

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR' S REPORT
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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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, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

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

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



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

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the section of my report titled “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements”. I am independent of the Group in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Recognition of revenue from sale of porcelain insulators and components

Risk

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



Auditor's Response

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

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

Recognition of Revenue from Construction Contracts

Risk

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

Auditor's Response

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

Quantity of inventories

Risk

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



Auditor's Response

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

Inventory Valuation

Risk

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

Auditor's Response

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

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

Other information

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

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

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

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



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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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



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

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



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

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

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



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 27, 2018

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2017	2016	2017	2016	
ASSETS						
Current assets						
	Cash and cash equivalents	5	127,687,497	291,162,160	55,498,164	56,060,281
	Current investments	6	477,211,632	316,473,460	130,927,342	283,129,050
	Trade and other receivables - net	4, 7	258,412,914	457,003,558	110,400,778	125,119,923
	Current portion of receivables under finance lease contracts	8	8,618,160	9,479,048	-	-
	Unbilled receivables	9	36,882,598	37,066,637	-	-
	Inventories - net	10	355,724,640	447,341,470	201,752,850	123,635,487
	Oil supplies	11	1,980,082	2,289,365	-	-
	Non-current assets held for sale - net	12	-	218,922,872	-	-
	Total current assets		1,266,517,523	1,779,738,570	498,579,134	587,944,741
Non-current assets						
	Investments in associated company - net	13	2,637,337	6,346,293	-	-
	Investments in subsidiaries	14	-	-	862,555,182	862,555,182
	Pledged deposits at financial institution	15	23,016,896	6,869,001	-	-
	Receivables under finance lease contracts - net	8	-	8,618,160	-	-
	Property, plant, vessel and equipment - net	16	1,834,077,845	1,686,588,483	570,870,855	550,132,970
	Intangible assets - net	17	1,438,274	2,439,930	1,200,251	2,252,564
	Deferred tax assets	24	11,787,336	14,000,549	6,088,021	5,699,552
	Deposit for purchase of assets		19,303,508	5,224,774	6,496,200	5,224,774
	Other non-current assets		24,876,914	15,314,920	314,892	314,892
	Total non-current assets		1,917,138,110	1,745,402,110	1,447,525,401	1,426,179,934
	Total assets		3,183,655,633	3,525,140,680	1,946,104,535	2,014,124,675

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	-	128,000,000	-	-
Trade and other payables	4, 19	169,891,511	143,652,759	71,789,405	58,146,725
Cash advance receive from disposal of asset	12	-	80,000,000	-	-
Advance received and deferred construction revenue	9	7,061,781	3,687,712	-	-
Income tax payable		11,007,483	7,834,962	2,803,006	4,039,121
Total current liabilities		187,960,775	363,175,433	74,592,411	62,185,846
Non-current liabilities					
Non-current provisions for employee benefits	20	30,497,149	29,320,306	18,525,690	18,773,796
Total non-current liabilities		30,497,149	29,320,306	18,525,690	18,773,796
Total liabilities		218,457,924	392,495,739	93,118,101	80,959,642

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.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Shareholders' equity					
Authorized share capital					
	Common shares 2,800,000,000 shares at Baht 0.25 each	700,000,000	700,000,000	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	699,999,021	699,999,021	699,999,021	699,999,021
	Premiums on share capital	902,769,092	902,769,092	902,769,092	902,769,092
Retained earnings (deficits)					
	Appropriated				
	Legal reserve	69,999,902	69,999,902	69,999,902	69,999,902
	Unappropriated	(626,766,440)	(490,446,346)	178,963,119	259,141,718
Other components of shareholders' equity					
	Difference on business combination				
	under common control	(3,258,930)	(3,258,930)	-	-
	Capital surplus from share premium of subsidiary	360,580,334	360,580,334	-	-
	Gain on disposal of investment in subsidiaries	861,442,927	861,442,927	-	-
	Actuarial gains	1,932,396	1,932,396	1,255,300	1,255,300
	Total shareholders' equity of the Company	2,266,698,302	2,403,018,396	1,852,986,434	1,933,165,033
	Non-controlling interests	698,499,407	729,626,545	-	-
	Total shareholders' equity	2,965,197,709	3,132,644,941	1,852,986,434	1,933,165,033
	Total liabilities and shareholders' equity	3,183,655,633	3,525,140,680	1,946,104,535	2,014,124,675

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	3, 4, 26, 28, 29, 30				
Revenues					
		3,012,758,223	4,169,031,362	838,019,676	756,310,725
		77,025,232	32,577,762	-	-
		151,853,565	422,989,139	-	-
		32,920,936	29,942,241	-	-
	12	156,569,707	-	-	-
		27,105,477	17,612,010	9,916,541	8,477,250
	14, 22	-	-	14,975,893	-
		<u>3,458,233,140</u>	<u>4,672,152,514</u>	<u>862,912,110</u>	<u>764,787,975</u>
Expenses					
		(2,759,156,727)	(3,699,742,351)	(463,373,472)	(440,289,886)
		(62,980,818)	(26,851,621)	-	-
		(135,553,101)	(381,564,937)	-	-
		(40,770,961)	(37,055,333)	-	-
		(19,010,343)	(38,018,979)	(6,896,745)	(5,610,732)
		(173,395,940)	(157,898,455)	(73,515,841)	(67,724,738)
		(1,584,823)	(8,012,266)	-	-
		-	-	-	(5,400,000)
	13	(3,708,956)	1,757,147	-	-
		<u>(3,196,161,669)</u>	<u>(4,347,386,795)</u>	<u>(543,786,057)</u>	<u>(519,025,356)</u>
		262,071,471	324,765,719	319,126,053	245,762,619
	25	(37,499,007)	(13,624,245)	(7,309,064)	(6,156,864)
		<u>224,572,464</u>	<u>311,141,474</u>	<u>311,816,989</u>	<u>239,605,755</u>
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
	20	-	2,991,038	-	1,569,125
	24	-	(622,800)	-	(313,825)
		-	2,368,238	-	1,255,300
		<u>-</u>	<u>2,368,238</u>	<u>-</u>	<u>1,255,300</u>
		<u>224,572,464</u>	<u>313,509,712</u>	<u>311,816,989</u>	<u>240,861,055</u>
Profit (loss) attributable to					
		255,675,494	293,849,516	311,816,989	239,605,755
		(31,103,030)	17,291,958	-	-
		<u>224,572,464</u>	<u>311,141,474</u>	<u>311,816,989</u>	<u>239,605,755</u>
Total comprehensive income (loss) attributable to					
		255,675,494	295,781,912	311,816,989	240,861,055
		(31,103,030)	17,727,800	-	-
		<u>224,572,464</u>	<u>313,509,712</u>	<u>311,816,989</u>	<u>240,861,055</u>
Earnings per share					
	3.16				
		0.09	0.10	0.11	0.09
		<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 Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

