

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR' S REPORT

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2016

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Independent Auditor's Report

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

Qualified Opinion

I have audited the accompanying consolidated and separate financial statements of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2016, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion paragraph No.1 and No.3 and the possible effect on the comparative financial statements with respect to the matter mentioned in the Basis for qualified opinion paragraph No.1 and No.2 on the consolidated financial statements for the year 2016, the consolidated and separate financial statements referred to above fairly present, in all material respects, the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate financial performance and cash flows for the year then ended of Asian Insulators Public Company Limited, and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion

1. 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.



According to the above matter, the subsidiary's Management has restated the subsidiary's consolidated and separate financial position as at December 31, 2014 in order to correct the errors as described in Note to Financial Statements No.38. 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. 33.5, 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.13, the consolidated financial statements for the years ended December 31, 2016 and 2015 of Asian Insulators Public Company Limited, included an investment in the PPC Asian Insulators Company Limited, an associated company, based on financial statements of the associated company which had not been audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2016 and 2015 amounted to Baht 6.35 million and amounted to Baht 4.59 million, respectively, representing 0.18% and 0.13% of total assets in the consolidated financial statements, and the share of net profit (loss) under the equity method of the associated company in the consolidated financial statements for the years ended December 31, 2016 and 2015 amounted to Baht 1.76 million and Baht (12.7) million, respectively, representing 0.54% and 8.79% of consolidated net profit. Therefore, my audit opinion was qualified.

Since the matter discussed in No.1 and No.3 above have significant effect on the consolidated financial statement for the year ended December 31, 2016. My opinion is qualified on the consolidated financial statement for the year ended December 31, 2016.

I had expressed a disclaimer of opinion on the consolidated financial statement for the year ended December 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 opinion is qualified on the consolidated financial statement for the year 2016 for possible effect of these matters on the comparability of the previous period's figures to those of this year.

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the section of my report titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements". I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the

consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

As discussed in Notes to Financial Statements No. 38, 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters, except with respect to the matter as mentioned in the Basis for qualified opinion paragraph.

Recognition of revenue from sale of porcelain insulators and components

Risk

As mentioned in Note to Financial Statements No. 3, as at December 31, 2016, the Company has recognized the undelivered sale of porcelain insulators and components, in the amount of Baht 138.86 million, to state enterprise customers who have already committed to the purchases. This is according to the customers' requested arrangement whereby they own, and commit to the liability for, the products.

Auditor's Response

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

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



Recognition of Revenue from Construction Contracts

Risk

The subsidiary, AI Engineering Services Company Limited, has revenue from construction contracts for the year ended December 31, 2016 in the amount of Baht 422.99 million. The subsidiary recognized revenue based on the stage of completion of contracts which it assessed with reference to the proportion of contract costs incurred for the work performed as at the statement of financial position date, relative to the estimated total costs of the contract at completion. The recognition of revenue, therefore, relies on estimates on the stage of completion of each contract. Profit or loss on contracts is a key risk for the audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenue recognized in the year ended December 31, 2016.

Auditor's Response

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

Quantity of inventories

Risk

As mentioned in Note to the Financial Statement No.10, as at December 31, 2016, AI Energy Public Company Limited, its subsidiary has outstanding inventories in amount of Baht 307.89 million. The calculation of the quantities of ending inventories must include the measurement and calculation methods, for which there are many variables. Such calculation is complex.

Auditor's Response

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

Inventory Valuation

Risk

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



Auditor's Response

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

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

Other information

Management is responsible for the other information. The other information comprises the Annual Report for the year 2016, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year 2016 is expected to be made available to me after the date of this auditor's report.

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

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

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

However, as discussed in the paragraph titled "Qualified Opinion", the investment in the PPC Asian Insulator Company Limited of associated company is recorded based on financial statements prepared by the Management of associated company that was not audited by the Company's auditors, and, hence, are limited in scope. Therefore, if the Management of the Company prepared Information Other Than Financial Statements and the Auditor's Report from sources that are limited in scope, then the Annual Report may be likewise be affected from that limited scope of information.

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. A description of an audit is provided in the attached Appendix.

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

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

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



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 28, 2017

Appendix

My practice includes the following:

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



ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht				
		Consolidated financial statements			Separate financial statements	
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015
Notes		(RESTATED)	(RESTATED)			
ASSETS						
Current assets						
Cash and cash equivalents	5	291,162,160	154,714,222	204,456,053	56,060,281	29,358,236
Short-term investments	6	316,473,460	419,179,862	259,340,524	283,129,050	216,342,649
Trade and other receivables - net	4, 7, 38	457,003,558	545,627,792	636,762,370	125,119,923	220,808,798
Current portion of receivables under finance lease contracts	8	9,479,048	-	-	-	-
Unbilled receivables	9, 38	37,066,637	19,667,969	17,718,276	-	-
Inventories - net	10, 38	447,341,470	464,814,914	543,630,018	123,635,487	86,119,954
Oil supplies	11	2,289,365	1,986,547	2,368,196	-	-
Non-current assets held for sale - net	12	218,922,872	-	2,540,000	-	-
Total current assets		1,779,738,570	1,605,991,306	1,666,815,437	587,944,741	552,629,637
Non-current assets						
Investments in associated company - net	13	6,346,293	4,589,145	17,290,878	-	5,400,000
Investments in subsidiaries	14	-	-	-	862,555,182	862,555,182
Pledged deposits at financial institution	15	6,869,001	3,555,800	2,000,000	-	-
Receivables under finance lease contracts - net	8	8,618,160	-	-	-	-
Property, plant, vessel and equipment - net	16, 38	1,686,588,483	1,982,448,949	2,030,764,902	550,132,970	593,948,313
Intangible assets - net	17	2,439,930	4,013,424	5,041,183	2,252,564	3,907,108
Deferred tax assets	26	14,000,549	18,080,860	3,928,073	5,699,552	6,284,878
Other non-current assets		20,539,694	14,042,935	17,055,411	5,539,666	311,892
Total non-current assets		1,745,402,110	2,026,731,113	2,076,080,447	1,426,179,934	1,472,407,373
Total assets		3,525,140,680	3,632,722,419	3,742,895,884	2,014,124,675	2,025,037,010

