

INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW  
OF INTERIM FINANCIAL INFORMATION  
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE FIRST QUARTER ENDED MARCH 31, 2016

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## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the consolidated and separate statements of financial position as at March 31, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, consolidated and separate statements of cash flows for the three-month period ended March 31, 2016, and the condensed notes to the interim financial statements (Interim financial information) of Asian Insulators Public Company Limited and its subsidiaries and of Asian Insulators Public Company Limited, respectively. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

Except as mentioned in the Basis for qualified conclusion paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Basis for Qualified Conclusion on the Consolidated Interim Financial Information**

1. I am unable to obtain sufficient and appropriate audit evidence regarding the opening balances for the year 2015 for the following reasons;
  - 1.1 The predecessor auditor of Asian Insulators Public Company Limited, in his report dated March 24, 2015, expressed a disclaimer of opinion on the Company's consolidated financial statement because the predecessor auditor of AI Energy Public Company Limited, its subsidiary, expressed a disclaimer opinion on the consolidated financial statement for the year ended December 31, 2014 (Before restatement) due to the fact that the subsidiary had no effective internal control regarding the cost of sales and inventories, including the misappropriation of assets utilization. As a result, there is no proper information or controls by which to assure the validity and completeness of the manufacturing information and stock movement. This affects the costs of goods sold, inventory balances and related accounts.

  
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According to the above matter, the subsidiary's Management has restated the subsidiary's consolidated financial position as at December 31, 2014 in order to correct the errors as described in Note to Financial Statements No.32. I am unable to obtain sufficient and appropriate audit evidence for those transaction incurred in 2014 and there was no effective internal control as mentioned above.

- 1.2 As discussed in the Note to Financial Statements No.29.4, The subsidiary received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand, dated January 20, 2016, requesting for the facts about the subsidiary auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. The subsidiary's management provided a clarification of the facts to the Enforcement Department, Office of the Securities and Exchange Commission of Thailand. The subsidiary also sent a letter to request the status update with respect to this matter. The Enforcement Department, Office of the Securities and Exchange Commission of Thailand replied by a letter, dated February 28, 2017 that the outcome is not yet finalized.
2. From my audit on the subsidiary's financial statements for the year ended December 31, 2015, the subsidiary's production yield during the period of January to June 2015 were 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
3. As discussed in the Note to financial statements No.11, the financial statements of PPC Asian Insulator Company Limited, an associated company, as at March 31, 2016, used for recording the investment under the equity method in the consolidated financial statement, is based on information from Management which had not been reviewed by an auditor. The Company's consolidated financial statements, as at March 31, 2016, included an investment of Baht 4.60 million and a share of profit for the three-month period ended March 31, 2016 in the amount of Baht 0.01 million. I am unable to satisfactorily review the appropriateness of the balance of such investment in the associated company.

Since the matter discussed in No.1 and No.3 above have significant effect on the interim financial information for the three-month period ended March 31, 2016. My conclusion is qualified on the interim financial information for the three-month period ended March 31, 2016.

I had expressed a disclaimer of conclusion on the consolidated interim financial information for the three-month period ended March 31, 2015, and had expressed a qualified opinion on the consolidated financial position as at December 31, 2015, due to results as mentioned in No.1 and No.2 above. Therefore, my conclusion is qualified for possible effect of these matters on the comparability of the previous period's figures to those of this period.

#### **Qualified Conclusion on the Consolidated Interim Financial Information**

Except for the possible effect of the matter described in the Basis for qualified conclusion on the consolidated interim financial information paragraph No.1 and No.3 and the possible effect on the comparability of the previous period's figures to those of this period as described in the Basis for qualified conclusion paragraph No.1 and No.2, based on my review, nothing has come to my attention that causes me to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".



### **Conclusion on the Separate Interim Financial Information**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

### **Emphasis of Matter**

As discussed in Notes to Financial Statements No. 32, the Company's financial statements for the year ended December 31, 2015 had been prepared and issued on March 29, 2016. During the year 2016, the Company retroactively adjusted the accounting errors on the account of the non-controlling interest and the subsidiary retroactively adjusted the accounting errors in the consolidated financial statements for the year ended December 31, 2015 and as at January 1, 2015.



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 28, 2017

ASIAN INSULATOR'S PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

Unit: Thousand Baht

	Notes	Consolidated financial statements			Separate financial statements	
		March 31, 2016	December 31, 2015	January 1, 2015	March 31, 2016	December 31, 2015
		"UNAUDITED" "REVIEWED"	(RESTATED)	(RESTATED)	"UNAUDITED" "REVIEWED"	"AUDITED"
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	5	519,306	154,714	204,456	304,858	29,358
Short-term investments	6	187,032	419,180	259,341	47,706	216,343
Trade and other receivables - net	4, 7, 32	492,007	545,628	636,762	160,341	220,809
Unbilled receivables	8, 32	52,391	19,667	17,718	-	-
Inventories - net	9, 32	708,915	464,815	543,629	126,957	86,120
Oil supplies	10	1,727	1,987	2,368	-	-
Non-current assets held for sale - net		-	-	2,540	-	-
<b>Total current assets</b>		<b>1,961,378</b>	<b>1,605,991</b>	<b>1,666,814</b>	<b>639,862</b>	<b>552,630</b>
<b>Non-current assets</b>						
Investments in associated company - net	11	4,596	4,589	17,291	-	5,400
Investments in subsidiaries	12	-	-	-	862,555	862,555
Pledged deposits at financial institution	13	3,556	3,556	2,000	-	-
Property, plant, vessel and equipment - net	14, 32	1,962,765	1,982,449	2,030,765	581,582	593,948
Intangible assets - net	15	3,494	4,013	5,040	3,392	3,907
Deferred tax assets	23	16,276	18,081	3,928	6,064	6,285
Other non-current assets		13,653	14,043	17,056	312	312
<b>Total non-current assets</b>		<b>2,004,340</b>	<b>2,026,731</b>	<b>2,076,080</b>	<b>1,453,905</b>	<b>1,472,407</b>
<b>Total assets</b>		<b>3,965,718</b>	<b>3,632,722</b>	<b>3,742,894</b>	<b>2,093,767</b>	<b>2,025,037</b>