Notes	Consolidated financial statements											
	Equity attributable to equity holders of the parent						Other components of shareholders' equity					
	Issued and paid-up 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	Actuarial gains	Total other components of shareholders' equity	Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity
Balance as at January 1, 2017	699,999,021	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
Changes in shareholders' equity for the year:												
Dividend paid	-	-	-	(391,995,588)	-	-	-	-	-	(391,995,588)	(24,108)	(392,019,696)
Total comprehensive income (loss) for the year	-	-	-	255,675,494	-	-	-	-	-	255,675,494	(31,103,030)	224,572,464
Balance as at December 31, 2017	699,999,021	902,769,092	69,999,902	(234,770,852)	(3,258,930)	360,580,334	861,442,927	1,932,396	1,220,696,727	2,266,698,302	698,499,407	2,965,197,709
Balance as at January 1, 2016	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	711,896,745	3,071,131,493
Changes in shareholders' equity for the year:												
Legal reserve	-	-	8,184,183	(8,184,183)	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	(251,996,264)	-	-	-	-	-	(251,996,264)	-	(251,996,264)
Total comprehensive income for the year	-	-	-	293,849,516	-	-	-	-	1,932,396	295,781,912	17,727,800	313,509,712
Balance as at December 31, 2016	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

.....Director
(Narong Thairatanavibool)

.....Director
(Thanit Thairatanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit : Baht									
		Separate financial statements									
Notes		Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Retained earnings (deficits)		Total other components of shareholders' equity		Total Shareholders' Equity	
						Other comprehensive income	Actuarial gains				
	Balance as at January 1, 2017	699,999,021	902,769,092	69,999,902	259,141,718	1,255,300				1,933,165,033	
	Changes in shareholders' equity for the year:										
22	Dividend paid	-	-	-	(391,995,588)	-				(391,995,588)	
	Total comprehensive income for the year	-	-	-	311,816,989	-				311,816,989	
	Balance as at December 31, 2017	699,999,021	902,769,092	69,999,902	178,963,119	1,255,300				1,852,986,434	
	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:										
23	Legal reserve	-	-	8,184,183	(8,184,183)	-				-	
22	Dividend paid	-	-	-	(251,996,264)	-				(251,996,264)	
	Total comprehensive income for the year	-	-	-	239,605,755	1,255,300				240,861,055	
	Balance as at December 31, 2016	699,999,021	902,769,092	69,999,902	259,141,718	1,255,300				1,933,165,033	

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

The accompanying notes are an integral part of the financial statements.

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Profit before income tax expenses	262,071,471	324,765,719	319,126,053	245,762,619
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	138,031,869	147,864,411	63,887,225	62,412,068
Amortization of computer softwares	1,284,041	2,150,019	1,181,125	2,093,957
Gain on disposal asset	(150,119,674)	(3,724,559)	(242,539)	(308,904)
Unrealized (gain) loss on investments in Open-end Fund	(1,230,423)	(881,233)	177,294	(559,897)
Allowance for doubtful accounts	-	7,079,719	-	-
(Reversal) Allowance for devaluation of inventories	(8,736,322)	17,361,987	-	-
Loss on impairment of investment in associate	-	-	-	5,400,000
Impairment loss on asset	1,959,996	-	1,959,996	-
Share of gain (loss) from investment in associate	3,708,956	(1,757,147)	-	-
Dividend income	-	-	(14,975,893)	-
Unrealized (gain) loss on exchange rates	(5,109,833)	(1,148,395)	-	(1,196,673)
Non-current provisions for employee benefits	4,283,908	5,944,277	2,363,049	2,764,030
Interest income	(4,118,609)	(1,571,411)	(259,597)	(502,827)
Interest expenses	1,584,781	8,012,265	-	-
Gain from operating activities before changes				
in operating assets and liabilities	243,610,161	504,095,652	373,216,713	315,864,373
Changes in operating assets - (increase) decrease				
Trade and other receivables	202,492,841	82,327,775	14,719,146	95,688,874
Unbilled receivables	184,039	(17,398,667)	-	-
Inventories	100,662,436	(191,362)	(78,117,362)	(37,515,533)
Advance payment to subcontractors	(4,719,964)	-	-	-
Deposit for purchase of assets	(28,026,351)	-	(6,499,200)	-
Other non-current assets	5,774,656	(5,347,255)	5,227,773	(5,227,773)

.....Director
 (Narong Thareeratanavibool)