.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht				
		Consolidated financial statements			Separate financial statements	
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015
Notes		(RESTATED)	(RESTATED)			
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	18	128,000,000	324,034,630	366,918,380	-	-
Trade and other payables	4, 19, 38	143,652,759	163,456,677	257,864,246	58,146,725	54,514,669
Cash advance receive from disposal of asset	12	80,000,000	-	-	-	-
Current portion of long-term loan from financial institutions		-	-	22,080,000	-	-
Advance received and deferred construction revenue	9	3,687,712	28,258,977	617,446	-	-
Income tax payable	38	7,834,962	9,276,433	38,850,928	4,039,121	5,511,648
Total current liabilities		363,175,433	525,026,717	686,331,000	62,185,846	60,026,317
Non-current liabilities						
Long-term loan from financial institutions - net		-	-	76,880,000	-	-
Employee benefit obligations	20	29,320,306	36,564,209	30,809,593	18,773,796	20,710,451
Total non-current liabilities		29,320,306	36,564,209	107,689,593	18,773,796	20,710,451
Total liabilities		392,495,739	561,590,926	794,020,593	80,959,642	80,736,768

.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht				
		Consolidated financial statements			Separate financial statements	
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015
Notes		(RESTATED)	(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)	21	700,000,000	700,000,000	500,000,000	700,000,000	700,000,000
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)	21	699,999,021	699,999,021	500,000,000	699,999,021	699,999,021
Premiums on share capital		902,769,092	902,769,092	902,769,092	902,769,092	902,769,092
Retained earnings (deficits)						
Appropriated						
Legal reserve	25	69,999,902	61,815,719	50,000,000	69,999,902	61,815,719
Unappropriated	24, 38	(490,446,346)	(524,115,415)	(467,936,479)	259,141,718	279,716,410
Other components of shareholders' equity						
Difference on business combination						
under common control		(3,258,930)	(3,258,930)	(3,258,930)	-	-
Capital surplus from share premium of subsidiary		360,580,334	360,580,334	360,580,334	-	-
Gain on disposal of investment in subsidiaries		861,442,927	861,442,927	861,442,927	-	-
Actuarial gains		1,932,396	-	-	1,255,300	-
Total shareholders' equity of the Company		2,403,018,396	2,359,232,748	2,203,596,944	1,933,165,033	1,944,300,242
Non-controlling interests	38	729,626,545	711,898,745	745,278,347	-	-
Total shareholders' equity		3,132,644,941	3,071,131,493	2,948,875,291	1,933,165,033	1,944,300,242
Total liabilities and shareholders' equity		3,525,140,680	3,632,722,419	3,742,895,884	2,014,124,675	2,025,037,010

.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

Unit: Baht

.....Director
(Narong Tharcratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit: Baht												
Consolidated financial statements												
Equity attributable to equity holders of the parent												
Other components of shareholders' equity												
Other comprehensive income (loss)												
Notes	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	Total other components of shareholders' equity	Total Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity	
			Appropriated to legal reserve	Unappropriated								Actuarial gains
38	699,999,021	902,769,092	61,815,719	(698,191,235)	(3,258,930)	360,580,334	861,442,927	-	1,218,764,331	2,185,156,928	888,899,755	3,074,056,683
	-	-	-	174,075,820	-	-	-	-	-	174,075,820	(177,401,010)	(2,925,190)
	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
25	-	-	8,184,183	(8,184,183)	-	-	-	-	-	-	-	-
24	-	-	-	(251,996,264)	-	-	-	-	-	(251,996,264)	-	(251,996,264)
	-	-	-	293,849,516	-	-	-	1,932,396	1,932,396	295,781,912	17,727,800	313,509,712
	699,999,021	902,769,092	69,999,902	(490,446,346)	(3,258,930)	360,580,334	861,442,927	1,932,396	1,220,696,727	2,403,018,396	729,626,545	3,132,644,941
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
	-	-	-	172,117,990	-	-	-	-	-	172,117,990	(178,328,740)	(6,210,750)
	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
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)
	-	-	-	177,855,715	-	-	-	-	-	177,855,715	(33,343,531)	144,492,184
	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

.....Director
(Narong Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

		Unit: Baht				
		Separate financial statements				
		Retained earnings (deficit)			Total other components of shareholders' equity	
		Appropriated to legal reserve			Unappropriated	
		Premiums on share capital			Actuarial gains	
		Issued and paid-up share capital			Total Shareholders' Equity	
Notes						
	Balance as at January 1, 2016	699,999,021	902,769,092	61,815,719	279,716,410	1,944,300,242
	Changes in shareholders' equity for the year:					
25	Legal reserve	-	-	8,184,183	(8,184,183)	-
24	Dividend paid	-	-	-	(251,996,264)	(251,996,264)
	Total comprehensive income for the year	-	-	-	1,255,300	240,861,055
	Balance as at December 31, 2016	699,999,021	902,769,092	69,999,902	259,141,718	1,933,165,033
	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:					
21	Increase ordinary shares	199,999,021	-	-	-	199,999,021
25	Legal reserve	-	-	11,815,719	(11,815,719)	-
24	Dividend paid	-	-	-	(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

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.....Director
(Narong Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(RESTATED)			
Cash Flows from Operating Activities:				
Profit before income tax expense	324,765,719	140,739,841	245,762,619	241,986,034
Adjustments to reconcile profit before income tax expense to cash provided by (used in) operating activities:				
Depreciation	147,864,411	149,691,649	62,412,068	67,067,699
Amortization of computer softwares	2,150,019	1,998,615	2,093,957	1,954,978
(Gain) Loss on disposal asset	(3,724,559)	154,921	(308,904)	(43,085)
Unrealized gain on investments in Open-end Fund	(881,233)	(2,701,742)	(559,897)	(305,717)
Allowance for doubtful accounts	7,079,719	-	-	-
Loss on impairment of assets	-	5,990,192	-	5,990,192
Allowance for devaluation of inventories	17,361,987	4,723,745	-	4,723,745
Loss on impairment of investment in associate	-	-	5,400,000	21,000,000
Share of (gain) loss from investment in associate	(1,757,147)	12,701,732	-	-
Dividend income	-	-	-	(9,983,929)
Unrealized gain on exchange rates	(1,148,395)	(495,576)	(1,196,673)	(523,740)
Long-term employee benefit expenses	5,944,277	5,754,616	2,764,030	3,024,795
Interest income	(1,571,411)	(739,926)	(502,827)	(158,815)
Interest expenses	8,012,265	11,630,564	-	889,480
Amortization of withholding tax	-	435,684	-	-
Gain from operating activities before changes in operating assets and liabilities	504,095,652	329,884,315	315,864,373	335,621,637
Operating assets (increase) decrease				
Short-term investments	103,587,635	(157,137,597)	(66,226,503)	(176,428,402)
Trade and other receivables	82,327,775	91,120,528	95,688,874	(83,523,011)
Unbilled receivables	(17,398,667)	(1,417,492)	-	-
Inventories	(191,362)	74,473,010	(37,515,533)	18,053,523
Non-current assets classified as held for sale	-	2,540,000	-	-
Other non-current assets	(5,347,255)	2,071,650	(5,227,773)	-

