

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF
INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017

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Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2017, of Asian Insulators Public Company Limited and its subsidiaries and of Asian Insulators Public Company Limited, respectively, and consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017, and the related consolidated and separate statements of changes in shareholders' equity, and statements of cash flows for the nine-month period ended September 30, 2017, and the condensed notes to the interim financial statements (Interim financial information). The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Basis for Qualified Conclusion on the Consolidated Interim Financial Information

1. As discussed in the Note to Financial Statements No.29.5, the subsidiary received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary 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 SEC. The subsidiary also sent a letter to request a status update with respect to this matter. The SEC replied by a letter, dated February 28, 2017, that the outcome has not been finalized.

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



2. As discussed in the Note to financial statements No.12, the financial statements of PPC Asian Insulator Company Limited, an associated company, as at September 30, 2017, used for recording the investment under the equity method in the consolidated financial statement, is based on information from Management which had not been reviewed by an auditor. The Company's consolidated financial statements, as at September 30, 2017, included an investment of Baht 2.01 million and a share of profit (loss) for the three-month and nine-month periods ended September 30, 2017 in the amount of Baht 0.59 million and Baht (4.33) million, respectively. I am unable to satisfactorily review the appropriateness of the balance of such investment in the associated company.

Since the matter discussed in No.1 and No.2 above have significant effect on the interim financial information for the nine-month period ended September 30, 2017. My conclusion is qualified on the interim financial information for the nine-month period ended September 30, 2017.

Qualified Conclusion on the Consolidated Interim Financial Information

Except for the possible effect on the consolidated interim financial information due to the matter described in the Basis for Qualified Conclusion paragraph No.1 and No.2, based on my review, nothing has come to my attention that causes me to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Conclusion on the Separate Interim Financial Information

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



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, November 14, 2017

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
ASSETS					
Current assets					
	Cash and cash equivalents	265,372	291,162	68,969	56,060
5	Current investments	457,607	316,473	60,737	283,129
4, 6	Trade and other receivables - net	323,070	457,004	107,967	125,120
7	Current portion of receivables under finance lease contracts	10,180	9,479	-	-
8	Unbilled receivables	46,741	37,067	-	-
9	Inventories - net	350,706	447,342	159,636	123,635
10	Oil supplies	1,875	2,289	-	-
11	Non-current assets held for sale - net	13,458	218,923	-	-
	Total current assets	1,469,009	1,779,739	397,309	587,944
Non-current assets					
12	Investments in associated company - net	2,014	6,346	-	-
13	Investments in subsidiaries	-	-	862,555	862,555
14	Pledged deposits at financial institution	23,017	6,869	-	-
7	Receivables under finance lease contracts - net	893	8,618	-	-
15	Property, plant, vessel and equipment - net	1,838,115	1,686,588	578,817	550,133
16	Intangible assets - net	1,494	2,440	1,226	2,253
23	Deferred tax assets	13,703	14,001	5,648	5,699
	Other non-current assets	33,299	20,540	6,811	5,541
	Total non-current assets	1,912,535	1,745,402	1,455,057	1,426,181
	Total assets	3,381,544	3,525,141	1,852,366	2,014,125

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.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
	Bank overdrafts and short-term loans from financial institutions	17	169,846	128,000	-
	Trade and other payables	4, 18	275,258	143,653	76,856
	Cash advance receive from disposal of asset	11	-	80,000	-
	Advance received and deferred construction revenue	8	3,620	3,688	-
	Income tax payable		11,783	7,835	1,261
	Total current liabilities		460,507	363,176	78,117
Non-current liabilities					
	Employee benefit obligations	19	29,525	29,320	18,093
	Total non-current liabilities		29,525	29,320	18,093
	Total liabilities		490,032	392,496	96,210

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
Shareholders' equity					
Authorized share capital					
	Common shares 2,800,000,000 shares at Baht 0.25 each	700,000	700,000	700,000	700,000
Issued and fully paid-up share capital					
	Common shares 2,799,996,084 shares at Baht 0.25 each	699,999	699,999	699,999	699,999
	Premiums on share capital	902,769	902,769	902,769	902,769
Retained earnings (deficits)					
Appropriated					
	Legal reserve	22	70,000	70,000	70,000
	Unappropriated	21	(711,763)	(490,446)	82,133
Other components of shareholders' equity					
Difference on business combination					
	under common control		(3,259)	(3,259)	-
	Capital surplus from share premium of subsidiary		360,580	360,580	-
	Gain on disposal of investment in subsidiaries		861,443	861,443	-
	Actuarial gains		1,932	1,932	1,255
	Total shareholders' equity of the Company		2,181,701	2,403,018	1,756,156
	Non-controlling interests		709,811	729,627	-
	Total shareholders' equity		2,891,512	3,132,645	1,933,165
	Total liabilities and shareholders' equity		3,381,544	3,525,141	2,014,125

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.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"
 "REVIEWED"

