682	146,953	541,620
Fixed deposits due within 3 months	902,628	2,551,324	-	-
Total cash and cash equivalents	154,714,222	204,456,053	29,358,236	12,433,105

6. SHORT - TERM INVESTMENTS

Short - term investments as at December 31, 2015 and 2014 were as follows:

	Unit : Baht			
	Consolidated financial statements		Saparate financial statements	
	2015	2014	2015	2014
Investment in Open - end Fund -				
Debt securities	416,122,364	256,195,492	215,912,573	39,484,171
<u>Add Allowance for adjustment</u>	<u>2,826,057</u>	<u>3,056,471</u>	<u>430,076</u>	<u>124,360</u>
Investment in Open - end Fund -				
Fair value	418,948,421	259,251,963	216,342,649	39,608,531
Fixed deposits	231,440	88,561	-	-
Total short - term investments	419,179,862	259,340,524	216,342,649	39,608,531

Investments in the Open-end Fund are trading securities. The unrealized profits from the difference between fair value and cost are shown as allowance for adjustment investment in the Open-end Fund. Profits from investments in the Open-end Fund during the year were presented in the statement of comprehensive income.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Trade receivable - related companies	16,820,855	35,042,877	16,817,285	35,042,877
Trade receivable - state enterprises	190,093,419	110,567,860	187,549,541	88,707,046
Trade receivables - other companies	291,330,656	453,291,978	11,493,598	10,558,700
Post date cheques	9,805,626	7,348,300	-	-
Total trade receivables	508,050,556	606,251,015	215,860,424	134,308,623
<u>Less</u> Allowance for doubtful accounts	(1,248,111)	(3,334,211)	-	-
Total trade receivables - net	506,802,445	602,916,804	215,860,424	134,308,623
Other receivables				
Other receivables - related parties	-	23,855,074	-	-
Other receivables	2,759,761	530,537	64,105	530,537
Prepaid expense	3,662,623	6,556,616	1,738,839	1,771,449
Deposit for inventories	2,905,666	511,407	2,905,666	511,407
Revenue Department receivable	2,515,709	931,167	239,765	163,770
Advance payment to subcontractors	25,551,438	76,680	-	-
Others	1,736,500	1,690,435	-	-
Total other receivables	39,131,697	34,151,916	4,948,375	2,977,163
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	-	-
Total other receivables - net	38,825,347	33,845,566	4,948,375	2,977,163
Total trade and other receivables - net	545,627,792	636,762,370	220,808,798	137,285,786

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

As at December 31, 2015 and 2014, aging analysis for trade accounts receivable consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Related companies				
Current	16,820,855	14,929,854	16,817,285	14,929,854
Overdue				
Within 3 months	-	20,113,023	-	20,113,023
Total	16,820,855	35,042,877	16,817,285	35,042,877
State enterprises				
Current	183,318,835	109,820,760	183,318,835	87,959,946
Overdue				
Within 3 months	3,187,513	747,100	3,187,513	747,100
Over 3 months to 12 months	3,587,071	-	1,043,193	-
Total	190,093,419	110,567,860	187,549,541	88,707,046
Other companies				
Current	284,772,500	410,451,466	7,930,990	10,439,994
Overdue				
Within 3 months	2,727,240	46,854,601	3,562,608	118,706
Over 3 months to 6 months	12,388,431	-	-	-
Over 12 months	1,248,111	3,334,211	-	-
Total	301,136,282	460,640,278	11,493,598	10,558,700
<u>Less Allowance for doubtful accounts</u>	<u>(1,248,111)</u>	<u>(3,334,211)</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	506,802,445	602,916,804	215,860,424	134,308,623

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

8. UNBILLED RECEIVABLES / ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

Unbilled receivables/advance received and deferred construction revenue as at December 31, 2015 and 2014 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2558	2557
Unbilled receivables		
Contract value	222,966,200	180,397,850
Recognition of income by the percentage of completion	186,245,435	177,725,147
<u>Less</u> Value of billing construction	(166,577,466)	(160,006,871)
Total	<u>19,667,969</u>	<u>17,718,276</u>
Advance received and deferred construction revenue		
Contract value	437,892,850	136,445,720
Value of billing construction	48,645,477	128,547,999
<u>Less</u> Recognition of income by the percentage of completion	(20,386,500)	(127,930,553)
Total	<u>28,258,977</u>	<u>617,446</u>

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

9. INVENTORIES - NET

Inventories as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Raw materials	292,335,254	349,285,227	62,341,740	72,555,204
Work in process	98,936,816	99,498,149	22,439,062	24,359,579
Finished goods	62,799,614	75,030,562	1,127,337	5,623,415
Supplies	11,645,214	14,657,034	1,113,799	1,079,718
Goods in transit	3,821,761	5,279,306	3,821,761	5,279,306
Total	469,538,659	543,750,278	90,843,699	108,897,222
<u>Less</u> Provision for diminution in inventories	(4,723,745)	(120,260)	(4,723,745)	-
Total inventories - net	464,814,914	543,630,018	86,119,954	108,897,222

10. OIL SUPPLIES

Oil supplies as at December 31, 2015 and 2014 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2015	2014
Bunker oil	1,362,916	1,725,114
Lubricants	623,631	643,082
Total oil supplies	1,986,547	2,368,196

11. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements/Separate financial statements			
	2014	Increase	Decrease	2015
Non-current assets held for sale	4,474,990	-	(4,474,990)	-
<u>Less</u> Allowance for diminution in value	(1,934,990)	-	1,934,990	-
Non-current assets held for sale - net	2,540,000	-	(2,540,000)	-

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

12. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company - net as December 31, 2015 and 2014, and dividend income from the investment during the years ended December 31, 2015 and 2014, consisted of:

Company	Industries	Percentage of investment (%)		Unit : Baht		Consolidated financial statements		Separate financial statements		Dividend	
		2015	2014	2015	2014	Equity method	2014	2015	2014	2015	2014
		Issued share capital		Cost method							
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
PPC Asian Insulators	Producing and distributing electronics insulators	25.10	25.10	263,000,000	263,000,000	4,589,145	17,290,878	66,000,000	66,000,000	-	-
Company Limited											
<u>Less</u> Provision for diminution in investment						-	-	(60,600,000)	(39,600,000)	-	-
Total investments in associate - net						<u>4,589,145</u>	<u>17,290,878</u>	<u>5,400,000</u>	<u>26,400,000</u>	<u>-</u>	<u>-</u>

The consolidated and separate financial statements for the years ended December 31, 2015 and 2014 of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited respectively, included an investment in the 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, 2015 and 2014 amounted to Baht 4.59 million and amounted to Baht 17.29 million, respectively, representing 0.13% and 0.46% of total assets in the consolidated financial statements.