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(RESTATED)			
Operating liabilities increased (decrease)				
Trade and other payables	(27,166,076)	(97,356,280)	3,512,540	3,988,130
deferred construction revenue	(24,571,265)	27,687,826	-	-
Cash from operating activities	615,336,437	271,865,960	306,095,978	97,711,877
Payment for employee benefit obligations	(5,907,240)	-	(3,131,560)	-
Paid income tax	(17,834,192)	(39,974,940)	(7,357,891)	(5,204,672)
Net cash provided by operating activities	591,595,005	231,891,020	295,606,527	92,507,205
Cash Flows from Investing Activities:				
Increase in fixed deposits with obligation	(3,313,200)	(1,555,800)	-	-
Interest received	1,277,964	739,926	502,827	158,815
Dividend income from investments in subsidiary	-	-	-	9,983,929
Payment for purchases of assets	(79,407,753)	(105,524,826)	(17,799,497)	(12,850,389)
Cash advance receive from disposal of asset	80,000,000	-	-	-
Proceeds from disposal of equipment	2,364,760	119,515	388,452	78,935
Net cash provided by (used in) investing activities	921,771	(106,221,185)	(16,908,218)	(2,628,710)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	(196,034,630)	(42,883,751)	-	(50,000,000)
Interest expenses paid	(8,037,944)	(11,331,931)	-	(733,453)
Payment for long-term loans from financial institutions	-	(98,960,000)	-	-
Dividend payment	(251,996,264)	(22,219,912)	(251,996,264)	(22,219,911)
Subsidiary's dividend paid to non-controlling interests	-	(16,072)	-	-
Net cash used in financing activities	(456,068,838)	(175,411,666)	(251,996,264)	(72,953,364)
Net increase (decrease) in cash and cash equivalents	136,447,938	(49,741,831)	26,702,045	16,925,131
Cash and cash equivalents at beginning of the years	154,714,222	204,456,053	29,358,236	12,433,105
Cash and cash equivalents at end of the years	291,162,160	154,714,222	56,060,281	29,358,236
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of :				
Assets payable for plant and equipment	8,526,990	3,086,355	1,316,188	2,370,322
Increase share capital to accommodate the stock dividend	-	199,999,021	-	199,999,021

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2016

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 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”) equity in associate by shareholding in subsidiaries and associate as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			2016	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	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) Producing and distributing ice cube (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)

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance 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, 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 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 financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after January 1, 2017. 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarized below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

3. 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

Subsidiary recognizes the income by using the effective interest rate method.

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.

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

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

3.5 Receivable under finance lease contracts

Receivable under finance lease contracts are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts (If any).

3.6 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.

3.7 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.

The Subsidiary recognizes construction contracts in progress consist of the cost of materials and labour, cost of sub-contract, other services and expenses of project.



..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

The Company set up the allowance for devaluation of inventories for the deteriorated goods and expected to be unsalable.

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 has shareholding and significant influence over the Group. 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.

Investments in subsidiaries mean those companies in which the parent company in the Group, 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, accessories and tools	5 - 20	5 - 10
Vessel and improvement	3 - 10	-
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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.13 Intangible assets

Intangible assets are computer system development expenses and deferred computer softwares to be amortized by the straight-line method within 4 - 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.

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

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.

3.18 Significant accounting judgments 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

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.

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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.

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) Producing and distributing ice cube (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 and ceramics	25.10 % holding of interest
Related companies		
Samart Palm Company Limited	Crude Palm Oil	Director is relative of the directors of the Company
Samart Palm oil Company Limited	Crude Palm Oil	Director is relative of the directors of the Company
Samart 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, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	2,534,410	3,792,580	2,534,410	3,792,580
AI Engineering Services Co., Ltd.	-	-	3,643,900	-
AI Logistics Co., Ltd.	-	-	-	12,250,000
AI Ports and Terminals Co., Ltd.	-	-	-	17,423,000
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	101,740,387	149,695,676	101,740,387	149,695,676
Dividend income				
AI Engineering Services Co., Ltd.	-	-	-	9,983,929
Other income - rental and services				
PPC Asian Insulators Co., Ltd.	719,408	1,543,706	719,408	1,543,706
AI Engineering Services Co., Ltd.	-	-	1,309,719	1,224,870
AI Energy Public Co., Ltd.	-	-	975,741	1,134,323
AI Logistics Co., Ltd.	-	-	590,913	606,426
AI Ports and Terminals Co., Ltd.	-	-	310,533	532,729
Purchases goods				
Samart Palm Co., Ltd.	3,426,310	27,366,310	-	-
Samart Palm oil Co., Ltd.	21,077,881	28,665,777	-	-
Samart Palm Industry Co., Ltd.	45,892,519	41,518,704	-	-
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	48,134,120	60,168,198	48,134,120	60,168,198
Purchase of consumed supply				
PPC Asian Insulators Co., Ltd.	10,928	61,506	10,928	61,506
AI Energy Public Co., Ltd.	-	-	216,355	39,650

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December, 31 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	50,037,827	54,222,597	29,751,154	27,712,159
Long-term post-employment benefits	1,818,450	1,285,657	652,217	575,605
Total directors and management's remuneration	51,856,277	55,508,254	30,403,371	28,287,764

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivable				
PPC Asian Insulators Co., Ltd.	27,824,174	16,820,855	27,824,174	16,817,285
AI Engineering Services Co., Ltd.	-	-	926,128	-
Other receivables				
PPC Asian Insulators Co., Ltd.	51,842	44,115	102,230	44,115
AI Engineering Services Co., Ltd.	-	-	20,049	17,193
AI Logistics Co., Ltd.	-	-	1,989	2,797
Trade payable				
PPC Asian Insulators Co., Ltd.	19,200,598	10,926,316	19,200,598	10,902,744
Other payables				
AI Energy Public Co., Ltd.	-	-	-	13,900

5. CASH AND CASH EQUIVALENTS

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

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash on hand		540,000	614,836	105,000	105,000
Deposit at bank	- saving	288,535,217	152,783,855	54,911,449	29,106,283
	- current	1,162,523	412,903	1,043,832	146,953
Fixed deposits due within 3 months		924,420	902,628	-	-
Total cash and cash equivalents		291,162,160	154,714,222	56,060,281	29,358,236

6. SHORT-TERM INVESTMENTS

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

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Investment in Open-end Fund-Debt securities		314,720,810	416,122,364	282,139,076	215,912,573
Add Allowance for adjustment		1,311,309	2,826,058	989,974	430,076
Investment in Open-end Fund-Fair value		316,032,119	418,948,422	283,129,050	216,342,649
Fixed deposits		441,341	231,440	-	-
Total short-term investments		316,473,460	419,179,862	283,129,050	216,342,649

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 profit or loss.