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	4, 26, 27, 28				
Revenues					
		782,351	905,812	150,722	181,249
		27,316	7,166	-	-
		58,206	86,712	-	-
	11	162,999	1,684	2,424	1,853
		<u>1,030,872</u>	<u>1,001,374</u>	<u>153,146</u>	<u>183,102</u>
Expenses					
		(719,134)	(825,711)	(83,601)	(106,859)
		(21,227)	(5,202)	-	-
		(48,736)	(75,986)	-	-
		(5,996)	(8,583)	(1,680)	(1,599)
		(48,072)	(37,965)	(16,804)	(16,334)
		(170)	(1,647)	-	-
	12	591	(1,605)	-	-
		<u>(839,744)</u>	<u>(956,699)</u>	<u>(102,085)</u>	<u>(124,792)</u>
		<u>191,128</u>	<u>44,675</u>	<u>51,061</u>	<u>58,310</u>
	24	(31,301)	(3,043)	(1,079)	(1,164)
		<u>159,827</u>	<u>41,632</u>	<u>49,982</u>	<u>57,146</u>
		-	-	-	-
		<u>159,827</u>	<u>41,632</u>	<u>49,982</u>	<u>57,146</u>
Profit (loss) attributable to					
		119,212	49,769	49,982	57,146
		40,615	(8,137)	-	-
		<u>159,827</u>	<u>41,632</u>	<u>49,982</u>	<u>57,146</u>
Total comprehensive income (loss) attributable to					
		119,212	49,769	49,982	57,146
		40,615	(8,137)	-	-
		<u>159,827</u>	<u>41,632</u>	<u>49,982</u>	<u>57,146</u>
Earnings per share					
		0.04	0.02	0.02	0.02
		<u>2,799,996.084</u>	<u>2,799,996.084</u>	<u>2,799,996.084</u>	<u>2,799,996.084</u>

.....Director
 (Narong Thararatnavibool)

.....Director
 (Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"
 "REVIEWED"

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
4, 26, 27, 28					
Revenues					
	Revenue from sales of goods	2,313,358	3,565,820	591,977	588,555
	Revenue from production contract	50,313	31,265	-	-
	Revenue from construction contract	132,018	292,092	-	-
	Revenue from vessel operating	24,786	16,224	-	-
11	Other incomes	175,743	8,612	7,759	6,259
13, 21	Dividend income	-	-	14,976	-
	Total revenues	2,696,218	3,914,013	614,712	594,814
Expenses					
	Cost of sales	(2,166,875)	(3,172,039)	(336,338)	(337,083)
	Cost of production contract	(44,067)	(25,571)	-	-
	Cost of construction contract	(119,560)	(261,956)	-	-
	Cost of vessel operating	(31,266)	(22,738)	-	-
	Selling expenses	(14,552)	(29,237)	(5,465)	(4,062)
	Administrative expenses	(126,764)	(120,354)	(51,815)	(50,535)
	Finance costs	(1,725)	(6,814)	-	-
	Loss on impairment of investment in associate	-	-	-	(5,400)
12	Share of loss from investment in associates	(4,332)	(654)	-	-
	Total expenses	(2,509,141)	(3,639,363)	(393,618)	(397,080)
	Profit before income tax expenses	187,077	274,650	221,094	197,734
24	Tax expense	(36,190)	(10,460)	(6,107)	(4,249)
	Profit for the periods	150,887	264,190	214,987	193,485
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
19	Defined benefit plan actuarial gains	-	2,933	-	1,569
	Income tax on other comprehensive income relating to items that will not be reclassified	-	(623)	-	(314)
	Other comprehensive income for the periods, net of income tax	-	2,310	-	1,255
	Total comprehensive income for the periods	150,887	266,500	214,987	194,740
Profit (loss) attributable to					
	Equity holders of the parent	170,679	243,854	214,987	193,485
	Non-controlling interests	(19,792)	20,336	-	-
		150,887	264,190	214,987	193,485
Total comprehensive income (loss) attributable to					
	Equity holders of the parent	170,679	245,752	214,987	194,740
	Non-controlling interests	(19,792)	20,748	-	-
		150,887	266,500	214,987	194,740
Earnings per share					
	Basic earnings per share of the Company (Baht)	0.06	0.09	0.08	0.07
	Weighted average number of ordinary shares (share)	2,799,996.084	2,799,996.084	2,799,996.084	2,799,996.084

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"
"REVIEWED"

		Unit : Thousand Baht											
		Consolidated financial statements											
		Equity attributable to equity holders of the parent											
		Other components of shareholders' equity											
		Other comprehensive income											
		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											
Notes		Issued share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Difference on business combination under common control	Capital surplus from share premium of subsidiary	Gain on disposal of investment in subsidiaries	Actual gains	Total other components of shareholders' equity	Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity
	Balance as at January 1, 2017	699,999	902,769	70,000	(498,446)	(3,259)	360,580	861,443	1,932	1,220,696	2,403,018	729,627	3,132,645
	Changes in shareholders' equity for the period:												
	Dividend paid	-	-	-	(391,996)	-	-	-	-	-	(391,996)	(24)	(392,020)
	Total comprehensive income (loss) for the period	-	-	-	170,679	-	-	-	-	-	170,679	(19,792)	150,887
	Balance as at September 30, 2017	699,999	902,769	70,000	(711,763)	(3,259)	360,580	861,443	1,932	1,220,696	2,181,701	709,811	2,891,512
	Balance as at January 1, 2016	699,999	902,769	61,816	(524,115)	(3,259)	360,580	861,443	-	1,218,764	2,359,233	711,899	3,071,132
	Changes in shareholders' equity for the period:												
	Legal reserve	-	-	8,184	(8,184)	-	-	-	-	-	-	-	-
	Dividend paid	-	-	-	(251,996)	-	-	-	-	-	(251,996)	-	(251,996)
	Total comprehensive income for the period	-	-	-	243,854	-	-	-	1,898	1,898	245,752	20,748	266,500
	Balance as at September 30, 2016	699,999	902,769	70,000	(540,441)	(3,259)	360,580	861,443	1,898	1,220,662	2,352,989	732,647	3,085,636

.....Director
(Narong Thararatnamwibool)

.....Director
(Thamit Thararatnamwibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"
"REVIEWED"