The equity of net loss of the associated company in the consolidated financial statements for the years ended December 31, 2015 and 2014 amounted to Baht 12.70 million and Baht 7.10 million respectively, representing 8.79% and 2.19% of consolidated net profit, respectively.

The carrying value of the investment in the separate financial statements as at December 31, 2015 and 2014, amounted to Baht 5.4 million and Baht 26.4 million respectively, representing 0.27% and 1.43%, respectively, of total assets in the separate financial statements.

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

The following is summarized financial information relating to an entity's interest in an associate company were as follows:

	Unit: Baht	
	PPC Asian Insulators Company Limited	
	2015	2014
Current assets	113,546,194	113,462,277
Non-current assets	137,368,769	178,070,276
Current liabilities	(229,066,010)	(219,908,599)
Non-current liabilities	(3,561,861)	(2,722,269)
Net assets	18,287,092	68,901,685
Revenues	356,051,279	338,930,334
Loss for the years	(26,554,731)	(22,480,518)

Reconcile the carrying value of the equity of the associated in the consolidated financial statement were as follows:

	Unit: Baht	
	PPC Asian Insulators Company Limited	
	2015	2014
Net assets of associate company	18,287,092	68,901,685
Ownership interest (%)	25.10	25.10
Carrying amount of interest in an associate company	4,589,145	17,290,878

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

13. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2015 and 2014, and dividend income from the investment during the years ended December 31, 2015 and 2014, consisted of:

Company	Industries	Percentage of investment (%)		Separate financial statements					
		2015	2014	Issued share capital		Cost method-net		Dividend	
				2015	2014	2015	2014		2015
Subsidiaries directly held by the Company									
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	99.84	99.84	200,000,000	200,000,000	197,000,025	197,000,025	9,983,929	21,964,643
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	59.59	59.59	1,130,000,000	1,130,000,000	665,555,157	665,555,157	-	-
Subsidiaries held by AI Energy Public Company Limited									
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209,000,000	209,000,000	-	-	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Distributing ice (3) trading electrical equipment	100.00	100.00	460,000,000	460,000,000	-	-	-	-
Total investments in subsidiaries						862,555,182	862,555,182	9,983,929	21,964,643

..... Director
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..... Director
(Thanit Tharatanavibool)

The subsidiaries have significant non-controlling interests as follows;

		Unit : Baht	
		December 31, 2015	
Name of subsidiary	Type of business	Comprehensive income	
		Ownership interests held by NCI (percentage)	Attributable to Non-controlling interest
Subsidiaries directly held by the Company			
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power	0.16	(12,224)
	Sub-station and trading electrical equipment		368,791
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	40.41	(33,351,307)
			711,529,954
Total			(33,363,531)
			711,898,745

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

The following is summarized financial information of subsidiaries before inter-company elimination.

	Unit: Baht				
	AI Engineering Services Company Limited	AI Energy Public Company Limited	AI Logistics Company Limited	AI Ports and Terminals Company	Total
As at December 31, 2015					
Current assets	260,750,007	792,649,501	16,259,020	8,921,207	1,078,579,735
Non-current assets	2,577,188	1,415,112,588	45,043,850	449,978,536	1,912,712,162
Current liabilities	(32,460,257)	(432,577,983)	(3,148,566)	(77,424,342)	(545,611,148)
Non-current liabilities	(1,398,731)	(14,455,027)	(1,187,459)	(2,009,795)	(19,051,012)
Net assets	<u>229,468,207</u>	<u>1,760,729,079</u>	<u>56,966,845</u>	<u>379,465,606</u>	<u>2,426,629,737</u>
Net assets attributable to					
Non-controlling interests	<u>368,791</u>	<u>711,529,954</u>	<u>-</u>	<u>-</u>	<u>711,898,745</u>
For the year ended December 31, 2015					
Revenues	<u>28,906,789</u>	<u>3,464,870,624</u>	<u>56,722,484</u>	<u>90,679,584</u>	<u>3,641,179,481</u>
Net loss for the year Attributable to					
Non-controlling interests	(12,224)	(33,351,307)	-	-	(33,363,531)
Total other comprehensive income (loss)					
attributable to non-controlling interests	-	-	-	-	-
Total comprehensive loss for the year					
attributable to non-controlling interests	<u>(12,224)</u>	<u>(33,351,307)</u>	<u>-</u>	<u>-</u>	<u>(33,363,531)</u>
Dividends paid to					
Non-controlling interests	<u>16,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,072</u>
Net cash provided by (used in)					
Operating activities	(4,001,175)	67,695,214	39,462,870	13,208,673	63,694,039
Investing activities	19,433,685	(92,104,370)	(1,058,378)	(583,769)	(72,670,685)
Financing activities	(10,000,000)	(51,817,256)	(44,960,000)	(1,942,456)	(61,817,256)
Cash increase (decrease) - net	<u>5,432,510</u>	<u>(76,226,412)</u>	<u>(6,555,508)</u>	<u>10,682,448</u>	<u>(70,793,902)</u>

14. PLEDGED DEPOSITS AT FINANCIAL INSTIUTON

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

15. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at December 31, 2015 and 2014 consisted of:

	Consolidated financial statements									
	Unit: Baht									
	Land	Land improvement	Building and improvement	Utility system	Machinery, equipment and instrument	Vessel and improvement	Office furniture and equipment	Vehicles	Fixed assets under construction and installation	Total
At cost										
As at December 31, 2014	357,156,090	17,769,620	936,506,923	54,991,424	1,313,561,003	179,321,539	33,868,169	90,127,829	47,750,693	3,031,053,290
Purchases during year	-	-	1,392,240	318,971	17,345,995	-	1,527,411	85,000	86,970,707	107,640,324
Transfers in/Transfer out during year	-	18,401,804	20,138,341	1,962,780	84,896,927	-	-	-	(125,399,852)	-
Disposal /written off during year	-	-	-	-	(2,289,274)	-	(1,999,108)	-	-	(4,288,382)
As at December 31, 2015	357,156,090	36,171,424	958,037,504	57,273,175	1,413,514,651	179,321,539	33,396,472	90,212,829	9,321,548	3,134,405,232
Accumulated Depreciation										
As at December 31, 2014	-	15,325,105	257,975,008	27,473,777	518,967,885	118,001,733	28,226,068	34,318,812	-	1,000,288,388
Depreciation for the year	-	1,519,581	33,426,384	3,762,614	87,821,331	17,556,495	1,957,132	3,648,112	-	149,691,649
Depreciation - disposals for the year	-	-	-	-	(2,014,990)	-	(1,998,956)	-	-	(4,013,946)
As at December 31, 2015	-	16,844,686	291,401,392	31,236,391	604,774,226	135,558,228	28,184,244	37,966,924	-	1,145,966,091
Allowances for impairment										
As at December 31, 2014	-	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	(5,990,192)	-	-	-	-	(5,990,192)
As at December 31, 2015	-	-	-	-	(5,990,192)	-	-	-	-	(5,990,192)
Book value										
As at December 31, 2014	357,156,090	2,444,515	678,531,915	27,517,647	794,593,118	61,319,806	5,642,101	55,809,017	47,750,693	2,030,764,902
As at December 31, 2015	357,156,090	19,326,738	666,636,112	26,036,784	802,750,233	43,763,311	5,212,228	52,245,905	9,321,548	1,982,448,949

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit: Baht

	Separate financial statements									
	Land	Land improvement	Building and improvement	Utility system	Machinery, equipment and instrument	Office furniture and equipment	Vehicles	Fixed assets under construction and installation	Total	
At cost										
As at December 31, 2014	61,576,168	14,822,060	414,070,767	19,515,718	646,613,846	22,602,912	11,879,797	5,233,650	1,196,314,918	
Purchases during year	-	-	10,000	318,972	5,438,523	1,308,133	-	7,179,135	14,254,762	
Transfers in/Transfer out during year	-	-	51,045	366,045	7,739,817	-	-	(8,156,907)	-	
Disposal /written off during year	-	-	-	-	(1,592,787)	(1,703,942)	-	-	(3,296,729)	
As at December 31, 2015	61,576,168	14,822,060	414,131,812	20,200,735	658,199,399	22,207,104	11,879,797	4,255,878	1,207,272,952	
Accumulated Depreciation										
As at December 31, 2014	-	14,818,123	144,577,110	17,359,633	336,796,193	20,361,096	9,615,472	-	543,527,627	
Depreciation for the year	-	3,200	18,258,657	1,224,392	46,250,208	988,865	342,375	-	67,067,699	
Depreciation - disposals for the year	-	-	-	-	(1,557,035)	(1,703,844)	-	-	(3,260,879)	
As at December 31, 2015	-	14,821,323	162,835,767	18,584,025	381,489,366	19,646,118	9,957,847	-	607,334,447	
Allowances for impairment										
As at December 31, 2014	-	-	-	-	-	-	-	-	-	
Increases during the year	-	-	-	-	(5,990,192)	-	-	-	(5,990,192)	
As at December 31, 2015	-	-	-	-	(5,990,192)	-	-	-	(5,990,192)	
Book value										
As at December 31, 2014	61,576,168	3,937	269,493,657	2,156,085	309,817,653	2,241,816	2,264,325	5,233,650	652,787,291	
As at December 31, 2015	61,576,168	737	251,296,045	1,616,709	276,710,033	2,560,986	1,921,950	4,255,878	593,948,313	

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the years ended December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sale and service	130,824,535	118,507,442	52,622,730	51,626,420
Selling and administrative expenses	18,867,114	21,039,084	14,444,969	16,215,653
	<u>149,691,649</u>	<u>139,546,526</u>	<u>67,067,699</u>	<u>67,842,073</u>

AI Ports and Terminals Company Limited had mortgaged all land, existing and future buildings and structures thereon as collateral for credit facilities obtained from a financial institution with their net book value as at December 31, 2015 and 2014, of Baht 417.25 million and Baht 426.44 million, respectively. (Note 17)

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at December 31, 2015 and 2014, in the consolidated financial statement totaling approximately Baht 278.83 million and Baht 260.75 million respectively, and in the separate financial statements totaling approximately Baht 254.12 million and Baht 245.78 million, respectively.

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..... Director
(Narong Tharèratanavibool)

..... Director
(Thanit Tharèratanavibool)

16. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2015 and 2014 consisted of:

	Unit : Baht	
	Computer Software	
	Consolidated	Separate
	financial statements	financial statements
At cost		
As at December 31, 2014	24,513,514	23,811,611
Purchases during year	970,857	965,950
Disposal during year	(4,211,095)	(4,211,095)
As at December 31, 2015	<u>21,273,276</u>	<u>20,566,466</u>
Accumulated amortisation		
As at December 31, 2014	19,472,331	18,915,474
Amortization for the year	1,998,615	1,954,978
Disposals for the year	(4,211,094)	(4,211,094)
As at December 31, 2015	<u>17,259,852</u>	<u>16,659,358</u>
Net booked value		
As at December 31, 2014	<u>5,041,183</u>	<u>4,896,137</u>
As at December 31, 2015	<u>4,013,424</u>	<u>3,907,108</u>
Amortization in the statements of profit or loss		
Year 2014	<u>1,934,575</u>	<u>1,893,251</u>
Year 2015	<u>1,998,615</u>	<u>1,954,978</u>

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

Bank overdrafts and short-term loans from financial institutions as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdraft	34,630	1,918,380	-	-
Short - term loans from financial institution	324,000,000	365,000,000	-	50,000,000
Total bank overdraft and short - term loans from financial institution	324,034,630	366,918,380	-	50,000,000

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loan (Note 19).