.....Director
 (Thanit Thareeratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in operating liabilities - increase (decrease)				
Trade and other payables	2,784,076	(27,166,076)	10,249,065	3,512,540
Advance received and deferred construction revenue	3,374,069	(24,571,265)	-	-
Retention payables	969,159	-	-	-
Cash provided by operating activities	527,105,122	511,748,802	318,796,135	372,322,481
Payment for employee benefit obligations	(3,107,065)	(5,907,240)	(2,611,155)	(3,131,560)
Refund of income tax	2,480,713	-	-	-
Income tax paid	(34,217,085)	(17,834,192)	(8,933,649)	(7,357,891)
Net cash provided by operating activities	492,261,685	488,007,370	307,251,331	361,833,030
Cash Flows from Investing Activities				
Increase in restricted deposits at financial institution	(16,147,896)	(3,313,200)	-	-
Interest received	2,041,657	1,277,964	259,597	502,827
(Increase) Decrease in current investments	(159,507,750)	103,587,635	152,024,414	(66,226,503)
Dividend income from investments in subsidiary	-	-	14,975,893	-
Payment for purchases of assets	(290,514,274)	(79,407,753)	(83,648,314)	(17,799,497)
Payment for purchases of intangible assets	(128,812)	-	(128,812)	-
Cash advance receive from disposal of asset	-	80,000,000	-	-
Proceeds from receivables under finance lease contracts	-	2,364,760	-	-
Proceeds from disposal of assets	329,979,595	-	699,362	388,452
Net cash provided by (used in) investing activities	(134,277,480)	104,509,406	84,182,140	(83,134,721)
Cash Flows from Financing Activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(128,000,000)	(196,034,630)	-	-
Interest paid	(1,439,172)	(8,037,944)	-	-
Dividend payment	(391,995,588)	(251,996,264)	(391,995,588)	(251,996,264)
Subsidiary's dividend paid to non-controlling interests	(24,108)	-	-	-
Net cash used in financing activities	(521,458,868)	(456,068,838)	(391,995,588)	(251,996,264)
Net increase (decrease) in cash and cash equivalents	(163,474,663)	136,447,938	(562,117)	26,702,045
Cash and cash equivalents at beginning of the years	291,162,160	154,714,222	56,060,281	29,358,236
Cash and cash equivalents at end of the years	127,687,497	291,162,160	55,498,164	56,060,281
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	21,391,741	8,526,990	3,393,615	1,316,188

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2017

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 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 October 11, 2016, 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)

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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	
			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	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 At present temporarily halted main business operation and in the process of preparing a business plan.	Thailand	100.00	100.00
Associate				
PPC Asian Insulators	Producing and distributing	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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

g) Investments in associate are stated by equity method in the consolidated financial statement.

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

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

During the year, 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 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 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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.

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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

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.

..... Director

(Narong Thararatanavibool)

..... Director

(Thanit Thararatanavibool)

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.

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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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 Non-current provisions for employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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 At present temporarily halted main business operation and in the process of preparing a business plan.	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

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2017 and 2016 were as follows:

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Pricing Policy		2017	2016	2017	2016	
Sales of products and raw materials						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	2,300,102	2,534,410	2,300,102	2,534,410
	AI Engineering Services Co., Ltd.	Market Price	-	-	1,566,423	3,643,900
Sales of hybrid clay						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	84,067,110	101,740,387	84,067,110	101,740,387
Dividend income						
	AI Engineering Services Co., Ltd.	As declared	-	-	14,975,893	-
Other income - rental and services						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	570,400	719,408	570,400	719,408
	AI Engineering Services Co., Ltd.	Mutually agreed	-	-	1,299,946	1,309,719
	AI Energy Public Co., Ltd.	Mutually agreed	-	-	1,181,685	975,741
	AI Logistics Co., Ltd.	Mutually agreed	-	-	638,376	590,913
	AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	223,838	310,533
Purchases goods						
	PPC Asian Insulators Co., Ltd.	Market Price	7,902,900	-	7,902,900	-
	Samart Palm Co., Ltd.	Market Price	-	3,426,310	-	-
	Samart Palm oil Co., Ltd.	Market Price	-	21,077,881	-	-
	Samart Palm Industry Co., Ltd.	Market Price	19,919,742	45,892,519	-	-
Purchases of scrap clay						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	31,923,662	48,134,120	31,923,662	48,134,120
Purchase of consumed supply						
	PPC Asian Insulators Co., Ltd.	Market Price	-	10,928	-	10,928
	AI Energy Public Co., Ltd.	Market Price	-	-	-	216,355

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December, 31 2017 and 2016 consisted of:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	66,298,954	50,037,827	44,117,874	29,751,154
Long-term post-employment benefits	864,909	1,818,450	419,227	652,217
Total directors and management's remuneration	67,163,863	51,856,277	44,537,101	30,403,371

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivable				
PPC Asian Insulators Co., Ltd.	8,435,279	27,824,174	8,435,279	27,824,174
AI Engineering Services Co., Ltd.	-	-	-	926,128
Other receivables				
PPC Asian Insulators Co., Ltd.	98,425	102,230	98,425	102,230
AI Engineering Services Co., Ltd.	-	-	7,684	20,049
AI Logistics Co., Ltd.	-	-	1,128	1,989
Trade payable				
PPC Asian Insulators Co., Ltd.	6,088,232	19,200,598	6,088,232	19,200,598

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	290,000	540,000	105,000	105,000
Deposit at bank				
- saving	125,492,816	288,535,217	54,584,819	54,911,449
- current	958,345	1,162,523	808,345	1,043,832
Fixed deposits due within 3 months	946,336	924,420	-	-
Total cash and cash equivalents	127,687,497	291,162,160	55,498,164	56,060,281

6. CURRENT INVESTMENTS

Short-term investments as at December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Investment in Open-end Fund-Debt securities	473,626,841	314,720,810	130,167,824	282,139,076
<u>Add</u> Allowance for adjustment	3,115,486	1,311,309	759,518	989,974
Investment in Open-end Fund-Fair-value	476,742,327	316,032,119	130,927,342	283,129,050
Fixed deposits	469,305	441,341	-	-
Total short-term investments	477,211,632	316,473,460	130,927,342	283,129,050