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7. TRADE AND OTHER RECEIVABLES - NET

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
Trade receivable - related parties	27,824,174	16,820,855	28,750,302	16,817,285
Trade receivable - state enterprises	260,321,744	190,093,419	86,680,341	187,549,541
Trade receivables - other	136,608,789	291,330,656	6,258,004	11,493,598
Post date cheques	13,032,549	9,805,626	-	-
Total trade receivables	437,787,256	508,050,556	121,688,647	215,860,424
Less Allowance for doubtful accounts	(8,327,831)	(1,248,111)	-	-
Total trade receivables - net	429,459,425	506,802,445	121,688,647	215,860,424
Other receivables				
Other receivables	102,230	2,759,761	124,268	64,105
Prepaid expense	5,859,288	3,662,623	1,751,698	1,739,533
Deposit for inventories	3,693,172	2,905,666	1,467,892	2,905,666
Revenue Department receivable	13,834,081	2,515,709	87,418	239,070
Advance payment to subcontractors	3,779,436	25,551,438	-	-
Others	582,276	1,736,500	-	-
Total other receivables	27,850,483	39,131,697	3,431,276	4,948,374
Less Allowance for doubtful accounts	(306,350)	(306,350)	-	-
Total other receivables - net	27,544,133	38,825,347	3,431,276	4,948,374
Total trade and other receivables - net	457,003,558	545,627,792	125,119,923	220,808,798

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Related parties				
Current	10,452,030	16,820,855	11,378,158	16,817,285
Overdue				
Within 3 months	17,372,144	-	17,372,144	-
Total	27,824,174	16,820,855	28,750,302	16,817,285
State enterprises				
Current	246,474,411	183,318,835	83,451,187	183,318,835
Overdue				
Within 3 months	1,107,953	3,187,513	1,107,954	3,187,513
Over 3 months to 12 months	12,739,380	3,587,071	2,121,200	1,043,193
Total	260,321,744	190,093,419	86,680,341	187,549,541
Other				
Current	135,555,335	284,772,500	2,541,239	7,930,990
Overdue				
Within 3 months	5,758,172	2,727,240	3,716,765	3,562,608
Over 3 months to 12 months	-	12,388,431	-	-
Over 12 months	8,327,831	1,248,111	-	-
Total	149,641,338	301,136,282	6,258,004	11,493,598
<u>Less</u> Allowance for doubtful accounts	(8,327,831)	(1,248,111)	-	-
Total trade receivables - net	429,459,425	506,802,445	121,688,647	215,860,424

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

8. RECEIVABLE UNDER FINANCE LEASE CONTRACTS

Receivable under finance lease contracts as at December 31, 2016 and 2015 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2016	2015
Due within one year		
Value of minimum lease payment receivable	11,556,000	-
Deferred revenue - finance lease	(2,076,952)	-
Present value of minimum lease payment receivable	9,479,048	-
Due over one year but with five years		
Value of minimum lease payment receivable	9,630,000	-
Deferred revenue - finance lease	(1,011,840)	-
Present value of minimum lease payment receivable	8,618,160	-

As at December 31, 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. (Profit on sales of assets under finance lease contract and interest income from finance lease contract had been recorded in the other income)

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

9. UNBILLED RECEIVABLES / ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

Unbilled receivables/advance received and deferred construction revenue as at December 31, 2016 and 2015 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2016	2015
Unbilled receivables		
Contract value	381,544,400	222,966,200
Recognition of income by the percentage of completion	322,353,241	186,245,435
<u>Less</u> Value of billing construction	(285,286,604)	(166,577,466)
Total	37,066,637	19,667,969
Advance received and deferred construction revenue		
Contract value	45,487,960	437,892,850
Value of billing construction	4,496,598	48,645,477
<u>Less</u> Recognition of income by the percentage of completion	(808,886)	(20,386,500)
Total	3,687,712	28,258,977

10. INVENTORIES - NET

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Raw materials	199,012,628	292,335,254	69,128,977	62,341,740
Work in process	143,190,612	98,936,816	23,495,848	22,439,062
Finished goods	108,822,496	62,799,614	26,326,684	1,127,337
Supplies	10,346,841	11,645,214	1,353,098	1,113,799
Goods in transit	8,054,625	3,821,761	8,054,625	3,821,761
Total	469,427,202	469,538,659	128,359,232	90,843,699
<u>Less</u> Allowance for devaluation of inventories	(22,085,732)	(4,723,745)	(4,723,745)	(4,723,745)
Total inventories - net	447,341,470	464,814,914	123,635,487	86,119,954

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

11. OIL SUPPLIES

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

	Unit: Baht	
	Consolidated financial statements	
	2016	2015
Bunker oil	1,796,230	1,362,916
Lubricants	493,135	623,631
Total oil supplies	2,289,365	1,986,547

12. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements			
	2015	Transfers in	Transfers out	2016
Non-current assets held for sale	-	267,935,900	-	267,935,900
<u>Less</u> Accumulated depreciation	-	(49,013,028)	-	(49,013,028)
Non-current assets held for sale - net	-	218,922,872	-	218,922,872

At November 3, 2016, the subsidiary made contracts for sale of land, buildings and machineries with a company for the selling 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. As at December 31, 2016, the subsidiary had received the amount of Baht 80 million which is shown under current liabilities.

The subsidiary also made a rental agreement of land, buildings and machineries with a 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.

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13. INVESTMENTS IN ASSOCIATED COMPANYS - NET

Investments in associated company as at December 31, 2016 and 2015, and dividend income from the investment during the years ended December 31, 2016 and 2015, consisted of:

Company	Nature of business	Percentage of investment (%)		Unit : Baht		Consolidated financial statements		Separate financial statements		Dividend	
		2016	2015	Issued share capital		2016	2015	2016	2015	2016	2015
PPC Asian Insulators	Producing and distributing										
Company Limited	electronics insulators	25.10	25.10	263,000,000	263,000,000	6,346,293	4,589,145	66,000,000	66,000,000	-	-
Less Provision for diminution	and ceramics										
in investment						-	-	(66,000,000)	(60,600,000)	-	-
Total investments in associate - net						6,346,293	4,589,145	-	5,400,000	-	-

The consolidated and separate financial statements for the years ended December 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 audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2016 and 2015 amounted to Baht 6.35 million and amounted to Baht 4.59 million, respectively, representing 0.18% 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 years ended December 31, 2016 and 2015 amounted to Baht 1.76 million and (12.70) million respectively, representing 0.56% and (8.79%) of consolidated net profit, respectively.