Notes	Unit: Thousand Baht									
	Separate financial statements					Total other components				
	Issued and paid-up share capital	Premiums on share capital	Appropriated (to legal reserve)	Retained earnings (deficits)	Unappropriated	Actuarial gains	Other comprehensive income	of shareholders' equity	Total Shareholders' Equity	
	699,999	902,769	70,000	259,142	1,255			1,933,165		
Balance as at January 1, 2017										
Changes in shareholders' equity for the period:										
Dividend paid	-	-	(391,996)	-	-			(391,996)		
Total comprehensive income for the period	-	-	214,987	-	-			214,987		
Balance as at September 30, 2017	699,999	902,769	70,000	82,133	1,255			1,756,156		
Balance as at January 1, 2016	699,999	902,769	61,816	279,716	-			1,944,300		
Changes in shareholders' equity for the period:										
Legal reserve	-	-	8,184	(8,184)	-			-		
Dividend paid	-	-	(251,996)	-	-			(251,996)		
Total comprehensive income for the period	-	-	193,485	193,485	1,255			194,740		
Balance as at September 30, 2016	699,999	902,769	213,021	1,255	1,255			1,887,044		

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.....Director
(Narong Tharetanavibool)

.....Director
(Thanit Tharetanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"
 "REVIEWED"

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Profit before income tax expenses	187,077	274,650	221,094	197,734
Adjustments to reconcile profit to cash provided by (used in) operating activities:				
Depreciation	104,312	111,488	47,628	46,624
Amortization of computer softwares	1,104	1,594	1,031	1,554
(Gain) loss on disposal asset	(153,626)	1,197	(106)	(303)
Unrealized (gain) loss on investments in Open-end Fund	(558)	(120)	368	150
Allowance for doubtful accounts	-	10,561	-	-
(Reversal) Allowance for devaluation of inventories	(17,362)	29,319	-	-
Loss on impairment of investment in associate	-	-	-	5,400
Share of loss from investment in associate	4,333	654	-	-
Dividend income	-	-	(14,976)	-
Unrealized (gain) loss on exchange rates	(180)	(955)	1,353	(1,004)
Estimation of employee benefit obligations	3,681	4,066	2,038	2,118
Actuarial loss	(262)	-	-	-
Interest income	(2,995)	(652)	-	(383)
Interest expenses	1,725	6,814	-	-
Gain from operating activities before changes in operating assets and liabilities	127,249	438,616	258,430	251,890
Changes in operating assets - (increase) decrease				
Trade and other receivables	133,040	54,690	17,153	68,586
Unbilled receivables	(9,675)	(57,361)	-	-
Inventories	114,411	(149,181)	(36,000)	(37,588)
Advance payment to subcontractors	-	15,874	-	-
Other current assets	-	59	-	-
Non-current assets classified as held for sale	(13,458)	-	-	-
Other non-current assets	(12,564)	(1,266)	(1,271)	(3)

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

"REVIEWED"

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in operating liabilities - increase (decrease)				
Trade and other payables	106,266	(4,158)	13,403	(2,855)
Advance received and deferred construction revenue	(67)	(28,259)	-	-
Retention payables	-	2,577	-	-
Cash provided by operating activities	445,202	271,591	251,715	280,030
Payment for employee benefit obligations	(3,215)	(2,056)	(2,719)	(331)
Income tax refunded	1,959	-	-	-
Interest paid	(32,333)	(12,315)	(8,833)	(7,269)
Net cash provided by operating activities	411,613	257,220	240,163	272,430
Cash Flows from Investing Activities				
(Increase) Decrease in restricted deposits at financial institution	(16,148)	(813)	-	-
Interest received	1,352	664	-	383
(Increase) Decrease in current investments	(140,575)	195,780	222,024	33,773
Dividend income from investments in subsidiary	-	-	14,976	-
Payment for purchases of assets	(258,659)	(52,615)	(72,816)	(9,702)
Payment for purchases of intangible assets	(158)	(568)	(4)	(439)
Proceeds from disposal of equipment	318,360	383	562	383
Proceeds from receivables under finance lease contracts	8,667	-	-	-
Net cash provided by (used in) investing activities	(87,161)	142,831	164,742	24,398
Cash Flows from Financing Activities				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	43,379	(148,034)	-	-
Interest paid	(1,601)	(6,816)	-	-
Dividend payment	(391,996)	(251,996)	(391,996)	(251,996)
Subsidiary's dividend paid to non-controlling interests	(24)	-	-	-
Net cash used in financing activities	(350,242)	(406,846)	(391,996)	(251,996)
Net increase (decrease) in cash and cash equivalents	(25,790)	(6,795)	12,909	44,832
Cash and cash equivalents at beginning of the periods	291,162	154,714	56,060	29,358
Cash and cash equivalents at end of the periods	265,372	147,919	68,969	74,190
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	22,991	3,716	3,954	2,123

.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE -MONTH PERIODS ENDED SEPTEMBER 30, 2017
(UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

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

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

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

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2016), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

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

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2016. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2016.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the "Group") are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2016.

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

New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 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 adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and those of its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2016.