These loans are secured by mortgage land with structure and port of a subsidiary (Note 15). Under the terms of loan contract, the subsidiary cannot pledge its assets as collateral for other loan.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

18. TRADE AND OTHER PAYABLES

Trade and other payables as December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
Trade payables - related companies	10,926,316	20,553,663	10,902,744	20,527,585
Trade payables - others	94,902,138	98,036,162	27,185,212	12,153,592
Total trade payables	105,828,454	118,589,825	38,087,956	32,681,177
Other payables				
Payables for purchase of assets	3,086,355	16,436,994	2,370,322	5,066,394
Other payables	3,797,648	7,405,034	13,900	47,300
Advances received for goods	5,977,522	18,661,521	1,268,290	1,157,003
Electricity payable	5,656,714	5,271,403	1,452,834	1,136,871
Accrued expenses	1,195,067	4,809,483	4,723,470	2,938,953
Retention	9,991,691	6,759,028	-	-
Revenue Department payables	26,379,861	78,942,938	6,056,847	5,148,389
Others	1,543,365	988,021	541,050	347,842
Total other payables	57,628,223	139,274,422	16,426,713	15,842,752
Total trade and other payables	163,456,677	257,864,246	54,514,669	48,523,929

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

19. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions as at December 31, 2015 and 2014 consisted of:

		Unit: Baht	
		Consolidated financial statements	
Credit line	Repayment conditions	2015	2014
Baht 110 million started on June 30, 2014 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in July 2014 and will be finished within June 2019. - Monthly payment of interest rate at MLR-1 per annum.	-	98,960,000
Long-term loans		-	98,960,000
<u>Less</u> Current portion		-	(22,080,000)
Long-term loans from financial institution - net		-	76,880,000

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loan prior to maturity in amount of Baht 97.12 million (Note 17).

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

20. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation expenses in the statement of comprehensive income for the year ended December 31, 2015 and 2014 as follows:

	Unit : Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligations at beginning as at January 1,	30,809,593	36,785,004	17,685,656	25,020,990
Employee benefit expenses in the statements of comprehensive income :				
Current service cost	4,011,939	4,066,924	2,443,767	2,228,209
Cost of interest	1,742,677	874,695	581,028	498,027
Benefit paid during the year	-	(10,917,030)	-	(10,061,570)
Defined benefit obligations as at December 31,	<u>36,564,209</u>	<u>30,809,593</u>	<u>20,710,451</u>	<u>17,685,656</u>

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

Particulars	Consolidated financial statements	Separate financial statements
Discount rate	3.18-3.39% per annum	3.29 % per annum
Future salary increase rate	5.00 % per annum	5.00 % per annum
Average staff turnover rate	5.00 % per annum	5.00 % per annum

21. SHARE CAPITAL

21.1 The 2015 Annual General Meeting of Shareholders held on April 21, 2015 of the Company, passed the resolutions as follows:

1. Approved to amendment in par value of ordinary shares from 1 Baht per share to 0.25 Baht per share. After the changing of par value, the Company has the ordinary shares of 2,000 million shares.
2. Approved to increase in registered share capital of the Company from Baht 500 million (2,000 million shares at Baht 0.25 par value) to be Baht 700 million (2,800 million shares at Baht 0.25 par value). The Company registered its increased share capital to accommodate the stock dividend with the Ministry of Commerce on April 29, 2015.

21.2 The 2015 Annual General Meeting of Shareholders held on April 21, 2015 of AI Energy Public Company Limited, passed the resolutions as follows:

1. Approved to amendment in par value of ordinary shares from 1 Baht per share to 0.25 Baht per share. After the changing of par value, the subsidiary has the ordinary shares of 4,520 million shares.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

2. Approved to increase in registered share capital of AI Energy Public Company Limited from Baht 1,130 million (4,520 million shares at Baht 0.25 par value) to be Baht 1,356 million (5,424 million shares at Baht 0.25 par value). AI Energy Public Company Limited registered its increased share capital for allocate to support the warrant No. 1. (AIE-W1) with the Ministry of Commerce on July 6, 2015 as described in Note 22.

22. WARRANTS

Warrants AIE-W1

On April 21, 2015, the 2015 Annual General Meeting of AI Energy Public Company Limited's shareholders passed a resolution to issue and allocate of stock warrant for rights to purchase ordinary shares of (AIE-W1) for the existing shareholders, not exceeding 904 million units (allocate 1 purchase ordinary share: 1 stock warrant unit) . Details of the issue are as follows:

Type	:	In named certificate form and transferable
Price per unit of warrant	:	Baht 0.00
Exercise ratio	:	1 warrant to 5 ordinary shares
Exercise price	:	Baht 0.25 per share
Exercise date	:	The first exercise date is December 30, 2016 and the last exercise date is May 7, 2018
Issuance date of warrants	:	May 8, 2015
Maturity of warrants	:	3 years from the issuance date.

23. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2015 and 2014 were calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>For the year</u>				
Net profit attributable				
to shareholders of the parent (Baht)	177,855,715	288,192,192	236,314,374	208,080,020
Number of ordinary share outstanding				
at beginning for the year	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Effect of issuance stock dividend	799,996,084	799,996,084	799,996,084	799,996,084
Weighted average number of ordinary shares				
outstanding during the years (Basic)	2,799,996,084	2,799,996,084	2,799,996,084	2,799,996,084
Basic earnings per share (Baht)	0.06	0.10	0.08	0.07

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

24. DIVIDEND PAYMENT

The 2015 Annual General Meeting of Shareholders of the Company held on April 21, 2015, passed a resolution to pay dividend to the shareholders at Baht 0.11111 per share, comprise of stock dividend to shareholders considered from the payout ratio of 5 existing ordinary shares for 2 shares dividend which shall not exceed than 800 million shares at a par value of Baht 0.25 per share or shall be equivalent at Baht 0.10 per share and cash dividends to shareholders at Baht 0.01111 per share amounting Baht 22.22 million. The dividend was paid on May 20, 2015.