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

7. TRADE AND OTHER RECEIVABLES - NET

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivable - related parties	8,435,279	27,824,174	8,435,279	28,750,302
Trade receivable - state enterprises	114,882,732	260,321,744	87,823,185	86,680,341
Trade receivables - other	128,159,970	136,608,789	11,496,788	6,258,004
Post date cheques	-	13,032,549	-	-
Total trade receivables	251,477,981	437,787,256	107,755,252	121,688,647
<u>Less</u> Allowance for doubtful accounts	(8,327,831)	(8,327,831)	-	-
Total trade receivables - net	243,150,150	429,459,425	107,755,252	121,688,647
Other receivables				
Other receivables - related parties	98,425	102,230	107,237	124,268
Prepaid insurance	1,112,337	-	-	-
Prepaid expense	2,753,868	5,859,288	1,722,545	1,751,698
Deposit for inventories	554,008	3,693,172	554,008	1,467,892
Revenue Department receivable	1,508,230	13,834,081	261,736	87,418
Advance payment to subcontractors	8,499,400	3,779,436	-	-
Others	1,042,846	582,276	-	-
Total other receivables	15,569,114	27,850,483	2,645,526	3,431,276
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	-	-
Total other receivables - net	15,262,764	27,544,133	2,645,526	3,431,276
Total trade and other receivables - net	258,412,914	457,003,558	110,400,778	125,119,923

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Related parties				
Current	6,610,454	10,452,030	6,610,454	11,378,158
Overdue				
Within 3 months	1,824,825	17,372,144	1,824,825	17,372,144
Total	8,435,279	27,824,174	8,435,279	28,750,302
State enterprises				
Current	114,334,472	246,474,411	87,491,065	83,451,187
Overdue				
Within 3 months	383,060	1,107,953	166,920	1,107,954
Over 3 months to 12 months	165,200	12,739,380	165,200	2,121,200
Total	114,882,732	260,321,744	87,823,185	86,680,341
Other				
Current	112,486,560	135,555,335	7,317,614	2,541,239
Overdue				
Within 3 months	7,345,579	5,758,172	4,179,174	3,716,765
Over 12 months	8,327,831	8,327,831	-	-
Total	128,159,970	149,641,338	11,496,788	6,258,004
<u>Less Allowance for doubtful accounts</u>	<u>(8,327,831)</u>	<u>(8,327,831)</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	243,150,150	429,459,425	107,755,252	121,688,647

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

8. RECEIVABLE UNDER FINANCE LEASE CONTRACTS - NET

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

	Unit: Baht	
	Consolidated financial statements	
	2017	2016
Due within one year		
Value of minimum lease payment receivable	9,630,000	11,556,000
Deferred revenue - finance lease	(1,011,840)	(2,076,952)
Present value of minimum lease payment receivable	<u>8,618,160</u>	<u>9,479,048</u>
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	<u>-</u>	<u>8,618,160</u>

As at December 31, 2017, 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 (In 2016) 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, 2017 and 2016 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	2017	2016
Unbilled receivables		
Contract value	380,782,700	381,544,400
Recognition of income by the percentage of completion	380,782,700	322,353,241
<u>Less</u> Value of billing construction	(343,900,102)	(285,286,604)
Total	36,882,598	37,066,637
Advance received and deferred construction revenue		
Contract value	134,927,103	45,487,960
Value of billing construction	13,361,795	4,496,598
<u>Less</u> Recognition of income by the percentage of completion	(6,300,014)	(808,886)
Total	7,061,781	3,687,712

10. INVENTORIES - NET

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Raw materials	167,177,541	199,012,628	116,566,027	69,128,977
Work in process	92,609,922	143,190,612	36,330,373	23,495,848
Finished goods	83,310,412	108,822,496	33,141,714	26,326,684
Supplies	6,269,951	10,346,841	732,256	1,353,098
Goods in transit	19,706,224	8,054,625	19,706,225	8,054,625
Total	369,074,050	469,427,202	206,476,595	128,359,232
<u>Less</u> Allowance for devaluation of inventories	(13,349,410)	(22,085,732)	(4,723,745)	(4,723,745)
Total inventories - net	355,724,640	447,341,470	201,752,850	123,635,487

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

11. OIL SUPPLIES

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

	Unit: Baht	
	Consolidated financial statements	
	2017	2016
Bunker oil	1,558,302	1,796,230
Lubricants	421,780	493,135
Total oil supplies	1,980,082	2,289,365

12. NON-CURRENT ASSETS HELD FOR SALE - NET

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

	Unit: Baht			
	Consolidated financial statements			
	2016	Transfers in	Disposale	2017
Non-current assets held for sale	267,935,900	24,352,169	(292,288,069)	-
<u>Less</u> Accumulated depreciation	(49,013,028)	(10,553,396)	59,566,424	-
Allowance for impairment of asset	-	(340,828)	340,828	-
Non-current assets held for sale - net	218,922,872	13,457,945	(232,380,817)	-

At 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 Baht 390 million. The subsidiary will receive monthly installment from July 2016 to June 2017. The transfer of ownership will take place once the full amount is paid.

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

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 Baht 0.50 million per month.

In October, 2017, Subsidiary entered into contracts for sale motor vehicles with a company for the selling amount of Baht 14.40 million. The subsidiary received all payments and transferred of ownership to the buyer.

The consolidate financial statement of the Company for the years ended December 31, 2017 incurred profit earned from the sale of non-current asset held for sale totaling Baht 156.57 million as recorded in other income.