4. TRANSACTIONS WITH THE RELATED PARTIES

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

Significant transactions between the Company and related parties for the three-month and nine-month periods ended September 30, 2017 and 2016 were as follows:



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	658	243	658	243
AI Engineering Services Co., Ltd.	-	-	9	-
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	22,377	14,064	22,377	14,064
Other income - rental and services				
PPC Asian Insulators Co., Ltd.	162	90	162	90
AI Engineering Services Co., Ltd.	-	-	333	283
AI Energy Public Co., Ltd.	-	-	291	264
AI Logistics Co., Ltd.	-	-	144	172
AI Ports and Terminals Co., Ltd.	-	-	54	82
Purchase of goods				
PPC Asian Insulators Co., Ltd.	3	-	3	-
Samart Palm oil Co., Ltd.	-	4,934	-	-
Samart Palm Industry Co., Ltd.	-	12,941	-	-
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	7,469	6,691	7,496	6,691
Purchases of raw materials and consumed supply				
PPC Asian Insulators Co., Ltd.	-	2	-	2



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the nine-month periods				
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	1,884	1,879	1,884	1,879
AI Engineering Services Co., Ltd.	-	-	12	2,778
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	71,530	76,904	71,530	76,904
Dividend income				
AI Engineering Services Co., Ltd.	-	-	14,976	-
Other income - rental and services				
PPC Asian Insulators Co., Ltd.	430	270	430	270
AI Engineering Services Co., Ltd.	-	-	1,004	911
AI Energy Public Co., Ltd.	-	-	891	741
AI Logistics Co., Ltd.	-	-	469	456
AI Ports and Terminals Co., Ltd.	-	-	170	240
Purchase of goods				
PPC Asian Insulators Co., Ltd.	3	-	3	-
Samart Palm Co., Ltd.	-	3,426	-	-
Samart Palm oil Co., Ltd.	-	15,227	-	-
Samart Palm Industry Co., Ltd.	15,982	39,267	-	-
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	26,749	36,970	26,749	36,970
Purchases of raw materials and consumed supply				
PPC Asian Insulators Co., Ltd.	-	11	-	11
AI Energy Public Co., Ltd.	-	-	-	94

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..... Director
(Thanit Thararatnavibool)

Management's remuneration

Management's remuneration for the three-month and nine-month periods ended September 30, 2017 and 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Short-term employee benefits	11,090	11,851	5,628	6,279
Long-term post-employment benefits	207	474	99	178
Total management's remuneration	<u>11,297</u>	<u>12,325</u>	<u>5,727</u>	<u>6,457</u>
<u>For the nine-month periods</u>				
Short-term employee benefits	33,547	35,015	17,891	19,118
Long-term post-employment benefits	659	1,462	320	532
Total management's remuneration	<u>34,206</u>	<u>36,477</u>	<u>18,211</u>	<u>19,650</u>

Significant balances with related parties as at September 30, 2017 and December 31, 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivable				
PPC Asian Insulators Co., Ltd.	24,083	27,824	24,083	27,824
AI Engineering Services Co., Ltd.	-	-	-	926
Other receivable				
PPC Asian Insulators Co., Ltd.	102	102	102	102
AI Engineering Services Co., Ltd.	-	-	36	20
AI Logistics Co., Ltd.	-	-	2	2
Trade payable				
PPC Asian Insulators Co., Ltd.	13,604	19,201	13,604	19,201
Samart Palm Industry Co., Ltd.	1,162	-	-	-

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(Thanit Thareratanavibool)

5. CURRENT INVESTMENTS

Current investments as at September 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Saparate financial statements	
	2017	2016	2017	2016
Investment in Open-end Fund-Debt securities	455,565	314,721	60,168	282,139
<u>Add Unrealized gains on changes in fair value</u> of investments	1,582	1,311	569	990
Investment in Open-end Fund-Fair value	457,147	316,032	60,737	283,129
Fixed deposits	460	441	-	-
Total current investments	457,607	316,473	60,737	283,129

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6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivable - related parties	24,083	27,824	24,083	28,750
Trade receivable - state enterprises	104,985	260,322	69,246	86,681
Trade receivables - others	174,472	136,609	10,160	6,258
Post date cheques	8,835	13,033	-	-
Total trade receivables	312,375	437,788	103,489	121,689
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	304,047	429,460	103,489	121,689
Other receivables				
Other receivables - related parties	102	102	140	124
Prepaid expense	7,796	5,859	3,431	1,752
Deposit for inventories	736	3,693	736	1,468
Revenue Department receivable	2,325	13,834	168	87
Advance payment to subcontractors	6,796	3,780	-	-
Others	1,574	582	3	-
Total other receivables	19,329	27,850	4,478	3,431
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	-	-
Total other receivables - net	19,023	27,544	4,478	3,431
Total trade and other receivables - net	323,070	457,004	107,967	125,120

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As at September 30, 2017 and December 31, 2016, outstanding balances of trade receivables aged by number of months were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Related parties				
Current	12,859	10,452	12,859	11,378
Overdue				
Within 3 months	11,224	17,372	11,224	17,372
Total	24,083	27,824	24,083	28,750
State enterprises				
Current	87,054	246,475	65,613	83,451
Overdue				
Within 3 months	17,648	1,108	3,350	1,108
Over 3 months to 12 months	165	12,739	165	2,122
Over 12 months	118	-	118	-
Total	104,985	260,322	69,246	86,681
Others				
Current	168,654	135,556	5,924	2,541
Overdue				
Within 3 months	6,325	5,758	4,236	3,717
Over 12 months	8,328	8,328	-	-
Total	183,307	149,642	10,160	6,258
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	304,047	429,460	103,489	121,689

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7. RECEIVABLE UNDER FINANCE LEASE CONTRACTS - NET

Receivable under finance lease contracts as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2017	2016
Due within one year		
Value of minimum lease payment receivable	11,556	11,556
Deferred revenue - finance lease	(1,376)	(2,077)
Present value of minimum lease payment receivable	<u>10,180</u>	<u>9,479</u>
Due over one year but with five years		
Value of minimum lease payment receivable	963	9,630
Deferred revenue - finance lease	(70)	(1,012)
Present value of minimum lease payment receivable	<u>893</u>	<u>8,618</u>