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

As at December 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)

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	
	2016	2015
Current assets	135,900,642	113,546,194
Non-current assets	127,512,863	137,368,769
Current liabilities	(237,798,646)	(229,066,010)
Non-current liabilities	(330,824)	(3,561,861)
Net assets	25,284,035	18,287,092
Revenues	239,166,098	356,051,279
Profit (loss) for the years	7,578,529	(26,554,731)

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	
	2016	2015
Net assets of associate company	25,284,035	18,287,092
Ownership interest (%)	25.10	25.10
Carrying amount of interest in an associate company	6,346,293	4,589,145

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14. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2016 and 2015, and dividend income from the investment during the years ended December 31, 2016 and 2015, consisted of:

Unit: Baht								
Company		Nature of business	Percentage of investment (%)		Separate financial statements			
			2016	2015	Issued share capital		Cost method-net	
			2016	2015	2016	2015	2016	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
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) Producing and distributing ice cube (3) trading electrical equipment vegetable oil and other fuel oil	100.00	100.00	460,000,000	460,000,000	-	-	-
Total investments in subsidiaries					665,555,157	665,555,157	-	9,983,929

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

The subsidiaries have significant non-controlling interests were as follows:

		Unit: Baht		
		December 31, 2016		
		Comprehensive income		
		Ownership interests held by NCI (percentage)	(loss) attributable to Non-controlling interest	Accumulated Non-controlling interest
Subsidiaries directly held by the Company				
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power Sub-station and trading electrical equipment	0.16	34,887	403,642
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	40.41	17,692,913	729,222,903
Total			17,727,800	729,626,545

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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	AI Energy Public Company	AI Logistics Company Limited	AI Ports and Terminals Company	Total
As at December 31, 2016					
Current assets	284,526,773	647,892,551	241,034,900	19,287,773	1,192,741,997
Non-current assets	1,531,453	1,357,921,380	218,648,280	32,403,092	1,610,504,205
Current liabilities	(33,340,784)	(184,534,368)	(80,537,323)	(3,525,279)	(301,937,754)
Non-current liabilities	(1,540,035)	(8,441,329)	(358,299)	(206,847)	(10,546,510)
Net assets	<u>251,177,407</u>	<u>1,812,838,234</u>	<u>378,787,558</u>	<u>47,958,739</u>	<u>2,490,761,938</u>
Net assets attributable to					
Non-controlling interests	<u>403,642</u>	<u>729,222,903</u>	<u>-</u>	<u>-</u>	<u>729,626,545</u>
For the year ended December 31, 2016					
Revenues	<u>422,989,139</u>	<u>3,428,247,639</u>	<u>52,352,863</u>	<u>63,157,925</u>	<u>3,966,747,566</u>
Net profit(loss) for the year Attributable to					
Non-controlling interests	<u>34,831</u>	<u>17,257,126</u>	<u>-</u>	<u>-</u>	<u>17,291,957</u>
Total other comprehensive income (loss)					
attributable to non-controlling interests	<u>56</u>	<u>435,787</u>	<u>-</u>	<u>-</u>	<u>435,843</u>
Total comprehensive income(loss) for the year					
attributable to non-controlling interests	<u>34,887</u>	<u>17,692,913</u>	<u>-</u>	<u>-</u>	<u>17,727,800</u>
Net cash provided by (used in)					
Operating activities	<u>148,310</u>	<u>281,602,408</u>	<u>1,823,892</u>	<u>12,413,868</u>	<u>295,988,478</u>
Investing activities	<u>(10,261)</u>	<u>(53,058,281)</u>	<u>(6,715,532)</u>	<u>77,614,063</u>	<u>17,829,989</u>
Financing activities	<u>-</u>	<u>(128,327,868)</u>	<u>(34,630)</u>	<u>(78,210,076)</u>	<u>(206,572,574)</u>
Cash increase (decrease) - net	<u>138,049</u>	<u>100,216,259</u>	<u>(4,926,270)</u>	<u>11,817,855</u>	<u>107,245,893</u>

15. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee. (Note 33.1)

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

16. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

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

	Unit: Baht									
	Consolidated financial statements									
	Building and			Machinery,			Fixed assets under			
	Land	Land improvement	building improvement	Utility system	accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	construction and installation	Total
At cost										
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
Purchases during year	-	-	343,023	34,540	11,517,145	8,412,668	1,366,892	4,486,890	61,197,059	87,358,217
Transfers in (Transfer out) during year (Note 12)	(121,023,900)	10,851,796	(119,204,045)	8,643,335	(1,988,931)	-	(864,398)	-	(44,349,757)	(267,935,900)
Disposal /written off during year	-	-	(2,461,035)	-	(31,887,801)	(67,966,180)	(1,081,869)	(545,835)	(355,200)	(104,297,920)
As at December 31, 2016	236,132,190	47,023,220	836,715,447	65,951,050	1,391,155,064	119,768,027	32,817,097	94,153,884	25,813,650	2,849,529,629
Accumulated Depreciation										
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
Depreciation for the year	-	2,536,127	33,351,961	4,550,575	86,139,465	15,536,554	2,208,467	3,541,262	-	147,864,411
Depreciation transfer out (Note 12)	-	(249,999)	(30,987,151)	-	(16,364,818)	-	(1,411,060)	-	-	(49,013,028)
Depreciation - disposals for the year	-	-	(978,610)	-	(30,988,572)	(54,344,933)	(1,008,572)	(545,833)	-	(87,866,520)
As at December 31, 2016	-	19,130,814	292,787,592	35,786,966	643,560,301	96,749,849	27,973,079	40,962,353	-	1,156,950,954
Allowances for Impairment										
As at December 31, 2015	-	-	-	-	(5,990,192)	-	-	-	-	(5,990,192)
As at December 31, 2016	-	-	-	-	(5,990,192)	-	-	-	-	(5,990,192)
Book value										
As at December 31, 2015	357,156,090	19,326,738	666,636,112	26,036,784	802,750,233	43,763,311	52,122,228	52,245,905	9,321,548	1,982,448,949
As at December 31, 2016	236,132,190	27,892,406	543,927,855	30,164,084	741,604,571	23,018,178	4,844,018	53,191,531	25,813,650	1,686,588,483