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..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

13. INVESTMENTS IN ASSOCIATED COMPANYS - NET

Investments in associated company as at December 31, 2017 and 2016, and dividend income from the investment during the years ended December 31, 2017 and 2016, consisted of:

Company	Nature of business	Percentage of investment (%)		Unit: Baht		Consolidated financial statements		Separate financial statements		Dividend	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		Issued share capital		Equity method		Cost method					
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	25.10	25.10	263,000,000	263,000,000	2,637,337	6,346,293	66,000,000	66,000,000	-	-
Less: Provision for diminution in investment	and ceramics					-	-	(66,000,000)	(66,000,000)	-	-
Total investments in associate - net						2,637,337	6,346,293	-	-	-	-

The consolidated and separate financial statements for the years ended December 31, 2017 and 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 audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2017 and 2016 amounted to Baht 2.64 million and amounted to Baht 6.35 million, respectively, representing 0.08% and 0.18% of total assets in the consolidated financial statements, respectively.

The equity of net gain (loss) of the associated company in the consolidated financial statements for the years ended December 31, 2017 and 2016 amounted to Baht (3.71) million and 1.76 million respectively, representing 1.65% and 0.56% of consolidated net profit, respectively.

As at December 31, 2017 and 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	
	2017	2016
Current assets	85,713,383	135,900,642
Non-current assets	117,570,709	127,512,863
Current liabilities	(190,447,555)	(237,798,646)
Non-current liabilities	(2,329,218)	(330,824)
Net assets	10,507,319	25,284,035
Revenues	192,806,367	239,166,098
Profit (loss) for the years	(4,651,760)	7,578,529

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

	Uni: Baht	
	PPC Asian Insulators Company Limited	
	2017	2016
Net assets of associate company	10,507,319	25,284,035
Ownership interest (%)	25.10	25.10
Carrying amount of interest in an associate company	2,637,337	6,346,293

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

14. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2017 and 2016, and dividend income from the investment during the years ended December 31, 2017 and 2016, consisted of:

Company	Nature of business	Percentage of investment (%)		Separate financial statements				Dividend
		2017	2016	Issued share capital		Cost method-net		
				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	200,000,000	200,000,000	197,000,025	197,000,025	14,975,893
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	100.00	100.00	460,000,000	460,000,000	-	-	-
At present temporarily halted main business operation and in the process of preparing a business plan.								
Total investments in subsidiaries				862,555,182	862,555,182	14,975,893	14,975,893	-

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

		Unit: Baht		
		December 31, 2017		
Name of subsidiary	Nature of business	Ownership interests held by NCI (percentage)	Comprehensive income	
			(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	5,979	385,514
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	40.41	(31,109,009)	698,113,893
Total			(31,103,030)	698,499,407

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

	Unit: Baht				
	AI Engineering Services Company Limited	AI Energy Public Company Limited	AI Logistics Company Limited	AI Ports and Terminals Company Limited	Total
As at December 31, 2017					
Current assets	263,870,095	315,050,182	12,688,158	276,339,045	867,947,480
Non-current assets	2,591,030	1,494,191,964	22,004,871	206,815,829	1,725,603,694
Current liabilities	(24,814,905)	(175,024,571)	(4,748,335)	(8,789,640)	(213,377,451)
Non-current liabilities	(1,747,961)	(9,821,302)	(256,125)	(146,070)	(11,971,458)
Net assets	<u>239,898,259</u>	<u>1,624,396,273</u>	<u>29,688,569</u>	<u>474,219,164</u>	<u>2,368,202,265</u>
Net assets attributable to					
Non-controlling interests	<u>385,514</u>	<u>698,113,893</u>	<u>-</u>	<u>-</u>	<u>698,499,407</u>
For the year ended December 31, 2017					
Revenues	<u>154,337,666</u>	<u>2,286,953,406</u>	<u>35,374,163</u>	<u>164,029,698</u>	<u>2,640,694,933</u>
Total comprehensive income(loss) for the year					
attributable to non-controlling interests	<u>5,979</u>	<u>(31,109,009)</u>	<u>-</u>	<u>-</u>	<u>(31,103,030)</u>
Net cash provided by (used in)					
Operating activities	160,919,296	58,265,900	(11,438,754)	(17,626,257)	190,120,185
Investing activities	(141,405,715)	(177,930,429)	7,286,359	26,796,283	(285,253,502)
Financing activities	(15,000,000)	(29,579,227)	-	(23,200,000)	(67,779,227)
Cash increase (decrease) - net	<u>4,513,581</u>	<u>(149,243,756)</u>	<u>(4,152,395)</u>	<u>(14,029,974)</u>	<u>(162,912,544)</u>

15. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee. (Note 31.1)

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

16. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at December 31, 2017 and 2016 consisted of:

	Unit: Baht									
	Consolidated financial statements									
	Land	Land improvement	Building and building improvement	Utility system	Machinery, accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
At cost										
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
Purchases during year	-	390,000	1,151,300	400,000	17,829,534	4,397,723	573,931	-	292,119,787	316,862,275
Transfers in (Transfer out) during year (Note 12)	-	-	30,152,628	4,339,754	41,109,167	-	46,000	(24,352,168)	(75,647,549)	(24,352,168)
Disposal /written off during year	-	-	(1,496,670)	(91,297)	(17,145,990)	-	(901,736)	(21,172,757)	-	(40,808,451)
As at December 31, 2017	236,132,190	47,413,220	866,522,705	70,599,507	1,432,947,775	124,165,750	32,535,292	48,628,959	242,285,888	3,101,231,285
Accumulated Depreciation										
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
Depreciation for the year	-	2,837,525	31,697,294	5,142,332	86,918,541	5,856,373	1,893,950	3,685,854	-	138,031,869
Depreciation transfer out (Note 12)	-	-	-	-	-	-	-	(12,392,581)	-	(12,392,581)
Depreciation - disposals for the year	-	-	(600,553)	(91,295)	(13,892,165)	-	(897,387)	(7,905,590)	-	(23,386,990)
As at December 31, 2017	-	21,968,339	323,884,333	40,838,003	716,586,677	102,606,222	28,969,642	24,350,036	-	1,259,203,252
Allowances for impairment										
As at December 31, 2016	-	-	-	-	(5,990,192)	-	-	-	-	(5,990,192)
Ineres during the year	-	-	-	-	(1,959,996)	-	-	(340,828)	-	(2,300,824)
Disposal off during year	-	-	-	-	-	-	-	340,828	-	340,828
As at December 31, 2017	-	-	-	-	(7,950,188)	-	-	-	-	(7,950,188)
Book value										
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
As at December 31, 2017	236,132,190	25,444,881	542,638,372	29,761,504	708,410,910	21,559,528	3,565,650	24,278,923	242,285,888	1,834,077,845