As at September 30, 2017 and December 31, 2016, AI Logistics Company Limited (“the subsidiary”) had receivable under finance lease contracts for hire-purchase of Vessel with a local 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 the subsidiary 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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(Thanit Thareratanavibool)

8. UNBILLED RECEIVABLES/ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

Unbilled receivables/advance received and deferred construction revenue as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2017	2016
Unbilled receivables		
Contract value	470,176	381,544
Recognition of income by the percentage of completion	460,562	322,353
<u>Less</u> Value of billing construction	(413,821)	(285,286)
Total	46,741	37,067
Advance received and deferred construction revenue		
Contract value	34,507	45,488
Value of billing construction	26,887	4,497
<u>Less</u> Recognition of income by the percentage of completion	(23,267)	(809)
Total	3,620	3,688

9. INVENTORIES - NET

Inventories as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Raw materials and chemicals	134,696	199,013	83,793	69,129
Work in process	126,425	143,191	35,772	23,496
Finished goods	81,574	108,822	38,787	26,326
Supplies	8,102	10,347	1,375	1,353
Goods in transit	4,633	8,055	4,633	8,055
Total inventories	355,430	469,428	164,360	128,359
<u>Less</u> Allowance for devaluation of inventories	(4,724)	(22,086)	(4,724)	(4,724)
Total inventories - net	350,706	447,342	159,636	123,635

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10. OIL SUPPLIES

Oil supplies as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2017	2016
Bunker oil	1,474	1,796
Lubricants	401	493
Total oil supplies	1,875	2,289

11. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousand Baht
	Consolidated financial statements
Book value as at January 1, 2017	218,923
<u>Add</u> Transfers in during the period (Cost)	24,352
<u>Less</u> Disposals during the period (Book value)	(218,923)
Accumulated depreciation	(10,554)
Allowance for impairment of asset	(340)
Book value as at September 30, 2017	13,458

On November 3, 2016, AI Ports and Terminals Company Limited ("the subsidiary") entered into contracts for sale of land, buildings and machineries with a company for the selling amount of Bath 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 September 30, 2017, the subsidiary had received the amount of Bath 240 million which is shown under current liabilities.

The subsidiary received all payments and transferred of ownership to the buyer in July 2017.

The consolidate financial statement of the Company for the three-month and nine-month periods ended September 30, 2017 incurred profit earned from the sale of non-current asset held for sale totaling Bath 156.57 million as recorded in other income.

The subsidiary also entered into a rental agreement of land, buildings and machineries with such company for the period of 9 months from November 21, 2016 to June 20, 2017 for rental fee of Bath 0.50 million per month.

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

12. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at September 30, 2017 and December 31, 2016 consisted of:

Company	Nature of business	Percentage of investment (%)		Unit: Million Baht		Unit: Thousand Baht			
		2017	2016	2017	2016	Consolidated financial statements			
		2017	2016	Issued share capital	Equity method	2017	2016		
PPC Asian Insulators	Producing and distributing electronics insulators and ceramic	25.10	25.10	263	263	2,014	6,346	66,000	66,000
Less Provision for diminution in investment						-	-	(66,000)	(66,000)
Total investments in associate - net						2,014	6,346	-	-

The consolidated and separate financial statements for the nine-month periods ended September 30, 2017 and December 31, 2016, of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited respectively, included an investment in the associated company based on financial statements of the associated company which had not been reviewed by an auditor. The carrying value of the investment in the consolidated financial statements as at September 30, 2017 and December 31, 2016, amounted to Baht 2.01 million and Baht 6.35 million, respectively, representing 0.06% and 0.18% of total assets in the consolidated financial statements, respectively.

The equity of net gain (loss) of the associated company in the consolidated financial statements for the three-month periods ended September 30, 2017 and 2016, amounted to Baht 0.59 million and Baht (1.61) million, respectively, representing 0.37% and 3.86% of consolidated net profit, respectively and the equity of net loss of the associated company in the consolidated financial statements for the nine-month periods ended September 30, 2017 and 2016 amounted to Baht (4.33) and Baht (0.65) million, respectively, representing (2.87%) and 0.25% of consolidated net profit, respectively.

As at September 30, 2017, 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
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13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at September 30, 2017 and December 31, 2016, and dividend income from the investment during for the nine-month periods ended September 30, 2017 and 2016, consisted of:

Company	Nature of business	Percentage of investment (%)		Unit : Million Baht		Unit: Thousand Baht			
		2017	2016	2017	2016	Cost method		Dividend	
				Issued share capital		2017	2016	2017	2016
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	200	197,000	197,000	14,976	-
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	59.59	59.59	1,130	1,130	665,555	665,555	-	-
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	209	-	-	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable oil and other fuel oil	100.00	100.00	460	460	-	-	-	-
Total investments in subsidiaries						862,555	862,555	14,976	-

14. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

AI Energy Public Company Limited ("the subsidiary") has pledged fixed deposit at bank as collateral for the issuance of bank guarantee.

