

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF  
INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018



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

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

I have reviewed the consolidated and separate statements of financial position as at June 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018, and the related consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the six-month period ended June 30, 2018, and the condensed notes to the interim financial statements (Interim financial information) of Asian Insulators Public Company Limited and its subsidiaries and of Asian Insulators Public Company Limited, respectively. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

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

1. As discussed in Note to Financial Statements No.27.5, 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 (Before restated). Management provided a clarification of the facts to the SEC.

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the subsidiary in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the subsidiary 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.11, the financial statements of PPC Asian Insulator Company Limited, an associated company, as at June 30, 2018, used for recording the investment under the equity method in the consolidated financial statement, is based on information from Management which had not been reviewed by an auditor. The Company's consolidated financial statements, as at June 30, 2018, included an investment of Baht 1.84 million, representing 0.06% total assets in the consolidated financial statements, and a share of loss for the three-month and six-month periods ended June 30, 2018 in the amount of Baht 2.67 million and Baht 0.80 million, representing 3.14% and 0.01% of consolidated net profit. I am unable to satisfactorily review the appropriateness of the balance of such investment in the associated company.

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

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

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

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



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, August 14, 2018

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
<b>ASSETS</b>					
<b>Current assets</b>					
	Cash and cash equivalents	139,019	127,687	35,633	55,498
	Current investments	5 488,732	477,212	40,202	130,927
	Trade and other receivables - net	4, 6 265,579	258,413	143,500	110,401
	Current portion of receivables under finance lease contracts	7 6,104	8,618	-	-
	Unbilled receivables	8 4,126	36,883	-	-
	Inventories - net	9 383,604	355,725	200,419	201,753
	Oil supplies	10 433	1,980	-	-
	<b>Total current assets</b>	<b>1,287,597</b>	<b>1,266,518</b>	<b>419,754</b>	<b>498,579</b>
<b>Non-current assets</b>					
	Investments in associated company - net	11 1,842	2,637	-	-
	Investments in subsidiaries	12 -	-	997,612	862,555
	Pledged deposits at financial institution	13 23,017	23,017	-	-
	Property, plant, vessel and equipment - net	14 1,897,695	1,834,078	549,199	570,871
	Intangible assets - net	15 6,330	1,438	6,146	1,200
	Deferred tax assets - net	21 7,598	11,787	4,962	6,088
	Deposit for purchase of assets	-	19,303	-	6,496
	Other non-current assets	37,405	24,877	315	315
	<b>Total non-current assets</b>	<b>1,973,887</b>	<b>1,917,137</b>	<b>1,558,234</b>	<b>1,447,525</b>
	<b>Total assets</b>	<b>3,261,484</b>	<b>3,183,655</b>	<b>1,977,988</b>	<b>1,946,104</b>

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		Unit: Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"	
Notes		"REVIEWED"		"REVIEWED"		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
	Trade and other payables	4, 16	191,903	169,892	58,619	71,789
	Advance received and deferred construction revenue	8	-	7,062	-	-
	Income tax payable		5,753	11,007	5,574	2,803
	<b>Total current liabilities</b>		<b>197,656</b>	<b>187,961</b>	<b>64,193</b>	<b>74,592</b>
<b>Non-current liabilities</b>						
	Non-current provisions for employee benefits	17	27,214	30,497	18,050	18,526
	<b>Total non-current liabilities</b>		<b>27,214</b>	<b>30,497</b>	<b>18,050</b>	<b>18,526</b>
	<b>Total liabilities</b>		<b>224,870</b>	<b>218,458</b>	<b>82,243</b>	<b>93,118</b>
<b>Shareholders' equity</b>						
<b>Authorized share capital</b>						
	Common shares 2,800,000,000 shares at Baht 0.25 each		700,000	700,000	700,000	700,000
<b>Issued and fully paid-up share capital</b>						
	Common shares 2,799,996,084 shares at Baht 0.25 each		699,999	699,999	699,999	699,999
	Premiums on share capital		902,769	902,769	902,769	902,769
<b>Retained earnings (deficits)</b>						
<b>Appropriated</b>						
	Legal reserve	20	70,000	70,000	70,000	70,000
	Unappropriated	19	(586,980)	(626,766)	220,715	178,963
<b>Other components of shareholders' equity</b>						
<b>Difference on business combination</b>						
	under common control		(3,259)	(3,259)	-	-
	Capital surplus from share premium of subsidiary		360,580	360,580	-	-
	Gain on disposal of investment in subsidiaries		861,443	861,443	-	-
	Actuarial gains		4,494	1,932	2,262	1,255
	<b>Total shareholders' equity of the Company</b>		<b>2,309,046</b>	<b>2,266,698</b>	<b>1,895,745</b>	<b>1,852,986</b>
	Non-controlling interests		727,568	698,499	-	-
	<b>Total shareholders' equity</b>		<b>3,036,614</b>	<b>2,965,197</b>	<b>1,895,745</b>	<b>1,852,986</b>
	<b>Total liabilities and shareholders' equity</b>		<b>3,261,484</b>	<b>3,183,655</b>	<b>1,977,988</b>	<b>1,946,104</b>