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

Unit: Thousand Baht

	Notes	Consolidated financial statements			Separate financial statements	
		March 31, 2016	December 31, 2015	January 1, 2015	March 31, 2016	December 31, 2015
		"UNAUDITED" "REVIEWED"	(RESTATED)	(RESTATED)	"UNAUDITED" "REVIEWED"	"AUDITED"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	16	405,000	324,034	366,918	-	-
Trade and other payables	4, 17, 32	351,344	163,457	257,864	68,985	54,515
Current portion of long-term loan from financial institutions		-	-	22,080	-	-
Advance received and deferred construction revenue	8	5,163	28,259	617	-	-
Income tax payable	32	12,103	9,276	38,850	7,282	5,512
<b>Total current liabilities</b>		<b>773,610</b>	<b>525,026</b>	<b>686,329</b>	<b>76,267</b>	<b>60,027</b>
<b>Non-current liabilities</b>						
Long-term loan from financial institutions - net		-	-	76,880	-	-
Employee benefit obligations	18	33,690	36,564	30,810	19,849	20,710
<b>Total non-current liabilities</b>		<b>33,690</b>	<b>36,564</b>	<b>107,690</b>	<b>19,849</b>	<b>20,710</b>
<b>Total liabilities</b>		<b>807,300</b>	<b>561,590</b>	<b>794,019</b>	<b>96,116</b>	<b>80,737</b>

.....Director

(Narong Thareratanavibool)

.....Director

(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

		Unit: Thousand Baht				
		Consolidated financial statements			Separate financial statements	
		March 31, 2016	December 31, 2015	January 1, 2015	March 31, 2016	December 31, 2015
		"UNAUDITED"	(RESTATED)	(RESTATED)	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"			"REVIEWED"	
<b>Shareholders' equity</b>						
<b>Authorized share capital</b>						
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	700,000	500,000	700,000	700,000
<b>Issued and fully paid-up share capital</b>						
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	699,999	500,000	699,999	699,999
		902,769	902,769	902,769	902,769	902,769
<b>Retained earnings (deficits)</b>						
<b>Appropriated</b>						
	22	64,420	61,816	50,000	64,420	61,816
	32	(451,215)	(524,115)	(467,936)	329,208	279,716
<b>Other components of shareholders' equity</b>						
<b>Difference on business combination</b>						
under common control						
		(3,259)	(3,259)	(3,259)	-	-
Capital surplus from share premium of subsidiary						
		360,580	360,580	360,580	-	-
Gain on disposal of investment in subsidiaries						
		861,443	861,443	861,443	-	-
Actuarial gains						
		1,898	-	-	1,255	-
		2,436,635	2,359,233	2,203,597	1,997,651	1,944,300
<b>Total shareholders' equity of the Company</b>						
	29	721,783	711,899	745,278	-	-
<b>Total shareholders' equity</b>						
		3,158,418	3,071,132	2,948,875	1,997,651	1,944,300
<b>Total liabilities and shareholders' equity</b>						
		3,965,718	3,632,722	3,742,894	2,093,767	2,025,037

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

"UNAUDITED"  
 "REVIEWED"

	Notes	Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	4, 26, 27, 28, 32				
<b>Revenues</b>					
Revenue from sales of goods		1,312,654	908,164	183,025	83,227
Revenue from production contract		8,160	6,993	-	-
Revenue from construction contract		82,326	2,950	-	-
Revenue from vessel operating		8,294	5,913	-	-
Other incomes		3,425	5,795	1,629	2,364
<b>Total revenues</b>		<b>1,414,859</b>	<b>929,815</b>	<b>184,654</b>	<b>85,591</b>
<b>Expenses</b>					
Cost of sales		(1,178,597)	(892,206)	(107,054)	(55,539)
Cost of production contract		(6,752)	(5,902)	-	-
Cost of construction contract		(74,548)	(2,084)	-	-
Cost of vessel operating		(7,541)	(9,935)	-	-
Selling expenses		(10,101)	(11,783)	(993)	(1,063)
Administrative expenses		(46,490)	(42,988)	(17,391)	(23,782)
Finance costs		(2,323)	(4,211)	-	(614)
Loss on impairment of investment in associate	11	-	-	(5,400)	-
Share of gain (loss) from investment in associates	11	7	(4,566)	-	-
<b>Total expenses</b>		<b>(1,326,345)</b>	<b>(973,675)</b>	<b>(130,838)</b>	<b>(80,998)</b>
<b>Profit (loss) before income tax expenses</b>		<b>88,514</b>	<b>(43,860)</b>	<b>53,816</b>	<b>4,593</b>
Tax income (Tax expense)	24	(3,538)	4,707	(1,720)	(578)
<b>Profit (loss) for the periods</b>		<b>84,976</b>	<b>(39,153)</b>	<b>52,096</b>	<b>4,015</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Defined benefit plan actuarial gains	18	2,933	-	1,569	-
Income tax on other comprehensive income relating to items that will not be reclassified	23	(623)	-	(314)	-
<b>Other comprehensive income for the periods - net of income tax</b>		<b>2,310</b>	<b>-</b>	<b>1,255</b>	<b>-</b>
<b>Total comprehensive income (loss) for the periods</b>		<b>87,286</b>	<b>(39,153)</b>	<b>53,351</b>	<b>4,015</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the parent		75,504	(23,961)	52,096	4,015
Non-controlling interests		9,472	(15,192)	-	-
		<b>84,976</b>	<b>(39,153)</b>	<b>52,096</b>	<b>4,015</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Equity holders of the parent		77,402	(23,961)	53,351	4,015
Non-controlling interests		9,884	(15,192)	-	-
		<b>87,286</b>	<b>(39,153)</b>	<b>53,351</b>	<b>4,015</b>
<b>Earnings (loss) per share</b>	21				
Basic earnings (loss) per share of the Company (Baht)		0.03	(0.01)	0.02	0.00
Weighted average number of ordinary shares (share)		2,799,996,084	2,799,996,084	2,799,996,084	2,799,996,084

.....Director  
 (Narong Thararatnavibool)

.....Director  
 (Thanit Thararatnavibool)



ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

Notes	Unit: Thousand Baht											"UNAUDITED" "REVIEWED"
	Consolidated financial statements											
	Equity attributable to equity holders of the parent											
	Other components of shareholders' equity											
	Other comprehensive income (loss)											
	Issued and paid-up share capital	Premiums on share capital	Retained earnings (deficits)	Difference on business combination under common control	Capital surplus from share premium of subsidiary	Gain on disposal of investment in subsidiaries	Actuarial gains	Total other components of shareholders' equity	Equity holders of the parent	Non-controlling interests	Total	Shareholders' Equity
	Appropriated to legal reserve	Unappropriated	on business combination under common control	share premium of subsidiary	investment in subsidiaries	Actuarial gains	components of shareholders' equity	Equity holders of the parent	Non-controlling interests	Total	Shareholders' Equity	
32	699,999	902,769	61,816	(3,259)	360,580	861,443	-	1,218,764	2,185,157	888,900	3,074,057	
	-	-	-	-	-	-	-	-	174,076	(177,001)	(2,925)	
	699,999	902,769	61,816	(3,259)	360,580	861,443	-	1,218,764	2,359,233	711,899	3,071,132	
22	-	-	2,604	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	77,402	9,884	87,286	
	699,999	902,769	64,420	(3,259)	360,580	861,443	1,898	1,220,662	2,436,635	721,783	3,158,418	
	500,000	902,769	50,000	(3,259)	360,580	861,443	-	1,218,764	2,031,479	923,607	2,955,086	
	-	-	-	-	-	-	-	-	172,118	(178,329)	(6,211)	
	500,000	902,769	50,000	(3,259)	360,580	861,443	-	1,218,764	2,203,597	745,278	2,948,875	
	-	-	-	-	-	-	-	-	(23,961)	(15,192)	(39,153)	
	500,000	902,769	50,000	(3,259)	360,580	861,443	-	1,218,764	2,179,636	730,086	2,909,722	

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.....Director  
(Narong Thararatnavibool)

.....Director  
(Thanik Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

	Unit: Thousand Baht										"UNAUDITED"
	Separate financial statements										"REVIEWED"
	Note	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Unappropriated	Other components of shareholders' equity		Total Shareholders' Equity		
Appropriated to legal reserve				Unappropriated	Actuarial gains		Actuarial gains				
Balance as at January 1, 2016	699,999	902,769	61,816	279,716	-	-	-	-	1,944,300		
Changes in shareholders' equity for the period:											
Legal reserve	-	-	2,604	(2,604)	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	52,096	1,255	1,255			53,351		
Balance as at March 31, 2016	699,999	902,769	64,420	329,208	1,255	1,255			1,997,651		
Balance as at January 1, 2015	500,000	902,769	50,000	277,436	-	-	-	-	1,730,205		
Changes in shareholders' equity for the period:											
Total comprehensive income for the period	-	-	-	4,015	-	-	-	-	4,015		
Balance as at March 31, 2015	500,000	902,769	50,000	281,451	-	-	-	-	1,734,220		

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.....Director  
 (Narong Tharetanavibool)

.....Director  
 (Thanit Tharetanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS  
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

"UNAUDITED"

"REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash Flows from Operating Activities:</b>				
Profit (loss) before income tax expense	88,514	(43,860)	53,816	4,593
Adjustments to reconcile profit (loss) before income tax expense to cash provided by (used in) operating activities:				
Depreciation	36,999	36,637	15,555	16,528
Amortization of computer softwares	526	474	515	464
Gain on disposal asset	-	(60)	-	(39)
Unrealized (gain) loss on investments in Open-end Fund	(199)	(1,116)	186	(93)
Allowance for doubtful accounts	10,889	-	-	-
Allowance for devaluation of inventories	-	40,749	-	-
Loss on impairment of investment in associate	-	-	5,400	-
Share of (gain) loss from investment in associate	(7)	4,566	-	-
Unrealized (gain) loss on exchange rates	8	(180)	(87)	(268)
Long-term employee benefit expenses	1,526	1,440	708	738
Interest income	(42)	(221)	(18)	(26)
Interest expenses	2,323	3,596	-	383
Gain from operating activities before changes in operating assets and liabilities	140,537	42,025	76,075	22,280
Operating assets (increase) decrease				
Short-term investments	232,347	(37,220)	168,451	(25,094)
Trade and other receivables	33,146	255,631	60,468	73,077
Unbilled receivables	(32,724)	(231)	-	-
Inventories	(243,840)	(170,524)	(40,838)	(57,959)
Advance payment to subcontractors	4,736	77	-	-
Withholding tax refundable	-	62	-	-
Other current assets	56	111	-	-
Non-current assets classified as held for sale	-	2,440	-	-
Other non-current assets	703	324	-	-

.....Director  
 (Narong Thareratanavibool)

.....Director  
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

"UNAUDITED"

"REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Operating liabilities increased (decrease)				
Trade and other payables	188,695	(1,031)	12,947	15,670
Advance received from construction and deferred construction revenue	(23,096)	(618)	-	-
Retention payables	489	(269)	-	-
Other current liabilities	-	11	-	-
Cash provided by operating activities	301,049	90,788	277,103	27,974
Payment for employee benefit obligations	(1,467)	-	-	-
Paid income tax	(484)	(410)	(43)	(73)
Net cash provided by operating activities	299,098	90,378	277,060	27,901
<b>Cash Flows from Investing Activities:</b>				
Increase in fixed deposits with obligation	-	(1,136)	-	-
Interest received	42	221	18	26
Payment for purchases of assets	(13,065)	(28,792)	(1,578)	(2,017)
Proceeds from disposal of equipment	-	116	-	75
Net cash used in investing activities	(13,023)	(29,591)	(1,560)	(1,916)
<b>Cash Flows from Financing Activities:</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	80,966	(37,015)	-	(10,000)
Interest paid	(2,449)	(3,512)	-	(414)
Payment for long-term loans from financial institutions	-	(98,960)	-	-
Net cash provided by (used in) financing activities	78,517	(139,487)	-	(10,414)
Net increase (decrease) in cash and cash equivalents	364,592	(78,700)	275,500	15,571
Cash and cash equivalents at beginning of the periods	154,714	204,456	29,358	12,433
Cash and cash equivalents at end of the periods	519,306	125,756	304,858	28,004

Supplemental disclosures of cash flows information

Non-cash transactions consist of:

Assets payable for plant and equipment	6,628	10,306	3,980	2,537
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.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016 (UNAUDITED) (REVIEWED)**

**1. GENERAL INFORMATION**

Asian Insulators Public Company Limited (“the Company”) was registered as a company under the Civil and Commercial Code of Thailand 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 na yao Sub-District, Khan na yao District, Bangkok and The Factory located at No. 99 Moo 2, Asia Highway Km. 70 -71 Road, Tambol Banmor, Amphur Promburi, Singburi Province.

**2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34, Interim Financial Reporting (revised 2015), including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and the regulations of the Securities and Exchange Commission.

The interim financial statements have been prepared in the Thai language and expressed in Thai Baht. Such interim 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 interim financial statements has been provided by translating from the Thai version of the interim financial statements.