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Baht

Separate financial statements

	Land	Land improvement	Building and building improvement	Utility system	Machinery, accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
At cost									
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
Purchases during year	-	-	-	-	9,211,428	381,766	-	77,448,734	87,041,928
Transfers in (Transfer out) during year	-	-	29,867,628	739,754	17,340,862	-	-	(47,948,244)	-
Disposal /written off during year	-	-	-	(91,297)	(8,605,837)	(381,239)	(2,996,229)	-	(12,074,602)
As at December 31, 2017	61,576,168	14,822,060	444,015,326	20,849,191	661,706,130	23,121,699	12,824,623	34,947,968	1,273,863,165
Accumulated Depreciation									
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
Depreciation for the year	-	-	19,055,458	385,872	42,638,874	879,239	927,782	-	63,887,225
Depreciation - disposals for the year	-	-	-	(91,296)	(8,599,430)	(380,825)	(2,546,229)	-	(11,617,780)
As at December 31, 2017	-	14,822,032	200,153,339	19,603,767	431,209,582	21,230,256	8,023,146	-	695,042,122
Allowances for impairment									
As at December 31, 2016	-	-	-	-	(5,990,192)	-	-	-	(5,990,192)
Increases during the year	-	-	-	-	(1,959,996)	-	-	-	(1,959,996)
As at December 31, 2017	-	-	-	-	(7,950,188)	-	-	-	(7,950,188)
Book value									
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
As at December 31, 2017	61,576,168	28	243,861,987	1,245,424	222,546,360	1,891,443	4,801,477	34,947,968	570,870,855

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the year ended December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sale and service	115,996,565	132,276,350	55,913,896	54,141,545
Selling and administrative expenses	22,035,304	15,588,061	7,973,329	8,270,523
	<u>138,031,869</u>	<u>147,864,411</u>	<u>63,887,225</u>	<u>62,412,068</u>

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at December 31, 2017 and 2016, in the consolidate financial statement totaling approximately Baht 400.06 million and Baht 284.72 million respectively, and separate financial statements totaling approximately Baht 248.03 million and Baht 243.68 million, respectively.

17. INTANGIBLE ASSETS - NET

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

	Unit: Baht	
	Computer Software	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2016	21,849,800	21,005,879
Purchases during the year	282,385	128,812
As at December 31, 2017	<u>22,132,185</u>	<u>21,134,691</u>
Accumulated amortisation		
As at December 31, 2016	19,409,870	18,753,315
Amortization for the year	1,284,041	1,181,125
As at December 31, 2017	<u>20,693,911</u>	<u>19,934,440</u>
Net booked value		
As at December 31, 2016	<u>2,439,930</u>	<u>2,252,564</u>
As at December 31, 2017	<u>1,438,274</u>	<u>1,200,251</u>

..... 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, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Promissory notes	-	128,000,000	-	-

	Credit line (Unit : Baht) - no collateral			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdraft	32,000,000	32,000,000	12,000,000	12,000,000
Promissory notes	1,370,000,000	1,370,000,000	430,000,000	430,000,000
Letter of credit and trust receipt	270,000,000	270,000,000	-	-
Total	1,672,000,000	1,672,000,000	442,000,000	442,000,000

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

19. TRADE AND OTHER PAYABLES

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related parties	6,088,232	19,200,598	6,088,232	19,200,598
Trade payables - others	90,958,548	60,638,296	46,379,820	21,326,760
Total trade payables	97,046,780	79,838,894	52,468,052	40,527,358
Other payables				
Payables for purchase of assets	21,391,741	8,526,990	3,393,615	1,316,189
Other payables	4,409,847	2,964,301	-	-
Advances received for goods	1,609,171	4,602,408	1,605,638	4,477,008
Electricity payable	4,152,362	4,098,691	1,158,436	1,476,641
Fine from the delay of work	4,928,952	-	-	-
Accrued expenses	15,635,229	11,121,441	7,519,176	4,937,594
Retention	5,414,708	4,486,903	-	-
Revenue Department payables	13,702,682	27,686,801	4,655,997	5,085,605
Others	1,600,039	326,330	988,491	326,330
Total other payables	72,844,731	63,813,865	19,321,353	17,619,367
Total trade and other payables	169,891,511	143,652,759	71,789,405	58,146,725

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Non-current provisions for employee benefits				
at beginning of year	29,320,306	36,564,209	18,773,796	20,710,451
Included in profit or loss:				
Current service cost	3,684,189	5,254,640	1,988,484	2,357,246
Interest cost	599,719	689,637	374,565	406,784
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	(3,107,065)	(10,197,142)	(2,611,155)	(3,131,560)
Non-current provisions for employee benefits				
at end of year	<u>30,497,149</u>	<u>29,320,306</u>	<u>18,525,690</u>	<u>18,773,796</u>

Employee benefit expenses in profit or loss for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Cost of sales	2,994,464	3,560,371	1,851,148	2,243,307
Selling expenses	269,640	340,979	-	-
Administrative expenses	1,019,804	2,042,927	511,901	520,723
Total employee benefit expenses	<u>4,283,908</u>	<u>5,944,277</u>	<u>2,363,049</u>	<u>2,764,030</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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Principal actuarial assumptions as at December 31, 2017 and 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

The results of sensitivity analysis for significant assumptions that affect the present value of the Non-current provisions employee benefits as at December 31, 2017 are summarised below:

	Unit: Baht			
	Change of the present value of the Non-current provisions for employee benefits			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2,487,100)	2,845,341	(1,296,326)	1,462,531
Salary increase rate	3,105,997	(2,752,681)	1,611,322	(1,445,064)
Turnover rate	(2,641,129)	1,744,781	(1,379,581)	858,859

As at December 31, 2017, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	3,613,983	2,666,495
Over 1 and up to 5 years	12,588,856	7,011,198
Over 5 years	165,564,006	63,808,317

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

21. 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.