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED"  
 "REVIEWED"

Unit : Thousand Baht					
	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	4, 24, 25, 26				
<b>Revenues</b>					
Revenue from sales of goods		566,834	830,231	213,984	218,416
Revenue from production contract		13,572	15,993	-	-
Revenue from construction contract		12,231	38,313	-	-
Revenue from vessel operating		13,683	11,844	-	-
Other incomes		7,650	6,326	1,147	2,337
Dividend income	12	-	-	10,000	-
<b>Total revenues</b>		<b>613,970</b>	<b>902,707</b>	<b>225,131</b>	<b>220,753</b>
<b>Expenses</b>					
Cost of sales		(443,903)	(769,722)	(107,190)	(128,568)
Cost of production contract		(10,251)	(14,171)	-	-
Cost of construction contract		(11,336)	(40,334)	-	-
Cost of vessel operating		(13,580)	(16,343)	-	-
Selling expenses		(2,987)	(4,511)	(1,357)	(1,851)
Administrative expenses		(40,271)	(37,482)	(17,311)	(15,743)
Finance costs		(80)	(665)	-	-
Share of loss from investment in associates	11	(2,672)	(5,185)	-	-
<b>Total expenses</b>		<b>(525,080)</b>	<b>(888,413)</b>	<b>(125,858)</b>	<b>(146,162)</b>
<b>Profit before income tax expenses</b>		<b>88,890</b>	<b>14,294</b>	<b>99,273</b>	<b>74,591</b>
Income tax expense	22	(3,890)	(1,819)	(2,086)	(1,852)
<b>Profit for the periods</b>		<b>85,000</b>	<b>12,475</b>	<b>97,187</b>	<b>72,739</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Defined benefit plan actuarial gains (loss)	17	-	-	-	-
Income tax on other comprehensive income relating to items that will not be reclassified	21	-	-	-	-
<b>Other comprehensive income (loss) for the periods, net of income tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the periods</b>		<b>85,000</b>	<b>12,475</b>	<b>97,187</b>	<b>72,739</b>
<b>Profit attributable to :</b>					
Equity holders of the parent		85,877	32,968	97,187	72,739
Non-controlling interests		(877)	(20,493)	-	-
		<b>85,000</b>	<b>12,475</b>	<b>97,187</b>	<b>72,739</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the parent		85,916	32,968	97,187	72,739
Non-controlling interests		(916)	(20,493)	-	-
		<b>85,000</b>	<b>12,475</b>	<b>97,187</b>	<b>72,739</b>
<b>Earnings per share</b>					
Basic earnings per share of the Company (Baht)		0.03	0.01	0.03	0.03
Weighted average number of ordinary shares (share)		2,799,996,084	2,799,996,084	2,799,996,084	2,799,996,084

.....Director  
 (Narong Thareratanavibool)

.....Director  
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED"

"REVIEWED"