..... Director

(Narong Tharatanavibool)

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15. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at September 30, 2017 consisted of:

	Unit: Thousands Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2017	1,686,588	550,133
Additions/Transfers in during the period (Cost)	351,644	123,024
Disposals/Transfers out during the period (Book value)	(95,805)	(46,712)
Depreciation charge for the period	(104,312)	(47,628)
Book value as at September 30, 2017	1,838,115	578,817

Depreciations in the statements of profit or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Cost of sale and service	28,500	34,043	14,220	13,619
Selling and administrative expenses	5,375	3,063	1,858	1,954
	33,875	37,106	16,078	15,573
<u>For the nine-month periods</u>				
Cost of sale and service	87,629	102,006	41,508	40,465
Selling and administrative expenses	16,683	9,482	6,120	6,159
	104,312	111,488	47,628	46,624

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at September 30, 2017 and December 31, 2016, in the consolidated financial statement totaling approximately Baht 406.34 million and Baht 284.72 million respectively, and separate financial statements totaling approximately Baht 254.17 million and Baht 243.68 million, respectively.

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(Thanit Thareratanavibool)

16. INTANGIBLE ASSETS - NET

Intangible assets as at September 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousands Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2017	2,440	2,253
Additions/Transfers in during the period (Cost)	158	4
Amortization for the period (Book value)	(1,104)	(1,031)
Book value as at September 30, 2017	1,494	1,226

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

Bank overdrafts and short-term loans from financial institutions as at September 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2017	2016
Promissory notes	-	128,000
Trust receipt	169,846	-
Total	169,846	128,000

	Credit line (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	32,000	32,000	12,000	12,000
Promissory notes	1,370,000	1,370,000	430,000	430,000
Letter of credit and trust receipt	270,000	270,000	-	-
Total	1,672,000	1,672,000	442,000	442,000

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(Thanit Thareratanavibool)

18. TRADE AND OTHER PAYABLES

Trade and other payables as at September 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related parties	14,766	19,201	13,604	19,201
Trade payables - others	165,613	60,638	34,281	21,326
Total trade payables	180,379	79,839	47,885	40,527
Other payables				
Payables for purchase of assets	22,991	8,527	3,954	1,316
Other payables	6,974	3,290	346	326
Advances received for goods	4,439	4,602	2,885	4,477
Accrued bonus	14,284	-	9,313	-
Electricity payable	6,299	4,099	1,524	1,477
Accrued expenses	12,290	11,122	5,506	4,938
Retention	5,295	4,487	-	-
Revenue Department payables	22,307	27,687	5,443	5,086
Total other payables	94,879	63,814	28,971	17,620
Total trade and other payables	275,258	143,653	76,856	58,147

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19. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation for the nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Employee benefit at beginning of periods	29,320	36,564	18,774	20,710
Included in profit or loss:				
Current service cost	3,225	3,563	1,752	1,801
Interest cost	456	503	286	317
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	(5,617)	-	(2,524)
Experience adjustments	(261)	2,684	-	955
Employee benefit paid during the periods	(3,215)	(2,056)	(2,719)	(331)
Employee benefit obligations at end of periods	29,525	35,641	18,093	20,928

Employee benefit expenses in profit or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Cost of sales	818	715	533	574
Selling expenses	67	86	-	-
Administrative expenses	328	225	130	129
Total employee benefit expenses	1,213	1,026	663	703
<u>For the nine-month periods</u>				
Cost of sales	2,507	2,497	1,648	1,726
Selling expenses	203	259	-	-
Administrative expenses	971	1,310	390	392
Total employee benefit expenses	3,681	4,066	2,038	2,118

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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.

Principal actuarial assumptions as at September 30, 2017 and December 31, 2016 (represented by the weighted-average) were as follows:

	(Percentage %)/annum			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.77 - 2.35	1.77 - 2.35	2.22	2.22
Salary increases rate	0.00 - 5.00	0.00 - 5.00	1.00 - 5.00	1.00 - 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 - 33	33	33
31 - 40 years old	0 - 14	0 - 14	14	14
41 - 50 years old	0 - 7	0 - 7	5	5
Above 50 years old	0	0	0	0

20. WARRANTS

Warrants AIE-W1

On April 21, 2015, the Annual General Meeting of the Shareholders of AI Energy Public Company Limited 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 Tharcratanavibool)

..... Director

(Thanit Tharcratanavibool)

21. DIVIDEND PAYMENT

The Board of Directors' Meeting No. 3/2017 held on August 11, 2017, passed a resolution to pay interim dividends from the operation for six-month periods from January 1 - June 30, 2017, from the net profit of the separate financial statements. The dividend will be exempt from income tax, according to the BOI Certificate No. 1478 (2)/2553 at the rate of Baht 0.04 per share for a total amount of Baht 111.99 million, and shall be paid from the profit that is subject to the corporate income tax at the rate of 20%, of Baht 0.01 per share for a total amount of Baht 28 million. The dividends were already paid on September 8, 2017.

The 2017 Annual General Meeting of Shareholders of the Company held on April 28, 2017, passed a resolution to pay dividend for the year 2016 of Baht 0.09 per share for a total amount of Baht 252 million from the separate financial statements' retained earnings exempt from income tax, according to the BOI Certificate No. 1478 (2)/2553. The dividend was paid on May 22, 2017.

The Board of Directors' Meeting No.1/2017 held on March 2, 2017 of AI Engineering Services Company Limited, ("the subsidiary") passed a resolution to pay dividends from the operation for the year 2016 to the shareholders of 20 million shares at Baht 0.75 per share, amount Baht 15 million. The 2017 Annual General Shareholders' Meeting held on April 27, 2017, passed a resolution to pay such dividends. The dividend was paid on March 28, 2017.

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.