Other than those specified in the notes to the annual and interim financial statements, all other balances presented in these interim financial statements are prepared under the historical cost basis.

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2015. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2015.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards 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.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

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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.

**Basis for preparation of the consolidated interim financial statements**

The consolidated interim financial statements, related to the Company and its subsidiary (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2015.

There is no change in the structure of the Group during the current period.

**New financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, which 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 Company’s financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2015.

**4. TRANSACTIONS WITH RELATED PARTIES**

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.

Significant transactions between the Company and related parties for the three-month periods ended March 31, 2016 and 2015 were as follows:

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Sales of products and raw materials</b>				
PPC Asian Insulators Co., Ltd.	781	955	781	955
AI Engineering Services Co., Ltd.	-	-	372	-
AI Ports and Terminals Co., Ltd.	-	-	-	5,250
AI Logistics Co., Ltd.	-	-	-	3,500
<b>Sales of hybrid clay</b>				
PPC Asian Insulators Co., Ltd.	36,883	40,819	36,883	40,819
<b>Other income - rental and services</b>				
PPC Asian Insulators Co., Ltd.	90	459	90	670
AI Engineering Services Co., Ltd.	-	-	312	299
AI Energy Public Co., Ltd.	-	-	242	265
AI Logistics Co., Ltd.	-	-	145	178
AI Ports and Terminals Co., Ltd.	-	-	87	136
<b>Purchase of goods</b>				
Samart Palm Co., Ltd.	3,426	8,705	-	-
Samart Palm oil Co., Ltd.	5,828	9,374	-	-
Samart Palm Industry Co., Ltd.	9,600	10,287	-	-
<b>Purchases of scrap clay</b>				
PPC Asian Insulators Co., Ltd.	17,332	16,134	17,332	16,134
<b>Purchases of raw materials and consumed supply</b>				
PPC Asian Insulators Co., Ltd.	8	1	8	1
AI Energy Public Co., Ltd.	-	-	94	26

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## Directors and management's remuneration

Directors and management's remuneration for the three-month periods ended March 31, 2016 and 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	11,560	11,056	6,534	6,054
Long-term post-employment benefits	515	331	177	144
Total directors and management's remuneration	12,075	11,387	6,711	6,198

Significant balances with related parties as at March 31, 2016 and December 31, 2015 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Trade receivable</b>				
PPC Asian Insulators Co., Ltd.	20,559	16,821	20,559	16,817
<b>Other receivable</b>				
PPC Asian Insulators Co., Ltd.	67	44	67	44
AI Engineering Services Co., Ltd.	-	-	21	17
AI Logistics Co., Ltd.	-	-	4	3
<b>Trade payable</b>				
PPC Asian Insulators Co., Ltd.	12,924	10,926	12,924	10,903
Samart Palm oil Co., Ltd.	1,663	-	-	-
Samart Palm Industry Co., Ltd.	873	-	-	-
<b>Other payable</b>				
AI Energy Public Co., Ltd.	-	-	40	14

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, 2016 and December 31, 2015 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	629	614	70	105
Deposit at bank - saving	304,865	152,784	304,641	29,106
- current	212,904	413	147	147
Fixed deposits due within 3 months	908	903	-	-
Total cash and cash equivalents	519,306	154,714	304,858	29,358

## 6. SHORT-TERM INVESTMENTS

Short-term investments as at March 31, 2016 and December 31, 2015 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Saparate financial statements	
	2016	2015	2016	2015
Investment in Open-end Fund-Debt securities	186,171	416,122	47,462	215,913
Add Allowance for adjustment	629	2,826	244	430
Investment in Open-end Fund-Fair value	186,800	418,948	47,706	216,343
Fixed deposits	232	232	-	-
Total short-term investments	187,032	419,180	47,706	216,343

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 period were presented in the statement of profit or loss.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
Trade receivable - related parties	20,559	16,821	20,559	16,817
Trade receivable - state enterprises	151,105	190,094	122,743	187,549
Trade receivable - other	289,334	291,331	12,456	11,494
Post date cheques	7,256	9,805	-	-
Total trade receivables	468,254	508,051	155,758	215,860
<u>Less</u> Allowance for doubtful accounts	(12,137)	(1,248)	-	-
Total trade receivables - net	456,117	506,803	155,758	215,860
Other receivables				
Other receivables	67	2,760	92	64
Prepaid expense	6,476	3,662	3,772	1,739
Deposit for inventories	1,121	2,906	491	2,906
Revenue Department receivable	6,748	2,516	228	240
Advance payment to subcontractors	20,815	25,551	-	-
Others	969	1,736	-	-
Total other receivables	36,196	39,131	4,583	4,949
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	-	-
Total other receivables - net	35,890	38,825	4,583	4,949
Total trade and other receivables - net	492,007	545,628	160,341	220,809

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

As at March 31, 2016 and December 31, 2015, outstanding balances of trade receivables aged by number of months are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Related parties</b>				
Current	20,559	16,821	20,559	16,817
<b>Total</b>	<b>20,559</b>	<b>16,821</b>	<b>20,559</b>	<b>16,817</b>
<b>State enterprises</b>				
Current	146,964	183,319	118,602	183,319
Overdue				
Within 3 months	1,874	3,187	1,874	3,187
Over 3 months to 12 months	2,267	3,588	2,267	1,043
<b>Total</b>	<b>151,105</b>	<b>190,094</b>	<b>122,743</b>	<b>187,549</b>
<b>Other</b>				
Current	272,223	284,773	5,757	7,931
Overdue				
Within 3 months	11,731	2,727	6,699	3,563
Over 3 months to 12 months	-	12,388	-	-
Over 12 months	12,636	1,248	-	-
<b>Total</b>	<b>296,590</b>	<b>301,136</b>	<b>12,456</b>	<b>11,494</b>
<b>Less Allowance for doubtful accounts</b>	<b>(12,137)</b>	<b>(1,248)</b>	<b>-</b>	<b>-</b>
<b>Total trade receivables - net</b>	<b>456,117</b>	<b>506,803</b>	<b>155,758</b>	<b>215,860</b>

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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 March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2016	2015
Unbilled receivables		
Contract value	456,393	222,966
Recognition of income by the percentage of completion	272,111	186,245
Less Value of billing construction	(219,720)	(166,578)
Unbilled receivables	52,391	19,667
Advance received and deferred construction revenue		
Contract value	195,466	437,893
Value of billing construction	22,010	48,645
Less Recognition of income by the percentage of completion	(16,847)	(20,386)
Advance received and deferred construction revenue	5,163	28,259