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit: Baht

	Separate financial statements								
		Land	Building and building improvement	Utility system	Machinery, accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
At cost									
As at December 31, 2015	61,576,168	14,822,060	414,131,812	20,200,734	658,199,399	22,207,104	11,879,797	4,255,878	1,207,272,952
Purchases during period	-	-	-	-	2,170,167	401,288	4,486,890	11,617,928	18,676,273
Transfers in (Transfer out) during year	-	-	15,886	-	9,794,142	611,100	-	(10,421,128)	-
Disposal /written off during year	-	-	-	-	(26,404,031)	(98,320)	(545,835)	(5,200)	(27,053,386)
As at December 31, 2016	61,576,168	14,822,060	414,147,698	20,200,734	643,759,677	23,121,172	15,820,852	5,447,478	1,198,895,839
Accumulated Depreciation									
As at December 31, 2015	-	14,821,323	162,835,768	18,584,025	381,489,366	19,646,118	9,957,847	-	607,334,447
Depreciation for the year	-	709	18,262,113	725,166	42,017,214	1,177,287	229,579	-	62,412,068
Depreciation - disposals for the year	-	-	-	-	(26,336,442)	(91,563)	(545,833)	-	(26,973,838)
As at December 31, 2016	-	14,822,032	181,097,881	19,309,191	397,170,138	20,731,842	9,641,593	-	642,772,677
Allowances for impairment									
As at December 31, 2015	-	-	-	-	(5,990,192)	-	-	-	(5,990,192)
As at December 31, 2016	-	-	-	-	(5,990,192)	-	-	-	(5,990,192)
Book value									
As at December 31, 2015	61,576,168	737	251,296,044	1,616,709	270,719,841	2,560,986	1,921,950	4,255,878	593,948,313
As at December 31, 2016	61,576,168	28	233,049,817	891,543	240,599,347	2,389,330	6,179,259	5,447,478	550,132,970

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the year ended December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sale and service	132,276,350	130,824,535	54,141,545	52,622,730
Selling and administrative expenses	15,588,061	18,867,114	8,270,523	14,444,969
	<u>147,864,411</u>	<u>149,691,649</u>	<u>62,412,068</u>	<u>67,067,699</u>

The subsidiary has mortgaged land, buildings and port with banks as collateral for credit facilities obtained from a financial institution (Note 18).as at December 31, 2016, the subsidiaries revoked syndicated credit facilities and redemption collateral entirely.

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at December 31, 2016 and 2015, in the consolidate financial statement totaling approximately Baht 284.72 million and Baht 278.83 million respectively, and separate financial statements totaling approximately Baht 243.68 million and Baht 254.12 million, respectively.

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..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

17. INTANGIBLE ASSETS - NET

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

		Unit: Baht	
		Computer Software	
		Consolidated	Separate
		financial statements	financial statements
At cost			
As at December 31, 2015		21,273,276	20,566,466
Purchases during the year		576,525	439,413
As at December 31, 2016		21,849,801	21,005,879
Accumulated amortisation			
As at December 31, 2015		17,259,852	16,659,358
Amortization for the year		2,150,019	2,093,957
As at December 31, 2016		19,409,871	18,753,315
Net booked value			
As at December 31, 2015		4,013,424	3,907,108
As at December 31, 2016		2,439,930	2,252,564

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

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

		Unit: Baht	
		Consolidated financial statements	Separate financial statements
		2016	2015
Bank overdraft	-	34,630	-
short-term loans from financial institution	128,000,000	324,000,000	-
Total bank overdraft and short-term loans from financial institution	128,000,000	324,034,630	-

		Credit line (Unit: Million Baht)	
		Consolidated financial statements	Separate financial statements
		2016	2015
Bank overdraft	32	67	12
Promissory notes	1,370	1,870	430
Letter of credit and trust receipt	270	-	-
Total	1,672	1,937	442

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19. TRADE AND OTHER PAYABLES

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables				
Trade payables - related parties	19,200,598	10,926,316	19,200,598	10,902,744
Trade payables - others	60,638,296	94,902,138	21,326,760	27,185,212
Total trade payables	79,838,894	105,828,454	40,527,358	38,087,956
Other payables				
Payables for purchase of assets	8,526,990	3,086,355	1,316,189	2,370,322
Other payables	2,964,301	3,797,648	-	13,900
Advances received for goods	4,602,408	5,977,522	4,477,008	1,268,290
Electricity payable	4,098,691	5,649,381	1,476,641	1,452,834
Accrued expenses	11,121,441	10,086,600	4,937,594	4,723,470
Retention	4,486,903	1,195,067	-	-
Revenue Department payables	27,686,801	26,379,861	5,085,605	6,056,847
Others	326,330	1,455,789	326,330	541,050
Total other payables	63,813,865	57,628,223	17,619,367	16,426,713
Total trade and other payables	143,652,759	163,456,677	58,146,725	54,514,669

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

20. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation for the years ended December 31, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Employee benefit at beginning of year	36,564,209	30,809,593	20,710,451	17,685,656
Included in profit or loss:				
Current service cost	5,254,640	4,011,939	2,357,246	2,443,767
Interest cost	689,637	1,742,677	406,784	581,028
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(5,617,565)	-	(2,524,134)	-
Experience adjustments	2,626,527	-	955,009	-
Benefit paid during the year	(10,197,142)	-	(3,131,560)	-
Employee benefit obligations at end of year	<u>29,320,306</u>	<u>36,564,209</u>	<u>18,773,796</u>	<u>20,710,451</u>

Employee benefit expenses in profit or loss for the years ended December 31, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Cost of sales	3,560,371	4,006,949	2,243,307	2,667,703
Selling expenses	340,979	65,323	-	-
Administrative expenses	2,042,927	1,682,344	520,723	357,092
Total employee benefit expenses	<u>5,944,277</u>	<u>5,754,616</u>	<u>2,764,030</u>	<u>3,024,795</u>

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

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

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

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.77 - 2.35	3.18 - 3.39	2.22	3.29
Salary increases rate	0.00 - 5.00	5.00	1.00 - 5.00	5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008		100% of Thai Mortality Ordinary Tables of 2008	
Turnover rate				
Under 31 years old	0 - 33	0 - 35	33	35
31 - 40 years old	0 - 14	0 - 24	14	13
41 - 50 years old	0 - 7	0 - 8	5	7
Above 50 years old	0	0	0	0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2016 are summarised below:

	Unit: Baht			
	Change of the present value of the employee benefit obligations			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2,253,663)	2,577,957	(1,217,208)	1,374,979
Salary increase rate	2,526,976	(2,252,934)	131,269	(1,218,385)
Turnover rate	(2,387,667)	1,577,023	(1,290,740)	815,206

As at December 31, 2016, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	2,830,255	2,669,465
Over 1 and up to 5 years	9,029,468	6,156,277
Over 5 years	17,460,583	9,948,054

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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 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.