22. LEGAL RESERVE

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

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

23. DEFERRED TAX

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

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements		
	As at January 1,	Profit	As at January 1,	Profit	
	2017	(Loss)	2017	(Loss)	
				As at September 30,	
				2017	
Deferred tax assets					
Allowance for doubtful trade accounts receivable	149	-	149	-	-
Allowance for devaluation of inventories	945	-	945	-	945
Allowance for impairment of assets	1,198	-	1,198	-	1,198
Provision for long-term employee benefits	5,751	77	5,828	3,754	(135)
Tax loss carries forward	10,511	-	10,511	-	-
Total	18,554	77	18,631	5,897	(135)
Deferred tax liability					
Unrealized gain on investments in Open-end Fund	(262)	(37)	(299)	(198)	84
Depreciation	(4,291)	(338)	(4,629)	-	-
Total	(4,553)	(375)	(4,928)	(198)	84
Deferred tax assets - net	14,001	(298)	13,703	5,699	(51)

As at September 30, 2017 and December 31, 2016, AI Energy Public Company Limited ("the subsidiary") had the deferred tax asset for the carry forward of unused tax losses in financial statements Baht 10.51 million. The Company's management believe that it is probable that future taxable profit will be not available against which the unused tax losses can be utilized.

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

24. TAX EXPENSE

Tax expense the three-month and nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Current tax expense				
Current periods	(31,226)	(2,976)	(1,389)	(1,284)
Deferred tax expense				
Movement in temporary differences	(75)	(67)	310	120
Total	<u>(31,301)</u>	<u>(3,043)</u>	<u>(1,079)</u>	<u>(1,164)</u>
<u>For the nine-month periods</u>				
Current tax expense				
Current periods	(35,893)	(8,642)	(6,056)	(4,550)
Deferred tax expense				
Movement in temporary differences	(297)	(1,818)	(51)	301
Total	<u>(36,190)</u>	<u>(10,460)</u>	<u>(6,107)</u>	<u>(4,249)</u>

Income tax reduction

The Act of Legislation amended Revenue Code No.42 B.E. 2559, dated March 3, 2016, grants the corporate income tax rate 20% on net profit for the accounting periods beginning on January 1, 2016 onwards.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25. FOREIGN CURRENCY TRANSACTIONS

As at September 30, 2017 and December 31, 2016, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging were as follows:

Unit: Thousand

Particulars	Consolidated financial statements				Separate financial statements			
	2017		2016		2017		2016	
	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	29.84	990.87	21.64	771.72	29.71	986.37	21.51	767.01
Total		990.87		771.72		986.37		767.01
Liabilities								
USD	244.44	8,243.69	378.23	13,943.81	209.69	7,031.33	323.09	11,632.08
EUR	486.01	19,283.03		-	134.73	5,345.57	-	-
Total		27,526.72		13,943.81		12,376.90		11,632.08

26. PROMOTIONAL PRIVILEGES

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

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

..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

The Company and subsidiaries have revenue, from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month and nine-month periods ended September 30, 2017 and 2016 was as follows:

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
For the three-month period ended September 30, 2017						
Revenue from sales of goods	744,399	37,952	782,351	120,513	30,209	150,722
Revenue from production contract	-	27,316	27,316	-	-	-
Revenue from construction contract	-	58,206	58,206	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,570	156,570	-	-	-
Other incomes	-	20,282	20,282	-	2,424	2,424
Total	744,399	300,326	1,044,725	120,513	32,633	153,146
For the three-month period ended September 30, 2016						
Revenue from sales of goods	683,197	222,615	905,812	146,636	34,613	181,249
Revenue from production contract	-	7,166	7,166	-	-	-
Revenue from construction contract	-	86,712	86,712	-	-	-
Other incomes	-	1,684	1,684	-	1,853	1,853
Total	683,197	318,177	1,001,374	146,636	36,466	183,102

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..... Director
(Narong Tharcratanavibool)

..... Director
(Thanit Tharcratanavibool)

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted		Total	Promoted		Total
	Activities	Non-promoted Activities		Activities	Non-promoted Activities	
For the nine-month period ended September 30, 2017						
Revenue from sales of goods	2,027,770	285,588	2,313,358	475,299	116,678	591,977
Revenue from production contract	-	50,313	50,313	-	-	-
Revenue from construction contract	-	132,018	132,018	-	-	-
Revenue from vessel operating	-	24,786	24,786	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,570	156,570	-	-	-
Other incomes	-	33,026	33,026	-	7,759	7,759
Dividend income	-	-	-	-	14,976	14,976
Total	2,027,770	682,301	2,710,071	475,299	139,413	614,712
For the nine-month period ended September 30, 2016						
Revenue from sales of goods	2,658,421	907,399	3,565,820	441,421	147,134	588,555
Revenue from production contract	-	31,265	31,265	-	-	-
Revenue from construction contract	-	292,092	292,092	-	-	-
Revenue from vessel operating	-	16,224	16,224	-	-	-
Other incomes	-	8,612	8,612	-	6,259	6,259
Total	2,658,421	1,255,592	3,914,013	441,421	153,393	594,814

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..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

27. PROVIDENT FUND

The Company and subsidiary' contributions for the employees' provident fund and recorded as expenses in the statements of profit or loss for the three-month and nine-month periods ended September 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Asian Insulators Public Company Limited	427	469	429	469
AI Engineering Services Company Limited	43	53	-	-
AI Energy Public Company Limited	318	346	-	-
AI Logistics Company Limited	7	6	-	-
Total	795	874	429	469
<u>For the nine-month periods</u>				
Asian Insulators Public Company Limited	1,329	1,395	1,329	1,395
AI Engineering Services Company Limited	141	160	-	-
AI Energy Public Company Limited	969	1,040	-	-
AI Logistics Company Limited	20	19	-	-
Total	2,459	2,614	1,329	1,395