The 2015 Annual General Meeting of Shareholders of AI Engineering Services Company Limited held on April 30, 2015, passed a resolution to pay dividends from the operation for six-month periods ended from July 1 - December 31, 2014 to the shareholders of 20 million shares at Baht 0.50 per share, amount Baht 10 million. The dividend was paid on July 7, 2015.

The Board of Directors' Meeting No. 5/2014 held on August 18, 2014, passed a resolution to pay interim dividend from the BOI business to the shareholders of 500 million shares at Baht 0.10 per share, amount Baht 50 million. The interim dividend was paid on September 15, 2014.

The 2014 Annual General Meeting of Shareholders of the Company held on March 26, 2014, passed a resolution to pay dividend for the year 2013 from the BOI business operating result and special dividend to the shareholders of 500 million shares at Baht 2.00 per share, amount Baht 1 billion. The interim dividend was paid on March 17, 2014.

The Board of Directors' Meeting No. 4/2014 held on August 21, 2014, of AI Engineering Services Company Limited, passed a resolution to pay interim dividend from the operation for six-month periods ended from January 1 to June 30, 2014 to the shareholders of 20 million shares at Baht 1.00 per share, amount Baht 20 million. The dividend was paid on August 26, 2014.

The Board of Directors' Meeting No.1/2014 held on March 5, 2014 of AI Engineering Services Company Limited, passed a resolution to pay dividends from the operation for the year 2013 to the shareholders of 20 million shares at Baht 0.10 per share, amount Baht 2 million. The 2014 Annual General Shareholders' Meeting held on April 30, 2014, passed a resolution to pay such dividends. The dividend was paid to the shareholders on March 20, 2014.

25. LEGAL RESERVE

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

26. DEFERRED TAX

Deferred tax as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	20,881,409	6,799,544	6,284,878	3,537,131
Deferred tax liabilities	(2,800,549)	(2,871,471)	-	(24,872)
Deferred tax assets - net	18,080,860	3,928,073	6,284,878	3,512,259

Movements in deferred tax assets and deferred tax liabilities during the years were as follows:

	Unit: Baht					
	Consolidated financial statements			Separate financial statements		
	As at January 1, 2015	Profit (Loss)	As at Dec 31, 2015	As at January 1, 2015	Profit (Loss)	As at Dec 31, 2015
Deferred tax assets						
Allowance for doubtful trade						
accounts receivable	728,112	(417,220)	310,892	-	-	-
Provision for diminution in inventories	24,052	936,953	961,005	-	944,749	944,749
Impairment loss on fixed asset	-	1,198,039	1,198,039	-	1,198,039	1,198,039
Allowance for diminution in non-current						
assets held for sale	386,998	(386,998)	-	-	-	-
Provision for long-term employee benefits	5,660,382	1,013,009	6,673,391	3,537,131	604,959	4,142,090
Tax loss carries forward	-	11,738,082	11,738,082	-	-	-
Total	6,799,544	14,081,865	20,881,409	3,537,131	2,747,747	6,284,878
Deferred tax liability						
Unrealized gain on investments in						
Open-end Fund	(611,294)	611,294	-	(24,872)	24,872	-
Depreciation	(2,260,177)	(540,372)	(2,800,549)	-	-	-
Total	(2,871,471)	70,922	(2,800,549)	(24,872)	24,872	-
Deferred tax assets - net	3,928,073	14,152,787	18,080,860	3,512,259	2,772,619	6,284,878

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Baht

	Consolidated financial statements			Separate financial statements		
	As at January 1,	Profit	As at Dec 31	As at January 1,	Profit	As at Dec 31
	2014	(Loss)	2014	2014	(Loss)	2014
Deferred tax assets						
Allowance for doubtful trade						
accounts receivable	814,482	(86,370)	728,112	-	-	-
Provision for diminution in inventories	-	24,052	24,052	-	-	-
Allowance for diminution in non-current						
assets held for sale	-	386,998	386,998	-	-	-
Provision for long-term employee benefits	6,532,901	(872,519)	5,660,382	4,788,134	(1,251,003)	3,537,131
Tax loss carried forward	1,915,951	(1,915,951)	-	-	-	-
Temporary differences in the						
 retained earnings						
Provision for long-term employee benefits	404,960	(404,960)	-	216,064	(216,064)	-
Total	9,668,294	(2,868,750)	6,799,544	5,004,198	(1,467,067)	3,537,131
Deferred tax liability						
Unrealized gain on investments in						
Open-end Fund	(295,991)	(315,303)	(611,294)	(36,979)	12,107	(24,872)
Depreciation	-	(2,260,177)	(2,260,177)	-	-	-
Total	(295,991)	(2,575,480)	(2,871,471)	(36,979)	12,107	(24,872)
Deferred tax assets - net	9,372,303	(5,444,230)	3,928,073	4,967,219	(1,454,960)	3,512,259

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..... Director

(Narong Tharateratanavibool)

..... Director

(Thanit Tharateratanavibool)

27. INCOME TAX EXPENSE

Income tax expense for the year ended December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current tax expense				
Current years	(10,400,444)	(47,295,919)	(8,444,279)	(3,203,773)
Deferred tax expense				
Movement in temporary differences	14,152,787	(5,444,230)	2,772,619	(1,454,960)
Total	3,752,343	(52,740,149)	(5,671,660)	(4,658,733)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit before income tax		140,739,841		377,660,356
Income tax using the corporate tax rate	20%	(28,147,968)	20%	(75,532,071)
Exemption from income tax on profit revived from BOI		46,191,090		33,672,139
Non-taxable income		27,574		68,821
Double expenses by the Revenue Code		1,950,505		1,811,101
Non-deductible expenses		(5,364,551)		(7,226,247)
Tax loss carried forward		1,065,569		-
Unused current tax loss		(9,429,530)		(4,113,505)
Income tax in share of loss in associate		(2,540,346)		(1,420,387)
Tax income (expense)	3%	3,752,343	-14%	(52,740,149)