22. DIVIDEND PAYMENT

The Board of Directors' Meeting No.6/2017 held on December 8, 2017 of AI Ports and Terminals Company Limited, ("the subsidiary of AI Energy Public Company Limited") passed a resolution to pay dividends from retained earnings as at September 30, 2017 of Baht 0.55 per share for a total amount of Baht 25.30 million. The dividend was paid on December 14, 2017.

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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

23. 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)

24. DEFERRED TAX

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

	Unit: Baht							
	Consolidated financial statements				Separate financial statements			
	Profit (loss)		comprehensive income (loss)		Profit (loss)		comprehensive income (loss)	
As at January 1, 2017	As at December 31, 2017	As at January 1, 2017	As at December 31, 2017	As at January 1, 2017	As at December 31, 2017	As at January 1, 2017	As at December 31, 2017	
Deferred tax assets								
Allowance for doubtful trade accounts receivable	149,150	-	-	149,150	-	-	-	-
Allowance for devaluation of inventories	944,749	-	-	944,749	944,749	-	-	944,749
Allowance for impairment of assets	1,198,039	391,999	-	1,590,038	1,198,039	391,999	-	1,590,038
Non-current provisions for employee benefits	5,751,032	267,958	-	6,018,990	3,754,759	(49,621)	-	3,705,138
Tax loss carries forward	10,510,735	(2,383,461)	-	8,127,274	-	-	-	-
Total	18,553,705	(1,723,504)	-	16,830,201	5,897,547	342,378	-	6,239,925
Deferred tax liability								
Unrealized gain on investments in Open-end Fund	(262,262)	(171,185)	-	(433,447)	(197,995)	46,091	-	(151,904)
Depreciation	(4,290,894)	(318,524)	-	(4,609,418)	-	-	-	-
Total	(4,553,156)	(489,709)	-	(5,042,865)	(197,995)	46,091	-	(151,904)
Deferred tax assets - net	14,000,549	(2,213,213)	-	11,787,336	5,699,552	388,469	-	6,088,021

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Baht

	Consolidated financial statements				Separate financial statements			
	Profit		Other comprehensive loss		Profit		Other comprehensive loss	
	As at January 1, 2016	(loss)	As at December 31, 2016	loss	As at January 1, 2016	loss	As at December 31, 2016	loss
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	944,749	-	-	944,749
Allowance for impairment of assets	1,198,039	-	1,198,039	1,198,039	1,198,039	-	-	1,198,039
Non-current provisions for employee benefits	6,673,391	(299,559)	5,751,032	(622,800)	4,142,090	(73,506)	(313,825)	3,754,759
Tax loss carries forward	12,217,287	(1,706,552)	10,510,735	-	-	-	-	-
Total	21,360,614	(2,184,109)	18,553,705	(622,800)	6,284,878	(73,506)	(313,825)	5,897,547
Deferred tax liability								
Unrealized gain on investments in Open-end Fund	(479,205)	216,943	(262,262)	-	-	(197,995)	-	(197,995)
Depreciation	(2,800,549)	(1,490,345)	(4,290,894)	-	-	-	-	-
Total	(3,279,754)	(1,273,402)	(4,553,156)	-	-	(197,995)	-	(197,995)
Deferred tax assets - net	18,080,860	(3,457,511)	14,000,549	(622,800)	6,284,878	(271,501)	(313,825)	5,699,552

As at December 31, 2017 and 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 8.13 million and Baht 10.51 million, respectively. 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)

25. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax expense				
Current year	(35,285,794)	(10,166,734)	(7,697,533)	(5,885,363)
Deferred tax expense				
Movement in temporary differences	(2,213,213)	(3,457,511)	388,469	(271,501)
Total	(37,499,007)	(13,624,245)	(7,309,064)	(6,156,864)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit before income tax expense		262,071,471		324,765,719
Income tax using the corporate tax rate	20	(52,414,294)	20	(64,953,144)
Exemption from income tax on profit revived from BOI		53,782,876		67,525,564
Non-taxable income		1,747,264		-
Double expenses by the Revenue Code		1,772,698		2,356,200
Non-deductible expenses		(2,328,407)		(6,608,853)
Tax loss carried forward		1,493,542		-
Unused current tax loss*		(40,810,895)		(11,813,197)
Income tax in share of loss in associate		(741,791)		(130,815)
Income tax expense	(14)	(37,499,007)	(4)	(13,624,245)

* The subsidiaries have tax losses in 2017 and 2016 of Baht 204.05 million and Baht 59.07 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

	Separate financial statements			
	2017		2016	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit before income tax expense		319,126,053		245,762,619
Income tax using the corporate tax rate	20	(63,825,211)	20	(49,152,523)
Exemption from income tax on profit revived from BOI		53,782,877		43,906,517
Non-taxable income		2,995,179		1,025,526
Double expenses by the Revenue Code		407,719		-
Non-deductible expenses		(669,628)		(1,936,384)
Income tax expense	(2)	(7,309,064)	3	(6,156,864)

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.