## 9. INVENTORIES - NET

Inventories as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Raw materials	456,829	292,335	82,018	62,342
Work in process	138,777	98,937	27,465	22,439
Finished goods	96,378	62,800	12,528	1,127
Supplies	13,556	11,645	1,571	1,114
Goods in transit	8,099	3,822	8,099	3,822
Total	713,639	469,539	131,681	90,844
Less Allowance for devaluation of inventories	(4,724)	(4,724)	(4,724)	(4,724)
Total inventories - net	708,915	464,815	126,957	86,120

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 10. OIL SUPPLIES

Oil supplies as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2016	2015
Bunker oil	928	1,363
Lubricants	799	624
Total oil supplies	1,727	1,987

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 11. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at March 31, 2016 and December 31, 2015 consisted of:

Company	Nature of business	Percentage of investment (%)		Unit: Million Bath		Unit: Thousand Baht			
		2016	2015	2016	2015	Separate financial statements			
		Issued share capital		Equity method		Cost method-net			
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramic	25.10	25.10	263	263	4,596	4,589	66,000	66,000
<u>Less</u> Provision for diminution in investment						-	-	(66,000)	(60,600)
Total investments in associate - net						4,596	4,589	-	5,400

The consolidated and separate financial statements for the three-month periods ended March 31, 2016 and 2015, 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 reviewed by an auditor. The carrying value of the investment in the consolidated financial statements as at March 31, 2016 and December 31, 2015, amounted to Baht 4.60 million and Baht 4.59 million, respectively, representing 0.12% and 0.13% of total assets in the consolidated financial statements, respectively.

The equity of net gain (loss) of the associated company in the consolidated financial statements for the three-month periods ended March 31, 2016 and 2015 amounted to Baht 0.01 million and Baht (4.57) million, respectively, representing 0.01% and (11.66%) of consolidated net profit, respectively.

The carrying value of the investment in the separate financial statements as at December 31, 2015, amounted to Baht 5.40 million, representing 0.27% of total assets in the separate financial statements.

As at March 31, 2016, the management of the Company has considered the net realizable value from investments in associate and passed a resolution to set up fully provision for diminution of investment in associate in the separate financial statements.

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

## 12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2016 and December 31, 2015 consisted of:

Company	Nature of business	Percentage of investment (%)		Issued share capital Unit : Million Baht		Unit: Thousand Baht Separate financial statements	
		2016	2015	2016	2015	2016	2015
<b>Subsidiaries directly held by the Company</b>							
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	99.84	99.84	200	200	197,000	197,000
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	59.59	59.59	1,130	1,130	665,555	665,555
<b>Subsidiaries held by AI Energy Public Company Limited</b>							
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable oil and other fuel oil	100.00	100.00	460	460	-	-
Total investments in subsidiaries						862,555	862,555

## 13. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

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

..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

**14. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET**

Property, plant, vessel and equipment as at March 31, 2016 and December 31, 2015 consisted of:

		Unit: Thousand Baht									
		Consolidated financial statements									
		Land	Land improvement	Building and bullding improvement	Utility system	Machinery, accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<b>At cost</b>											
As at December 31, 2015		357,156	36,171	958,037	57,273	1,413,515	179,322	33,396	90,213	9,322	3,134,405
Purchases during period		-	-	-	3	4,120	-	321	-	12,871	17,315
Transfers in (Transfers out) during period		-	1,030	410	6,000	8,227	-	-	-	(15,667)	-
As at March 31, 2016		357,156	37,201	958,447	63,276	1,425,862	179,322	33,717	90,213	6,526	3,151,720
<b>Accumulated Depreciation</b>											
As at December 31, 2015		-	16,845	291,402	31,236	604,774	135,558	28,184	37,967	-	1,145,966
Depreciation for the period		-	542	8,415	1,160	21,271	4,260	525	826	-	36,999
As at March 31, 2016		-	17,387	299,817	32,396	626,045	139,818	28,709	38,793	-	1,182,965
<b>Allowances for impairment</b>											
As at December 31, 2015		-	-	-	-	(5,990)	-	-	-	-	(5,990)
As at March 31, 2016		-	-	-	-	(5,990)	-	-	-	-	(5,990)
<b>Book value</b>											
As at December 31, 2015		357,156	19,326	666,635	26,037	802,751	43,764	5,212	52,246	9,322	1,982,449
As at March 31, 2016		357,156	19,814	658,630	30,880	793,827	39,504	5,008	51,420	6,526	1,962,765

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)



Unit: Thousand Baht

Separate financial statements									
	Land	Land improvement	Building and building improvement	Utility system	Machinery, accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<b>At cost</b>									
As at December 31, 2015	61,576	14,822	414,132	20,200	658,199	22,207	11,880	4,256	1,207,272
Purchases during period	-	-	-	-	836	61	-	2,292	3,189
Transfers in (Transfers out) during period	-	-	-	-	6,080	-	-	(6,080)	-
As at March 31, 2016	61,576	14,822	414,132	20,200	665,115	22,268	11,880	468	1,210,461
<b>Accumulated Depreciation</b>									
As at December 31, 2015	-	14,821	162,836	18,584	381,489	19,646	9,958	-	607,334
Depreciation for the period	-	1	4,540	311	10,422	278	3	-	15,555
As at March 31, 2016	-	14,822	167,376	18,895	391,911	19,924	9,961	-	622,889
<b>Allowances for impairment</b>									
As at December 31, 2015	-	-	-	-	(5,990)	-	-	-	(5,990)
As at March 31, 2016	-	-	-	-	(5,990)	-	-	-	(5,990)
<b>Book value</b>									
As at December 31, 2015	61,576	1	251,296	1,616	270,720	2,561	1,922	4,256	593,948
As at March 31, 2016	61,576	-	246,756	1,305	267,214	2,344	1,919	468	581,582

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the three-month periods ended March 31, 2016 and 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sale and service	33,814	31,790	13,473	12,782
Selling and administrative expenses	3,185	4,847	2,082	3,746
	36,999	36,637	15,555	16,528

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 March 31, 2016 and December 31, 2015, of Baht 415.02 million and Baht 417.25 million, respectively. (Note 16)

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at March 31, 2016 and December 31, 2015, in the consolidated financial statement totaling approximately Baht 297.20 million and Baht 278.83 million, respectively, and separate financial statements totaling approximately Baht 254.41 million and Baht 254.12 million, respectively.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

15. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht	
	Computer Software	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
As at December 31, 2015	21,273	20,566
Purchases during period	7	-
As at March 31, 2016	21,280	20,566
<b>Accumulated amortisation</b>		
As at December 31, 2015	17,260	16,659
Amortization for the period	526	515
As at March 31, 2016	17,786	17,174
<b>Net booked value</b>		
As at December 31, 2015	4,013	3,907
As at March 31, 2016	3,494	3,392

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16. **BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts and short-term loans from financial institutions as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bank overdraft	-	34	-	-
short-term loans from financial institution	405,000	324,000	-	-
Total bank overdraft and short-term loans from financial institution	405,000	324,034	-	-

  

	Credit line (Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bank overdraft	67	67	12	12
Promissory notes	1,870	1,870	430	430
Total	1,937	1,937	442	442

These loans are secured by mortgage land with structure and part of a subsidiary (Note 14). Under the terms of loan contract, the Company cannot pledge its assets as collateral for other loan.