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 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 22.

22. 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)

23. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2016 and 2015 were calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
For the year				
Net profit attributable				
to shareholders of the parent (Baht)	293,849,516	177,855,715	239,605,755	236,314,374
Number of ordinary share outstanding				
at beginning for the year	2,799,996,084	2,000,000,000	2,799,996,084	2,000,000,000
Effect of issuance stock dividend	-	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)	0.10	0.06	0.09	0.08

24. DIVIDEND PAYMENT

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.

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 May 7, 2015.

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, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	18,553,705	21,360,614	5,897,547	6,284,878
Deferred tax liabilities	(4,553,156)	(3,279,754)	(197,995)	-
Deferred tax assets - net	14,000,549	18,080,860	5,699,552	6,284,878

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

Unit: Baht						
	Consolidated financial statements			Separate financial statements		
	Other			Other		
	As at January 1, 2016	Profit (loss)	comprehensive income (loss)	As at December 31, 2016	As at January 1, 2016	Profit (loss)
						comprehensive income (loss)
						As at December 31, 2016
Deferred tax assets						
Allowance for doubtful trade						
accounts receivable	310,892	(161,742)	-	149,150	-	-
Allowance for devaluation of inventories	961,005	(16,256)	-	944,749	944,749	-
Allowance for impairment of assets	1,198,039	-	-	1,198,039	1,198,039	-
Provision for long-term employee benefits	6,673,391	(299,559)	(622,800)	5,751,032	4,142,090	(73,506)
Tax loss carries forward	12,217,287	(1,706,552)	-	10,510,735	-	-
Total	21,360,614	(2,184,109)	(622,800)	18,553,705	6,284,878	(73,506)
						5,897,547
Deferred tax liability						
Unrealized gain on investments in						
Open-end Fund	(479,205)	216,943	-	(262,262)	-	(197,995)
Depreciation	(2,800,549)	(1,490,345)	-	(4,290,894)	-	-
Total	(3,279,754)	(1,273,402)	-	(4,553,156)	-	(197,995)
Deferred tax assets - net	18,080,860	(3,457,511)	(622,800)	14,000,549	6,284,878	(271,501)
						5,699,552

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Baht

	Consolidated financial statements				Separate financial statements			
	Other		Other		Other		Other	
	As at January 1, 2015	Profit (loss)	comprehensive income (loss)	As at December 31, 2015	As at January 1, 2015	Profit (loss)	comprehensive income (loss)	As at December 31, 2015
Deferred tax assets								
Allowance for doubtful trade								
accounts receivable	728,112	(417,220)	-	310,892	-	-	-	-
Allowance for devaluation of inventories	24,052	936,953	-	961,005	-	944,749	-	944,749
Allowance for impairment of assets	-	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	-	12,217,287	-	12,217,287	-	-	-	-
Total	6,799,544	14,561,070	-	21,360,614	3,537,131	2,747,747	-	6,284,878
Deferred tax liability								
Unrealized gain on investments in								
Open-end Fund	(611,294)	132,089	-	(479,205)	(24,872)	24,872	-	-
Depreciation	(2,260,177)	(540,372)	-	(2,800,549)	-	-	-	-
Total	(2,871,471)	(408,283)	-	(3,279,754)	(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

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

27. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current tax expense				
Current year	(10,166,734)	(10,400,444)	(5,885,363)	(8,444,279)
Deferred tax expense				
Movement in temporary differences	(3,457,511)	14,152,787	(271,501)	2,772,619
Total	(13,624,245)	3,752,343	(6,156,864)	(5,671,660)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit before income tax		324,765,719		140,739,841
Income tax using the corporate tax rate	20	(64,953,144)	20	(28,147,968)
Exemption from income tax on profit revived from BOI		67,525,564		46,191,090
Non-taxable income		-		27,574
Double expenses by the Revenue Code		2,356,200		1,950,505
Non-deductible expenses		(6,608,853)		(5,364,551)
Tax loss carried forward		-		1,065,569
Unused current tax loss*		(11,813,197)		(9,429,530)
Income tax in share of loss in associate		(130,815)		(2,540,346)
Tax income (expense)	-4	(13,624,245)	3	3,752,343

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Separate financial statements				
2016		2015		
Tax rate		Tax rate		
(%)	Unit : Baht	(%)	Unit : Baht	
	245,762,619		241,986,034	Profit before income tax
20	(49,152,523)	20	(48,397,207)	Income tax using the corporate tax rate
	43,906,517		46,050,845	Exemption from income tax on profit revived from BOI
	1,025,526		1,996,786	Non-taxable income
	(1,936,384)		(5,322,084)	Non-deductible expenses
3	(6,156,864)	2	(5,671,660)	Tax expense

* The subsidiaries have tax losses in 2016 and 2015 of Baht 59.07 million and Baht 47.15 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

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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28. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
(Increase) decrease in change of				
finished goods and work in progress	(64,029,000)	14,308,743	(15,327,638)	9,475,253
Raw materials and consumables used	3,664,835,691	3,530,770,904	232,008,569	242,037,348
Construction materials and subcontractors	69,651,895	22,084,359	-	-
Purchase of goods for sale	54,860,760	53,836,007	54,860,760	52,756,865
Employee benefit expenses	204,624,749	193,887,233	91,311,457	86,996,027
Depreciation and amortization expenses	150,014,430	151,690,264	64,506,025	69,022,677
Loss on devaluation of inventories	17,361,987	4,723,745	-	4,723,745
Allowance for diminution in investments				
in associated company	-	-	5,400,000	21,000,000
Loss on impairment of assets	-	5,990,192	-	5,990,192

29. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2016 and 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 Currency	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	21.64	771.72	11.78	423.39	21.51	767.01	11.65	418.66
Total		771.72		423.39		767.01		418.66
Liabilities								
USD	37.23	13,943.81	193.00	6,996.98	323.09	11,632.08	193.00	6,996.98
EUR	-	-	24.90	991.00	-	-	24.90	991.00
Total		13,943.81		7,987.98		11,632.08		7,987.98

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..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

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, 2016
	1374(2)/2552	August 7, 2009	Ports and terminals service	(*) August 5, 2016

5. Important privileges which are granted:

5.1 Exemption from corporate income tax on net profit of promotion operation for 8 years, the promotional certificates No. 1025/2541, 1922(1)/2553, 2777(1)/2556, 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 Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