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Separate financial statements

	2015		2014	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit before income tax		241,986,034		212,738,753
Income tax using the corporate tax rate	20%	(48,397,207)	20%	(42,547,750)
Exemption from income tax on profit revived from BOI		46,050,845		33,672,139
Non-taxable income		1,996,786		4,461,750
Non-deductible expenses		(5,322,084)		(244,872)
Tax expense	2%	(5,671,660)	2%	(4,658,733)

* The subsidiaries have tax losses in 2015 and 2014 of Baht 47.15 million and Baht 20.57 million, respectively. Due to the uncertainty of the utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward in consolidated financial statements.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 20% on net profit for the accounting periods beginning on January 1, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate will be continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

28. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(Increase) decrease in change of				
finished goods and work in progress	12,792,291	(53,898,743)	6,416,595	24,440,576
Raw materials and consumables used	3,530,770,904	4,246,519,131	242,037,348	371,666,135
Construction materials and subcontractors	22,084,359	219,181,213	-	-
Vessel operating expenses	6,213,150	23,178,566	-	-
Purchase of goods for sale	53,836,007	141,880,284	52,756,865	10,355,929
Employee benefit expenses	193,887,233	159,855,491	86,996,027	77,860,261
Depreciation and amortization expenses	151,685,357	142,214,782	69,036,430	69,735,324
Finance costs	13,863,900	24,404,595	1,899,518	2,636,075
Loss on diminution of inventories	4,723,745	120,260	4,723,745	-
Allowance for diminution in investments				
in associated company	-	-	21,000,000	-
Loss on impairment of assets	5,990,192	-	5,990,192	-

29. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2015 and 2014 the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

Particulars	Consolidated financial statements				Separate financial statements			
	2015		2014		2015		2014	
	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht
<u>Assets</u>								
USD	11.78	423.39	361.01	12,186.65	11.65	418.66	2.27	74.62
Total		423.39		12,186.65		418.66		74.62
<u>Liabilities</u>								
USD	193.00	6,996.98	170.73	5,653.42	193.00	6,996.98	170.48	5,645.14
EUR	24.90	991.00	-	-	24.90	991.00	-	-
Total		8,406.65		5,653.42		8,406.65		5,645.14

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

30. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company and three subsidiaries were granted promotional certificates as follows:

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
Asian Insulators Plc.	1025/2541	January 24, 2001	Producing porcelain insulators	January 23, 2009
	1115(2)/2548	February 28, 2005	Producing finished hybrid clay	February 27, 2013
	1116(2)/2549	January 30, 2009	Producing porcelain insulators	January 29, 2017
	1478(2)/2553	June 12, 2012	Producing porcelain insulators	June 11, 2020
AI Energy Public Co., Ltd.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
	2777(1)/2556	February 3, 2015	Producing biodiesel	February 2, 2023
AI Logistics Co., Ltd.	2029(2)/2549	June 27, 2006	Ship transportation	June 26, 2014
	1434(2)/2550	June 11, 2007	Ship transportation	June 10, 2015
AI Ports and Terminals Co., Ltd.	1373(2)/2552	July 1, 2009	Ports and terminals service	(*) July 30, 2017
	1374(2)/2552	August 7, 2009	Ports and terminals service	(*) August 5, 2017

5. Important privileges which are granted :

5.1 Exemption from corporate income tax on net profit of promotion operation for 8 years. Whereby the promotional certificates No. 1115(2)/2548, 1116(2)/2549, 1478(2)/2553, 2029(2)/2549, 1434(2)/2550, 1373(2)/2552 and 1374(2)/2552 have limited amount for corporate income tax exemption at maximum of Baht 11.01 million, Baht 75.18 million, Baht 495.91 million, Baht 66.26 million, Baht 107.00 million, Baht 303.49 million and Baht 200.00 million, respectively.

5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 throughout the promotional period of all promotional certificates.

5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption is expired as 5.1 for 5 years especially for promotional certificate No. 1025/2541, 1922(1)/2553 and 2777(1)/2556.

5.4 Allowance for double deduction of annual expenses of public utilities (electricity, water supply and transportation), commencing from the generating revenues date for 10 years of promotional certificate No. 1025/2541, 1922(1)/2553 and 2777(1)/2556.

5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.

(*) AI Ports and Terminals Company Limited received a letter from the Board of Investment, dated April 3, 2015, to change the rights and benefits period from 8 years to 7 years due to the company's quality system had been certified but did not cover the operation for cargo vessels as promoted.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

As a promoted industry, the Company and subsidiaries must strictly comply with certain terms and conditions stipulated in the promotional certificate. In 2015 and 2014 the Company and subsidiaries have sales, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates as follows:

	Unit : Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
For the year ended December 31, 2015						
Revenue from sales	2,943,936,828	1,323,063,613	4,267,000,441	592,842,096	219,935,974	812,778,070
Revenues from production contract	-	45,810,022	45,810,022	-	-	-
Revenue from construction contract	-	28,906,788	28,906,788	-	-	-
Vessel operating income	8,213,352	11,335,835	19,549,187	-	-	-
Other incomes	-	20,619,137	20,619,137	-	7,308,304	7,308,304
Dividend income	-	-	-	-	9,983,929	9,983,929
Total	2,952,150,180	1,429,735,395	4,381,885,575	592,842,096	237,228,207	830,070,303
For the year ended December 31, 2014						
Revenue from sales	525,632,975	4,557,924,576	5,083,557,551	525,632,975	168,679,455	694,312,430
Revenues from production contract	-	133,541,324	133,541,324	-	-	-
Revenue from construction contract	-	297,270,666	297,270,666	-	-	-
Vessel operating income	35,291,157	-	35,291,157	-	-	-
Revenue from port service	1,000,000	-	1,000,000	-	-	-
Other incomes	-	28,760,500	28,760,500	-	11,981,912	11,981,912
Dividend income	561,924,132	5,017,497,066	5,579,421,198	525,632,975	21,964,643	21,964,643
Total	561,924,132	5,017,497,066	5,579,421,198	525,632,975	202,626,010	728,258,985

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

31. PROVIDENT FUND

The Company and subsidiaries have set up a provident fund for the employees under the Provident Fund Act, B.E. 2530 (1987), in order to be their welfare as well as security whenever resignation or retirement as defined by the Company's regulation, with partly contribute by its employees and another part by the Company at the rate 3 - 7 % on their salaries. The Company has also appointed Finansa Asset Management Company Limited to manage such fund.