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## 17. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2016 and December 31, 2015 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables				
Trade payables - related parties	15,460	10,926	12,924	10,903
Trade payables - others	259,479	94,902	33,622	27,185
Total trade payables	274,939	105,828	46,546	38,088
Other payables				
Payables for purchase of assets	7,348	3,086	3,980	2,370
Other payables	4,998	3,798	40	14
Advances received for goods	7,050	5,978	2,341	1,268
Electricity payable	6,831	5,649	1,743	1,453
Accrued expenses	12,540	10,087	6,727	4,724
Retention	1,811	1,195	-	-
Revenue Department payable	32,999	26,380	5,678	6,057
Others	2,828	1,456	1,930	541
Total other payables	76,405	57,629	22,439	16,427
Total trade and other payables	351,344	163,457	68,985	54,515

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 18. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligations and employee benefit expenses in the statement of profit or loss and other comprehensive income for the three-month periods ended March 31, 2016 and 2015 were as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Defined benefit obligations at beginning as at January 1,	36,564	30,810	20,710	17,686
Employee benefit expenses in the statements of profit or loss:				
Current service cost	1,341	1,185	602	593
Cost of interest	185	255	106	145
Benefit paid during the period	(1,467)	-	-	-
Included in other comprehensive income:				
Actuarial (gain) losses arising from				
Financial assumptions changes	(5,618)	-	(2,524)	-
Experience adjustments	2,685	-	955	-
Defined benefit obligations as at March 31,	33,690	32,250	19,849	18,424

Principal actuarial assumptions as at March 31, 2016 and December 31, 2015 (represented by the weighted - average) were as follows:

	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.77 - 2.35% per annum	3.18 - 3.39% per annum	2.22 % per annum	3.29% per annum
Future salary increase rate	0 - 5.00 % per annum	5.00 % per annum	1.00 - 5.00 % per annum	5.00 % per annum
Average staff turnover rate	0 - 33.00 % per annum	5.00 % per annum	0 - 33.00 % per annum	5.00 % per annum
Mortality rate	Thai Mortality	Thai Mortality	Thai Mortality	Thai Mortality
	Ordinary Table of 2008	Ordinary Table of 2008	Ordinary Table of 2008	Ordinary Table of 2008

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 19. SHARE CAPITAL

19.1 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 Baht 1 per share to Baht 0.25 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.

19.2 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 Baht 1 per share to Baht 0.25 per share. After the changing of par value, the subsidiary has the ordinary shares of 4,520 million shares.
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 20.

## 20. WARRANTS

### Warrants AIE-W1

On April 21, 2015, the Annual General Meeting of the Company'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.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 21. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended March 31, 2016 and 2015 were calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b><u>For the three-month periods</u></b>				
Net profit (loss) attributable				
to shareholders of the parent (Thousand Baht)	75,504	(23,961)	52,096	4,015
Number of ordinary share outstanding				
at beginning for the periods (Thousand share)	2,799,996	2,000,000	2,799,996	2,000,000
Effect of issuance stock dividend	-	799,996	-	799,996
Weighted average number of ordinary shares				
outstanding during the periods (Basic)	2,799,996	2,799,996	2,799,996	2,799,996
Basic earnings (loss) per share (Baht)	0.03	(0.01)	0.02	0.00

## 22. LEGAL RESERVE

Legal reserve is set up under the Public Limited Companies Act B.E. 2535. The Company is required to set aside to a statutory reserve at least 5 percent of its net income, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 23. DEFERRED TAX

Deferred tax as at March 31, 2016 and December 31, 2015 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	19,577	21,361	6,113	6,285
Deferred tax liabilities	(3,301)	(3,280)	(49)	-
Deferred tax assets - net	16,276	18,081	6,064	6,285

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



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

	Unit: Thousand Baht						
	Consolidated financial statements			Separate financial statements			
	As at January 1, 2016	Profit (Loss)	Other comprehensive income (loss)	As at March 31, 2016	As at January 1, 2016	Profit (Loss)	Other comprehensive income (loss)
<b>Deferred tax assets</b>							
Allowance for doubtful trade accounts receivable	311	-	-	311	-	-	-
Allowance for devaluation of inventories	961	(16)	-	945	945	-	945
Allowance for impairment of assets	1,198	-	-	1,198	1,198	-	1,198
Provision for long-term employee benefits	6,674	281	(623)	6,332	4,142	142	(314)
Tax loss carried forward	12,217	(1,426)	-	10,791	-	-	-
<b>Total</b>	<b>21,361</b>	<b>(1,161)</b>	<b>(623)</b>	<b>19,577</b>	<b>6,285</b>	<b>142</b>	<b>(314)</b>
<b>Deferred tax liability</b>							
Unrealized gain on investments in							
Open-end Fund	(479)	353	-	(126)	-	(49)	(49)
Depreciation	(2,801)	(374)	-	(3,175)	-	-	-
<b>Total</b>	<b>(3,280)</b>	<b>(21)</b>	<b>-</b>	<b>(3,301)</b>	<b>-</b>	<b>(49)</b>	<b>(49)</b>
<b>Deferred tax assets - net</b>	<b>18,081</b>	<b>(1,182)</b>	<b>(623)</b>	<b>16,276</b>	<b>6,285</b>	<b>93</b>	<b>(314)</b>
							<b>6,064</b>