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

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 years ended December 31, 2016 and 2015, as follows:

	Unit: Baht				
	Consolidated financial statements		Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities
For the year ended December 31, 2016					
Revenue from sales of goods	3,095,114,318	1,073,917,044	4,169,031,362	573,960,190	182,350,535
Revenue from production contract	-	32,577,762	32,577,762	-	-
Revenue from construction contract	-	422,989,139	422,989,139	-	-
Revenue from vessel operating	-	29,942,241	29,942,241	-	-
Other incomes	-	17,612,010	17,612,010	-	-
Total	3,095,114,318	1,577,038,196	4,672,152,514	573,960,190	8,477,250
For the year ended December 31, 2015					
Revenue from sales of goods	2,943,936,828	1,323,063,613	4,267,000,441	592,842,096	219,935,974
Revenue from production contract	-	45,810,022	45,810,022	-	-
Revenue from construction contract	-	28,906,788	28,906,788	-	-
Revenue from vessel operating	8,213,352	11,335,835	19,549,187	-	-
Other incomes	-	20,619,137	20,619,137	-	-
Dividend income	-	-	-	-	-
Total	2,952,150,180	1,429,735,395	4,381,885,575	592,842,096	7,308,304
					9,983,929
					830,070,303

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..... 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 Finansia 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 profit or loss for the years ended December 31, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Asian Insulators Public Company Limited	1,869,983	1,802,227	1,869,983	1,802,227
AI Engineering Services Company Limited	209,752	232,254	-	-
AI Energy Public Company Limited	1,336,096	1,358,325	-	-
AI Logistics Company Limited	25,164	23,976	-	-
Total	3,440,995	3,416,782	1,869,983	1,802,227

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32. SEGMENT INFORMATION

The segmented information for the years ended December 31, 2016 and 2015 were as follows:

	Unit : Thousand Baht						
	Consolidated financial statements						
	For year ended December 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 refind crude palm oil	Sale of ice cube	Vessel operating	Port services
Revenues from sales and services	752,666	422,989	3,395,454	32,578	20,911	29,942	-
Cost of sales and services	(440,290)	(381,565)	(3,241,638)	(26,852)	(17,814)	(37,055)	-
Gross profit (loss) by segment	312,376	41,424	153,816	5,726	3,097	(7,113)	-
Other income							509,326
Selling expenses							17,612
Administrative expenses							(38,019)
Finance costs							(157,899)
Share of gain from investments in associate							(8,012)
Income tax expenses							1,757
Profit for the year							(13,624)
Equity holders of the parent							311,141
Non-controlling interests							293,849
Property, plant, vessel and equipment - net	550,133	32	896,534	-	-	23,765	216,124
							1,686,588

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements									
For 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 refine 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)	(3,418,997)	(37,003)	(24,257)	(22,589)	-	(4,007,253)	
Gross profit (loss) by segment	342,339	2,423	(797)	8,807	4,281	(3,040)	-	354,013	
Other income								20,619	
Selling expenses								(48,446)	
Administrative expenses								(159,094)	
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								177,855	
Non-controlling interests								(33,363)	
Property, plant, vessel and equipment - net	593,948	44		893,481	21,135	45,024	428,817	1,982,449	

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

33. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at December 31, 2016 and 2015 were as follows:

33.1 The Group has contingent liabilities on bank guarantees amounting to Baht 144.61 million and 4.39 million Euros, in 2016, and amounting to Baht 253.34 million, in 2015, issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

33.2 Group has contingent liabilities on capital commitments as follows:

	Unit: Baht			
	Contracted		Balance	
	Consolidated		Separate financial statements	
	2016	2015	2016	2015
Capital commitments				
Contracted but not provided for				
Land improvement	-	4,000,000	-	-
Utility system	53,949,032	1,800,000	46,151,279	-
Machinery, accessories and tools	7,956,026	3,489,938	5,361,258	686,528
Office furniture and equipment	-	65,270	-	65,270
Total	61,905,058	9,355,208	51,512,537	751,798

33.3 The subsidiary has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 80.88 million and Baht 352.51 million, respectively.

33.4 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, 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.

33.6 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

35. 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 Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

36. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No. 1/2017 held on February 28, 2017, passed a resolution to pay dividend for the year 2016 of Baht 0.075 per share for a total amount of Baht 210 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. And shall be paid from the profit that is subject to the corporate income tax at the rate of 20%, of Baht 0.015 per share amounting of Baht 42 million

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 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:

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Unit : Baht

	Consolidated financial statements			
	Before adjustment and reclassifications	Adjustment	Reclassifications	After adjustment and 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				
Retentions	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 for the year ended December 31, 2015**Expenses**

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

Statements of cash flows for the year ended December 31, 2015**Cash flow from operating activities**

Profit before tax expenses decrease	150,609,264	(9,869,423)	-	140,739,841
Inventories increase	64,603,587	9,869,423	-	74,473,010

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

Unit : Baht

	Consolidated financial statements					
	Before adjustment and reclassifications	The first adjustment	The second adjustment	After adjustment and before reclassifications		After adjustment and reclassifications
				Reclassifications		
Statements of financial position as at January 1, 2015						
Current assets						
Trade and other receivables - net	569,434,824	82,473,490	-	651,908,314	(15,145,944)	636,762,370
Unbilled receivables	46,294	-	-	46,294	17,671,983	17,718,277
Inventories - net	580,705,079	(47,532,583)	9,869,422	543,041,918	588,100	543,630,018
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)	-
Non-Current assets						
Property, plant, vessel and equipment - net	2,031,313,012	(548,110)	-	2,030,764,902	-	2,030,764,902

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit : Baht

	Consolidated financial statements			
	Before adjustment and reclassifications	The first adjustment	The second adjustment	After adjustment and before reclassifications
				After adjustment and reclassifications
Statements of financial position as at January 1, 2015 (Continue)				
Current liabilities				
Trade and other payables	(175,800,667)	(45,903,297)	-	(221,703,964)
Accrued interest expenses	(489,142)	-	-	(489,142)
Retention payables	(650,315)	-	-	(650,315)
Income tax payable	(34,281,256)	(1,644,483)	(2,925,189)	(38,850,928)
Other current liabilities	(35,020,825)	-	-	(35,020,825)
Shareholders' equity				
Non-controlling interests	(923,607,087)	-	178,328,740	(745,278,347)
Deficits decrease	(640,054,469)	(13,154,983)	185,272,973	(467,936,479)

39. FINANCIAL STATEMENTS APPROVAL

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

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)