The Company and subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2015 and 2014 are as follows :

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Asian Insulators Public Company Limited	1,802,227	1,688,820	1,802,227	1,688,820
AI Engineering Services Company Limited	232,254	228,192	-	-
AI Energy Public Company Limited	1,358,325	1,091,357	-	-
AI Logistics Company Limited	23,976	9,282	-	-
Total	3,416,782	3,017,651	1,802,227	1,688,820

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

32. SEGMENTED INFORMATION

The segmented information is as follows:

(Unit: Thousand Baht)								
Consolidated financial statements								
For the year ended December 31, 2015								
Group of AI Energy Public Company Limited								
	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refined crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	820,262	28,907	3,418,200	45,810	28,538	19,549	-	4,361,266
Cost of sales and services	(477,923)	(26,484)	(3,418,996)	(37,003)	(24,257)	(22,589)	-	(4,007,252)
Gross profit (loss) by segment	342,339	2,423	(796)	8,807	4,281	(3,040)	-	354,014
Non-allocation expenses								(207,541)
Profit from operation								146,473
Other income								20,619
Finance costs								(13,650)
Share of loss from investments in associate								(12,702)
Income tax expenses								3,752
Profit for the year								144,492
Equity holders of the parent								177,856
Non-controlling interests								(33,364)
Property, plant, vessel and equipment - net	593,948	44	893,481		21,135	45,024	428,817	1,982,449

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

(Unit: Thousand Baht)

Consolidated financial statements

For the year ended December 31, 2014

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	696,965	297,271	4,355,144	133,541	31,449	35,291	1,000	5,550,661
Cost of sales and services	(440,769)	(222,104)	(4,139,729)	(78,126)	(25,302)	(47,143)	(497)	(4,953,670)
Gross profit (loss) by segment	256,196	75,167	215,415	55,415	6,147	(11,852)	503	596,991
Non-allocation expenses								(213,172)
Profit from operation								383,819
Other income								28,761
Finance costs								(27,818)
Share of loss from investments in associate								(7,102)
Income tax expenses								(52,740)
Profit for the year								324,920
Equity holders of the parent								288,192
Non-controlling interests								36,728
Property, plant, vessel and equipment - net	652,787	65	850,804		21,585	62,415	443,109	2,030,765

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

33. COMMITMENT AND CONTINGENT LIABILITIES

33.1 As at December 31, 2015 and 2014, the Company and subsidiaries have commitment and contingent liabilities as follows:

Unit: Million Baht

Particulars	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Letters of guarantee issued by commercial bank	253.34	309.24	101.43	76.98

33.2 As at December 31, 2015 and 2014, the Company and subsidiaries have capital expenditure commitment as follows:

Unit: Million Baht

Particulars	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
The purchase of machinery and equipment	9.36	8.17	0.75	3.19

33.3 As at December 31, 2015 and 2014, the subsidiary has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 352.51 million and Baht 1.27 million, respectively.

33.4 As at December 31, 2015 and 2014, the Company is the guarantor for the repayment of loans from financial institutions for AI Engineering Services Company Limited amount of Baht 545 million.

33.5 The subsidiary 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 predecessor auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. The former 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 (Before restated), as the subsidiary predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

Consequently, the subsidiary's current management had investigated and prepared the new documentations to support the accounting transactions related to above matter of auditor disclaimed an opinion on the subsidiary's financial statements in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the consolidated financial statements for the year ended December 31, 2014 as shown in Note to Financial Statements No. 38.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

33.6 AI Energy Public Company Limited, its subsidiary, had the production yield during the period of January to June 2015 was significantly lower than normal production yields. The subsidiary engaged the National Metal and Materials Technology Center of the National Science and Technology Development Agency to verify the result on the subsidiary's biodiesel production process to assess the appropriateness of such low production yield and found out that the loosed quantity of oil from the tank washing process are in line with production yield reported by the subsidiary. The loosed quantity of oil from the process resulting in an unusual low production yield may be caused by the imperfect separation of layers.

34 DISCLOSURE OF FINANCIAL INSTRUMENTS

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

34.1 Risk from breach of contracts

Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.

The credit risk with respect to the concentration of trade accounts receivable consists of

- Revenue of the Company and its subsidiaries resulting from sale, production contract, construction contract and vessel operation to few major customers but very high proportion.
- Revenue of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.

For the financial assets shown in the statement of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

34.2 Risk relating to interest rate of financial assets and liabilities

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

34.3 Risk from currency exchange rate

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

34.4 Fair value of financial instruments

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

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

..... Director
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..... Director
(Thanit Thareratanavibool)

35. LITIGATION

AI Energy Public Company Limited (subsidiary) was sued by the Official Receiver of Phamola Company Limited for transferring back the trademark “Phamola” to the debtor’s assets and pays the compensation amount of Baht 3.75 million with an interest rate of 7.5% per annum. On June 8, 2016, the Supreme Court has ordered to dismiss the case.

36. EVENTS AFTER THE REPORTING PERIOD

36.1 The Board of Directors’ Meeting No. 1/2016 held on March 29, 2016, passed a resolution to pay dividend for the year 2015 of 0.09 Baht per share for a total amount of Baht 252 million from the separate financial statements’ retained earnings after deduction of legal reserves and exempt from income tax, according to the BOI Certificate No. 1478 (2)/2553.