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

Unit: Thousand Baht

	Consolidated financial statements				Separate financial statements			
	Profit		Other comprehensive income (loss)		Profit		Other comprehensive income (loss)	
	As at January 1, 2015	(Loss)	As at March 31, 2015	income (loss)	As at January 1, 2015	(Loss)	As at March 31, 2015	income (loss)
<b>Deferred tax assets</b>								
Allowance for doubtful trade accounts receivable	728	-	728	-	-	-	-	-
Allowance for devaluation of inventories	24	2,046	2,070	-	-	-	-	-
Allowance for diminution in non-current assets held for sale	387	(387)	-	-	-	-	-	-
Provision for long-term employee benefits	5,660	254	5,914	-	3,537	148	-	3,685
Tax loss carried forward	-	3,347	3,347	-	-	-	-	-
<b>Total</b>	<b>6,799</b>	<b>5,260</b>	<b>12,059</b>	<b>-</b>	<b>3,537</b>	<b>148</b>	<b>-</b>	<b>3,685</b>
<b>Deferred tax liability</b>								
Unrealized gain on investments in Open-end Fund	(611)	574	(37)	-	(25)	(12)	-	(37)
Depreciation	(2,260)	252	(2,008)	-	-	-	-	-
<b>Total</b>	<b>(2,871)</b>	<b>826</b>	<b>(2,045)</b>	<b>-</b>	<b>(25)</b>	<b>(12)</b>	<b>-</b>	<b>(37)</b>
<b>Deferred tax assets - net</b>	<b>3,928</b>	<b>6,086</b>	<b>10,014</b>	<b>-</b>	<b>3,512</b>	<b>136</b>	<b>-</b>	<b>3,648</b>

As at March 31, 2016 and December 31, 2015 the subsidiary had the deferred tax assets for the carrying forward of unrecorded tax losses in financial statements of Baht 13 million and Baht 10.54 million, respectively. The Subsidiary's management believes that it is probable that future taxable profit will be not available and against which the unused tax losses can be utilized. So, don't consider the deferred tax assets for losses incurred.

..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

## 24. INCOME TAX EXPENSES

Income tax expenses the three-month periods ended March 31, 2016 and 2015 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Current tax expense</b>				
Current periods	(2,356)	(1,379)	(1,813)	(714)
<b>Deferred tax expense</b>				
Movement in temporary differences	(1,182)	6,086	93	136
Total	(3,538)	4,707	(1,720)	(578)

### Income tax reduction

According to Royal Decree No. 577 B.E. 2557, dated November 10, 2014, the corporate income tax rate continued at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015. The Act of Legislation amended Revenue Code No.42 B.E. 2559, dated March 3, 2016, grants the corporate income tax rate 20% on net profit for the accounting periods beginning on January 1, 2016 onwards.

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 25. FOREIGN CURRENCY TRANSACTIONS

As at March 31, 2016 and December 31, 2015, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

(Unit: Thousand)

Particulars	Consolidated financial statements				Separate financial statements			
	2016		2015		2016		2015	
	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht
<b>Assets</b>								
USD	21.63	758.67	11.78	423.39	21.50	754.05	11.65	418.66
<b>Total</b>		758.67		423.39		754.05		418.66
<b>Liabilities</b>								
USD	189.02	6,692.71	193.00	6,996.98	189.02	6,692.71	193.00	6,996.98
EUR	182.60	7,351.09	24.90	991.00	182.60	7,351.09	24.90	991.00
<b>Total</b>		14,043.80		7,987.98		14,043.80		7,987.98

## 26. PROMOTIONAL PRIVILEGES

The Company and three subsidiaries have received promotional privileges of Investment Promotion Act, B.E. 2520 (1977)

As a promoted industry, the Company and subsidiaries must strictly comply with certain terms and conditions stipulated in the promotional certificate.

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

The Company and subsidiaries have revenue from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month periods ended March 31, 2016 and 2015, as follows:

	Unit: Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
<b>For the three-month period ended March 31, 2016</b>						
Revenue from sales of goods	1,009,601	303,053	1,312,654	127,129	55,896	183,025
Revenue from production contract	-	8,160	8,160	-	-	-
Revenue from construction contract	-	82,326	82,326	-	-	-
Revenue from vessel operating	-	8,294	8,294	-	-	-
Other incomes	-	3,425	3,425	-	1,629	1,629
<b>Total</b>	<b>1,009,601</b>	<b>405,258</b>	<b>1,414,859</b>	<b>127,129</b>	<b>57,525</b>	<b>184,654</b>
<b>For the three-month period ended March 31, 2015</b>						
Revenue from sales of goods	456,828	451,336	908,164	32,664	50,563	83,227
Revenue from production contract	-	6,993	6,993	-	-	-
Revenue from construction contract	-	2,950	2,950	-	-	-
Revenue from vessel operating	5,913	-	5,913	-	-	-
Other incomes	-	5,795	5,795	-	2,364	2,364
<b>Total</b>	<b>462,741</b>	<b>467,074</b>	<b>929,815</b>	<b>32,664</b>	<b>52,927</b>	<b>85,591</b>

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)



## 27. PROVIDENT FUND

The Company and subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of profit or loss for the three-month periods ended March 31, 2016 and 2015 were as follows :

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Asian Insulators Public Company Limited	464	448	464	448
AI Engineering Services Company Limited	54	60	-	-
AI Energy Public Company Limited	348	335	-	-
AI Logistics Company Limited	6	6	-	-
Total	872	849	464	448

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

**28. SEGMENT INFORMATION**

The segment information for the three-month period ended March 31, 2016 and 2015 were as follows:

		Consolidated financial statements							
		For the three-month period ended March 31, 2016							
		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
Revenue from sales and services		182,653	82,326	1,124,068	8,160	5,933	8,294	-	1,411,434
Cost of sales and services		(107,054)	(74,548)	(1,065,738)	(6,752)	(5,805)	(7,541)	-	(1,267,438)
Gross profit by segment		75,599	7,778	58,330	1,408	128	753	-	143,996
Other income									3,425
Selling expenses									(10,101)
Administrative expenses									(46,490)
Finance costs									(2,323)
Share of gain from investments in associate									7
Income tax expenses									(3,538)
Profit for the period									84,976
Equity holders of the parent									75,504
Non-controlling interests									9,472
Property, plant, vessel and equipment - net		581,582	49	893,586		21,004	41,384	425,160	1,962,765

..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements

For the three-month period ended March 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 refine crude palm oil	Sale of ice cube	Vassel operating	Port services	Total
Revenue from sales and services	85,701	2,950	815,725	6,993	6,738	5,913	-	924,020
Cost of sales and services	(55,539)	(2,084)	(830,823)	(5,902)	(5,844)	(9,935)	-	(910,127)
Gross profit (loss) by segment	30,162	866	(15,098)	1,091	894	(4,022)	-	13,893
Other income								5,795
Selling expenses								(11,783)
Administrative expenses								(42,988)
Finance costs								(4,211)
Share of loss from investments in associate								(4,566)
Income tax expenses								4,707
Loss for the period								(39,153)
Equity holders of the parent								(23,961)
Non-controlling interests								(15,192)
Property, plant, vessel and equipment - net	638,223	59	865,415		21,446	58,192	439,515	2,022,850