R

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

28. SEGMENT INFORMATION

The segmented information for the three-month and nine-month periods ended September 30, 2017 and 2016 was as follows:

		Unit: Thousand Baht					
		Consolidated financial statements					
		For the three-month period ended September 30, 2017					
		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	Vessel operating Port services	Total
Revenues from sales and services		150,715	58,206	631,636	27,316	-	867,873
Cost of sales and services		(83,601)	(45,736)	(635,533)	(21,227)	-	(786,097)
Gross profit (loss) by segment		67,114	12,470	(3,897)	6,089	-	81,776
Profit earned from the sale of non-current asset held for sale - net							156,570
Other income							6,429
Selling expenses							(5,996)
Administrative expenses							(48,072)
Finance costs							(170)
Share of gain from investments in associate							591
Tax expenses							(31,301)
Profit for the period							159,827
Equity holders of the parent							119,212
Non-controlling interests							40,615

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..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

Unit: Thousand Baht

Consolidated financial statements						
For the nine-month period ended September 30, 2017						
Group of AI Energy Public Company Limited						
	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refined crude palm oil	Vessel operating	Port services Total
Revenues from sales and services	591,966	132,018	1,721,392	50,313	24,786	2,520,475
Cost of sales and services	(336,338)	(119,560)	(1,830,537)	(44,067)	(31,266)	(2,361,768)
Gross profit (loss) by segment	255,628	12,458	(109,145)	6,246	(6,480)	158,707
Profit earned from the sale of non-current asset held for sale - net						156,570
Other income						19,173
Selling expenses						(14,552)
Administrative expenses						(126,764)
Finance costs						(1,725)
Share of loss from investments in associate						(4,332)
Tax expenses						(36,190)
Profit for the period						150,887
Equity holders of the parent						170,679
Non-controlling interests						(19,792)
Property, plant, vessel and equipment - net	578,817	17	1,032,791		18,098	208,392
						1,838,115

..... Director

(Narong Tharcratanavibool)

..... Director

(Thanit Tharcratanavibool)

Unit: Thousand Baht

Consolidated financial statements
For the three-month period ended September 30, 2016

Group of AI Energy Public Company Limited

	Sale of biodiesel and vegetable oil and by product	Construction undertaking	Contract of refined crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenue from sales and services	181,249	86,712	7,166	6,238	-	-	999,690
Cost of sales and services	(106,859)	(75,986)	(5,202)	(5,209)	(8,074)	-	(906,899)
Gross profit (loss) by segment	74,390	10,726	1,964	1,029	(8,074)	-	92,791
Other income							1,684
Selling expenses							(8,583)
Administrative expenses							(37,965)
Finance costs							(1,647)
Share of loss from investments in associate							(1,605)
Tax expenses							(3,043)
Profit for the period							41,632
Equity holders of the parent							49,769
Non-controlling interests							(8,137)

D

..... Director

(Thanit Thararatnavibool)

..... Director

(Narong Thararatnavibool)

Unit: Thousand Baht

Consolidated financial statements

For the nine-month period ended September 30, 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 refined crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenue from sales and services	585,777	292,092	2,961,171	31,265	18,872	16,224	-	3,905,401
Cost of sales and services	(337,083)	(261,956)	(2,818,416)	(25,571)	(16,540)	(22,738)	-	(3,482,304)
Gross profit (loss) by segment	248,694	30,136	142,755	5,694	2,332	(6,514)	-	423,097
Other income								8,612
Selling expenses								(29,237)
Administrative expenses								(120,354)
Finance costs								(6,814)
Share of loss from investments in associate								(654)
Tax expenses								(110,460)
Profit for the period								264,190
Equity holders of the parent								243,854
Non-controlling interests								20,336
Property, plant, vessel and equipment - net	559,071	38	888,001		20,749	40,087	417,766	1,925,712

Q

..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

29. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at September 30, 2017 and December 31, 2016 were as follows:

29.1 The Group has contingent liabilities on bank guarantees amount to Baht 355.46 million in year 2017 and amount to Baht 144.61 million in year 2016, issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

29.2 Group has contingent liabilities on capital commitments were as follows:

	Contracted Balance			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Capital commitments				
Contracted but not provided for				
Utility systems (Unit: Million Baht)	5.13	53.95	2.90	46.15
Machinery, accessories and tools (Unit: Million Baht)	67.65	7.96	12.87	5.36
Machinery, accessories and tools (Unit: Million Euro)	0.35	4.39	-	-

29.3 AI Engineering Services Company Limited (“the subsidiary”) has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 93.72 million and Baht 80.88 million, respectively.

29.4 The Company is the guarantor for the repayment of loans from financial institutions for AI Engineering Services Company Limited (“the subsidiary”) amount of Baht 645 million.

29.5 AI Energy Public Company Limited (“the subsidiary”) received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary 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 SEC. The subsidiary also sent a letter to request a status update with respect to this matter. The SEC replied by a letter, dated February 28, 2017, that the outcome has not been finalized.

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

29.6 At October 24, 2016, AI Energy Public Company Limited (“the subsidiary”) entered into a 5-years contract with a company for production services on edible oil products and granting the use of “Pamola” trademark.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

29.7 AI Engineering Services Company Limited (“the subsidiary”) has contingent liability on the fine from the delay of Baht 4.01 million since the Company is unable to deliver the products to the counterparties as the schedule in the agreements. At present, these are under negotiation. The management of the Company believes that there will be no significant losses incurred, therefore, no additional provision for the fine from the delay has been made in the financial statements.

30. 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.

31. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company’s Board of Directors on November 14, 2017



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)