36.2 The Company and the subsidiary had prepared and published the consolidated and separate financial statements for the year 2017 and 2016 which had been audited by the auditor according to the auditor’s reports dated February 27, 2018 and February 28, 2017 respectively. The contents of the events after the reporting period, therefore, have been included in such financial statements.

37. CAPITAL MANAGEMENT

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business’s performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest’s confidence.

38. CORRECTION OF ACCOUNTING ERROR AND RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company’s financial statement for the years ended December 31, 2015 and 2014 has been prepared and issued on March 29, 2016 and March 24, 2015, respectively. In 2016, the Company disclosed an accounting error in respect of the non-controlling interest. During the year 2017, The subsidiary’s current management had investigated and prepared the new documentations to support the accounting transactions related to the matter of auditor disclaimed an opinion on the subsidiary’s financial statements in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the financial statements, therefore, the Company restated the consolidated financial statements for the year ended December 31, 2015 and 2014.

The Company has reclassified some accounting transactions in the financial statement for the year ended December 31, 2014 to conform to the current period presentation, of which no impact net income or shareholders' equity.

These effects to the financial statements for the years ended December 31, 2015 and 2014 are as follows:

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Baht

	Consolidated financial statements			
	Before adjustment and reclassifications	adjustmen	reclassifications	After adjustment and before reclassifications
Statements of financial position as at December 31, 2015				
Current assets				
Unbilled receivables	1,417,492	-	18,250,477	19,667,969
Non-Current assets				
Retention	18,250,477	-	(18,250,477)	-
Current liabilities				
Income tax payable	(6,351,243)	(2,925,190)	-	(9,276,433)
Shareholders'equity				
Non-controlling interests	(888,899,755)	177,001,010	-	(711,898,745)
Deficits decrease	698,191,235	(174,075,820)	-	524,115,415

Statements of profit or loss and other comprehensive income

For the year ended December 31, 2015

Expenses				
In crease in cost of sales	(3,921,005,412)	(9,869,423)	9,698,280	(3,921,176,555)
Increase in cost of production contract	(27,305,011)	-	(9,698,280)	(37,003,291)
Profit for the year decrease	154,361,607	(9,869,423)	-	144,492,184

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit : Baht

	Consolidated financial statements				Separate financial statement			
	Before adjusted and before new reclassification	The first adjusted	The second adjusted	After adjusted and before new reclassification	After adjusted and after new reclassification	Before reclassification	Reclassification	After reclassification
Statement of financial position as at December 31, 2014								
Current assets								
Trade and other receivables - net	569,434,824	82,473,490	-	651,908,314	(15,145,944)	136,610,609	675,177	137,285,786
Unbilled receivables	46,294	-	-	46,294	17,671,982	-	-	-
Inventories - net	580,705,079	(47,532,583)	9,869,422	543,041,918	588,100	108,897,222	-	108,897,222
Construction contracts in progress	588,100	-	-	588,100	(588,100)	-	-	-
Advance payment to subcontractors	76,680	-	-	76,680	(76,680)	-	-	-
Other current assets	2,449,358	-	-	2,449,358	(2,449,358)	163,770	(163,770)	-
Non-current assets								
Property, plant, vessel and equipment - net	2,031,313,012	(548,110)	-	2,030,764,902	-	652,787,291	-	652,787,291
Other non-current assets	17,055,411	-	-	17,055,411	-	823,299	(511,407)	311,892
Current liabilities								
Trade and other payables	(175,800,667)	(45,903,297)	-	(221,703,964)	(36,160,282)	(43,219,513)	(5,304,416)	(48,523,929)
Accrued interest	(489,142)	-	-	(489,142)	489,142	(156,027)	156,027	-
Retention payables	(650,315)	-	-	(650,315)	650,315	-	-	-
Income tax payable	(34,281,256)	(1,644,483)	(2,925,189)	(38,850,928)	-	(2,272,041)	-	(2,272,041)
Other current liabilities	(35,020,825)	-	-	(35,020,825)	35,020,825	(5,148,389)	5,148,389	-
Shareholders' equity								
Non-controlling interests	(923,607,087)	-	178,328,740	(745,278,347)	-	-	-	-
(Retained earnings) deficits increase (decrease)	640,054,469	13,154,983	(185,272,973)	467,936,479	-	(277,436,687)	-	(277,436,687)

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Baht

	Consolidated financial statements				Separate financial statements				
	Before adjustment and reclassifications	The first adjustment	The second adjustment	After adjustment and before reclassifications		Before reclassifications	After reclassifications		
				Reclassifications	adjustment and reclassifications				
Statement of Comprehensive Income									
For the year ended December 31, 2014									
Revenue from sales of goods	5,083,181,178	55,745,130	405,140	5,139,331,448	(55,773,897)	5,083,557,551	750,086,327	(55,773,897)	694,312,430
Revenue from production contract	54,469,397	84,861,342	(5,789,415)	133,541,324	-	133,541,324	-	-	-
Other incomes	28,760,500	-	-	28,760,500	-	28,760,500	33,946,555	(21,964,643)	11,981,912
Dividend income	-	-	-	-	-	-	-	21,964,643	21,964,643
Cost of sales	(4,577,093,415)	(96,252,893)	18,545,412	(4,654,800,896)	49,000,938	(4,605,799,958)	(490,747,972)	49,000,938	(441,747,034)
Cost of production contract	(37,155,419)	(43,538,050)	2,567,269	(78,126,200)	-	(78,126,200)	-	-	-
Administrative expenses	(134,215,097)	(8,892,713)	(9,292,299)	(152,400,109)	1,269,559	(151,130,550)	(67,769,777)	3,699,559	(64,070,218)
Management's remuneration	(5,503,400)	-	-	(5,503,400)	5,503,400	-	(3,073,400)	3,073,400	-
Income tax expenses	(48,170,477)	(1,483,537)	(3,086,136)	(52,740,150)	-	(52,740,150)	(4,658,733)	-	(4,658,733)
Profit for the year decrease	331,130,957	(9,560,721)	3,349,971	324,920,207	-	324,920,207	208,080,020	-	208,080,020

39. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved by the Company's Board of Directors on April 26, 2018.

..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)