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)



## 29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 As at March 31, 2016 and December 31, 2015, the Company and subsidiaries have commitment and contingent liabilities were as follows:

Unit: Million Baht

Particulars	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Letters of guarantee issued by commercial bank	272.53	253.34	120.65	101.43

29.2 As at March 31, 2016 and December 31, 2015, the Company and subsidiaries have capital expenditure commitment were as follows:

Unit: Million Baht

Particulars	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
The purchase of machinery and equipment	3.46	9.36	0.32	0.75

29.3 As at March 31, 2016 and December 31, 2015, the Company is the guarantor for the repayment of loans from financial institutions to AI Engineering Services Company Limited amount of Baht 545 million.

29.4 The subsidiary received a letter from the Enforcement Department, the Office of the Securities and Exchange Commission of Thailand, dated January 20, 2016, requesting facts about the subsidiary's auditor expressed a disclaimer opinion in the subsidiary's financial statements for the year 2014. Which, the subsidiary's management provided a clarification of the facts to the Enforcement Department, Office of the Securities and Exchange Commission of Thailand. The subsidiary also sent a letter to request the status update with respect to this matter. Currently, the Enforcement Department, the Office of the Securities and Exchange Commission of Thailand replied by a letter, dated February 28, 2017 that the outcome is not yet finalized.

29.5 The Subsidiary has entered a lease contract of 15 tanks, comprise 5 tanks at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon and 10 tanks at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon. The lease period was 12 months, commencing from January 1, 2016 to December 31, 2016. The Subsidiary has to pay monthly rental amount of Baht 4.20 million per month.

## 30. LITIGATION

AI Energy Public Company Limited ("the Subsidiary") was sued by the Official Receiver of Pamola Company Limited for transferring back the trademark "Pamola" to the debtor's assets and pays the compensation amount of Baht 3.75 million with an interest rate of 7.50% per annum. On June 8, 2016, the Supreme Court has ordered to dismiss the case.

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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### 31. 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.

### 32. CORRECTION OF ACCOUNTING ERROR AND RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company's financial statements for the years ended December 31, 2015 and 2014 had been prepared and issued on March 29, 2016 and March 24, 2015, respectively. During the year 2016, the Company retroactively adjusted the accounting errors on the account of the non-controlling interest and the subsidiary retroactively adjusted the accounting errors in the consolidated financial statements for the year ended December 31, 2015 and as at January 1, 2015.

The effects to the consolidated financial position as at December 31, 2015 and January 1, 2015, presented herewith for comparative proposes, are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements			
	Before adjustment and reclassifications	Adjustment	Reclassifications	After adjustment and reclassifications
<b>Statement of financial position as at December 31, 2015</b>				
<b>Current assets</b>				
Unbilled receivables	1,417	-	18,250	19,667
<b>Non-current assets</b>				
Retentions	18,250	-	(18,250)	-
<b>Current liabilities</b>				
Income tax payable	(6,351)	(2,925)	-	(9,276)
<b>Shareholders'equity</b>				
Non-controlling interests	(888,900)	177,001	-	(711,899)
Deficits	(698,191)	174,076	-	(524,115)

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

Unit : Thousand Baht

	Consolidated financial statements					
	Before adjustment and reclassifications	The first adjustment	The second adjustment	After adjustment and before reclassifications	After adjustment and reclassifications	
<b>Current assets</b>						
Trade and other receivables - net	569,435	82,473	-	651,908	(15,146)	636,762
Unbilled receivables	46	-	-	46	17,672	17,718
Inventories - net	580,705	(47,533)	9,869	543,041	588	543,629
Construction contracts in progress	588	-	-	588	(588)	-
Advance payment to subcontractors	77	-	-	77	(77)	-
Other current assets	2,449	-	-	2,449	(2,449)	-
<b>Non-Current assets</b>						
Property, plant, vessel and equipment - net	2,031,313	(548)	-	2,030,765	-	2,030,765

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements					
	Before adjustment and reclassifications	The first adjustment	The second adjustment	After adjustment	
				and before reclassifications	Reclassifications adjustment and reclassifications
<b>Statements of financial position as at January 1, 2015 (Continue)</b>					
<b>Current liabilities</b>					
Trade and other payables	(175,801)	(45,903)	-	(221,704)	(36,160)
Accrued interest expenses	(489)	-	-	(489)	489
Retention payables	(650)	-	-	(650)	650
Income tax payable	(34,281)	(1,644)	(2,925)	(38,850)	-
Revenue Department payable	(33,247)	-	-	(33,247)	33,247
Other	(1,774)	-	-	(1,774)	1,774
<b>Shareholders' equity</b>					
Non-controlling interests	(923,607)	-	178,329	(745,278)	-
Deficits decrease	(640,054)	(13,155)	185,273	(467,936)	-
					(38,850)

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

**33. EVENTS AFTER THE REPORTING PERIOD**

- 33.1 The 2016 Annual General Meeting of Shareholders of the Company held on April 29, 2016, passed a resolution to pay dividend for the year 2015 of Baht 0.09 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. The dividend was paid on May 27, 2016.
- 33.2 At November 3, 2016, the subsidiary made contracts for sale of land, buildings and machineries with a company for the amount of Baht 390 million. The subsidiary will receive monthly installment from July 2016 to June 2017. The transfer of ownership will take place once the full amount is paid. The subsidiary also made a rental agreement of land, buildings and machineries with such company for the period of 9 months from November 21, 2016 to June 20, 2017 for rental fee of Baht 0.5 million per month.
- 33.3 At November 1, 2016, the subsidiary made finance lease contracts for hire-purchase Vessel with a company. These agreements are repayable in 24 equal monthly installments up to the year 2018. The ownership of assets purchased under hire-purchase agreements will be transferred to buyer when last installment is paid
- 33.4 At October 24, 2016, the subsidiary made a 5-year contract with a company for manufacturing edible oil products and allowed the use of "Pamola" trademark.

**34. APPROVAL OF INTERIM FINANCIAL STATEMENT**

These interim financial statements have been approved to issue by the Company's Board of Directors on February 28, 2017.



..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)