26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
(Increase) decrease in change of				
finished goods and work in progress	72,586,531	(64,029,000)	(8,736,543)	(15,327,638)
Raw materials and consumables used	2,473,468,669	3,664,835,691	241,960,649	232,008,569
Construction materials and subcontractors	42,786,309	69,651,895	-	-
Purchase of goods for sale	30,545,749	54,860,760	31,951,161	54,860,760
Employee benefit expenses	186,699,746	204,624,749	102,076,240	91,311,457
Depreciation and amortization expenses	138,846,487	150,014,430	65,068,350	64,506,025
(Reversal) Loss on devaluation of inventories	(8,736,322)	17,361,987	-	-
Allowance for diminution in investments				
in associated company	-	-	-	5,400,000
Loss on impairment of assets	2,300,824	-	1,959,996	-

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

27. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2017 and 2016 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			
	2017		2016		2017		2016	
	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	31.58	1,026.77	21.64	771.72	31.45	1,022.48	21.51	767.01
Total		1,026.77		771.72		1,022.48		767.01
Liabilities								
USD	1,120.57	36,797.00	37.23	13,943.81	1,059.83	34,802.09	323.09	11,632.08
EUR	50.00	1,969.69	-	-	50.00	1,969.69	-	-
Total		38,766.69		13,943.81		36,771.78		11,632.08

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..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

28. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company and two 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 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
<p>5. Important privileges which are granted:</p> <p>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, 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 303.49 million and Baht 200.00 million, respectively.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>				

(*) 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.

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

The Company and subsidiaries have revenue from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the years ended December 31, 2017 and 2016, as follows:

	Consolidated financial statements			Separate financial statements		
	Promoted		Total	Promoted		Total
	Activities	Non-promoted Activities		Activities	Non-promoted Activities	
Unit: Baht						
For the year ended December 31, 2017						
Revenue from sales of goods	2,705,139,452	307,618,771	3,012,758,223	701,172,964	136,846,712	838,019,676
Revenue from production contract	-	77,025,232	77,025,232	-	-	-
Revenue from construction contract	-	151,853,565	151,853,565	-	-	-
Revenue from vessel operating	-	32,920,936	32,920,936	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,569,707	156,569,707	-	-	-
Other incomes	-	27,105,477	27,105,477	-	9,916,541	9,916,541
Dividend income	-	-	-	-	14,975,893	14,975,893
Total	2,705,139,452	753,093,688	3,458,233,140	701,172,964	161,739,146	862,912,110
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	756,310,725
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	-	8,477,250	8,477,250
Total	3,095,114,318	1,577,038,196	4,672,152,514	573,960,190	190,827,785	764,787,975

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

29. PROVIDENT FUND

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

The Company and subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of profit or loss for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Asian Insulators Public Company Limited	1,759,744	1,869,983	1,759,744	1,869,983
AI Engineering Services Company Limited	183,633	209,752	-	-
AI Energy Public Company Limited	1,295,267	1,336,096	-	-
AI Logistics Company Limited	26,316	25,164	-	-
Total	3,264,960	3,440,995	1,759,744	1,869,983

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

30. SEGMENT INFORMATION

The segmented information for the years ended December 31, 2017 and 2016 were as follows:

		Unit : Thousand Baht						
		Consolidated financial statements						
		For year ended December 31, 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		836,453	151,854	2,176,305	77,025	32,921	-	3,274,558
Cost of sales and services		(463,326)	(135,553)	(2,295,831)	(62,981)	(40,771)	-	(2,998,462)
Gross profit (loss) by segment		373,127	16,301	(119,526)	14,044	(7,850)	-	276,096
Profit earned from the sale of non-current asset held for sale - net								156,570
Other income								27,105
Selling expenses								(19,010)
Administrative expenses								(173,396)
Finance costs								(1,585)
Share of loss from investments in associate								(3,709)
Income tax expenses								(37,499)
Profit for the year								224,572
Equity holders of the parent								255,675
Non-controlling interests								(31,103)
Property, plant, vessel and equipment - net		570,871	14		1,035,298	21,985	205,910	1,834,078

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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	Total
Revenues from sales and services	752,666	422,989	3,395,454	32,578	20,911	29,942	-	4,654,540
Cost of sales and services	(440,290)	(381,565)	(3,241,638)	(26,852)	(17,814)	(37,055)	-	(4,145,214)
Gross profit (loss) by segment	312,376	41,424	153,816	5,726	3,097	(7,113)	-	509,326
Other income								17,612
Selling expenses								(38,019)
Administrative expenses								(157,899)
Finance costs								(8,012)
Share of gain from investments in associate								1,757
Income tax expenses								(13,624)
Profit for the year								311,141
Equity holders of the parent								293,849
Non-controlling interests								17,292
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)

31. COMMITMENT AND CONTINGENT LIABILITIES

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

31.1 The Group has contingent liabilities on bank guarantees amounting to Baht 192.77 million, in 2017, and amounting to Baht 144.61 million and 4.39 million Euros, in 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.

31.2 Group has contingent liabilities on capital commitments as follows:

	Contracted Balance			
	Consolidated		Separate financial statements	
	2017	2016	2017	2016
Capital commitments				
Contracted but not provided for				
Utility system (Unit : Baht)	33,910,876	53,949,032	2,899,827	46,151,279
Machinery, accessories and tools (Unit : Baht)	73,170,448	7,956,026	5,314,048	5,361,258
Office furniture and equipment (Unit : Euro)	146,400	-	-	-

31.3 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 91.12 million and Baht 80.88 million, respectively.

31.4 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.

31.5 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. Management provided a clarification of the facts to the SEC.

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the AI Energy Public Company Limited (“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.

31.6 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 57
(Thanit Thareratanavibool)

32. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

32.1 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.

32.2 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.

32.3 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.

32.4 Fair value of financial instruments

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

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

..... Director
(Narong Thareratanavibool)

..... Director 58
(Thanit Thareratanavibool)

33. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No. 1/2018 held on February 27, 2018, passed a resolution to pay dividend for the year 2017 of Baht 0.05 per share for a total amount of Baht 140 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.

34. 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.

35. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved to issue by the Company's Board of Directors on February 27, 2018.

..... Director
(Narong Thareratanavibool)

..... Director 59
(Thanit Thareratanavibool)