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
	4, 24, 25, 26				
<b>Revenues</b>					
		1,192,397	1,531,007	427,823	441,255
		30,223	22,997	-	-
		39,617	73,812	-	-
		27,366	24,786	-	-
		14,563	12,744	5,519	5,335
	12	-	-	10,000	14,976
		<u>1,304,166</u>	<u>1,665,346</u>	<u>443,342</u>	<u>461,566</u>
<b>Expenses</b>					
		(958,200)	(1,447,741)	(219,144)	(252,737)
		(22,399)	(22,840)	-	-
		(36,724)	(73,824)	-	-
		(27,285)	(31,266)	-	-
		(5,981)	(8,556)	(2,535)	(3,785)
		(77,985)	(78,692)	(33,365)	(35,011)
		(80)	(1,555)	-	-
	11	(795)	(4,923)	-	-
		<u>(1,129,449)</u>	<u>(1,669,397)</u>	<u>(255,044)</u>	<u>(291,533)</u>
		174,717	(4,051)	188,298	170,033
	22	(9,570)	(4,889)	(6,547)	(5,028)
		<u>165,147</u>	<u>(8,940)</u>	<u>181,751</u>	<u>165,005</u>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
	17	4,107	-	1,258	-
	21	(855)	-	(251)	-
		<u>3,252</u>	<u>-</u>	<u>1,007</u>	<u>-</u>
		<u>168,399</u>	<u>(8,940)</u>	<u>182,758</u>	<u>165,005</u>
<b>Profit (loss) attributable to :</b>					
		166,637	51,467	181,751	165,005
		(1,490)	(60,407)	-	-
		<u>165,147</u>	<u>(8,940)</u>	<u>181,751</u>	<u>165,005</u>
<b>Total comprehensive income (loss) attributable to :</b>					
		169,199	51,467	182,758	165,005
		(800)	(60,407)	-	-
		<u>168,399</u>	<u>(8,940)</u>	<u>182,758</u>	<u>165,005</u>
<b>Earnings per share</b>					
		0.06	0.02	0.06	0.06
		<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)

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED"  
"REVIEWED"

Unit : Thousand Baht

Consolidated financial statements

Equity attributable to equity holders of the parent

Retained earnings (deficits)

Other components of shareholders' equity

Other comprehensive

income

Notes	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	Total Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity
Balance as at January 1, 2018	699,999	902,769	70,000	(626,766)	(3,259)	360,580	861,443	1,932	1,220,696	2,266,698	698,499	2,965,197
Changes in shareholders' equity for the period:												
Dividend paid	-	-	-	(139,999)	-	-	-	-	-	(139,999)	-	(139,999)
Change in proportion of shareholders in subsidiary	-	-	-	13,148	-	-	-	-	-	13,148	(13,534)	(386)
Capital increase	-	-	-	-	-	-	-	-	-	-	43,403	43,403
Total comprehensive income (loss) for the period	-	-	-	166,637	-	-	-	2,562	2,562	169,199	(800)	168,399
Balance as at June 30, 2018	699,999	902,769	70,000	(586,980)	(3,259)	360,580	861,443	4,494	1,223,258	2,309,046	727,568	3,036,614
Balance as at January 1, 2017	699,999	902,769	70,000	(498,446)	(3,259)	360,580	861,443	1,932	1,220,696	2,403,018	729,627	3,132,645
Changes in shareholders' equity for the period:												
Dividend paid	-	-	-	(251,996)	-	-	-	-	-	(251,996)	(24)	(252,020)
Total comprehensive income (loss) for the period	-	-	-	51,467	-	-	-	-	-	51,467	(60,407)	(8,940)
Balance as at June 30, 2017	699,999	902,769	70,000	(698,975)	(3,259)	360,580	861,443	1,932	1,220,696	2,202,489	669,196	2,871,685

.....Director  
(Nareng Thararatnavibool)

.....Director  
(Thanit Thararatnavibool)



**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

"UNAUDITED"  
"REVIEWED"

Notes	Unit: Thousand Baht									
	Separate financial statements					Total other components				
	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Retained earnings	Other comprehensive income	Actuarial gains	Total	Shareholders' Equity	
Balance as at January 1, 2018	699,999	902,769	70,000	178,963	1,255			1,852,986		
Changes in shareholders' equity for the period:										
Dividend paid	-	-	-	(139,999)	-			(139,999)		
Total comprehensive income for the period	-	-	-	181,751	1,007			182,758		
Balance as at June 30, 2018	699,999	902,769	70,000	220,715	2,262			1,895,745		
Balance as at January 1, 2017	699,999	902,769	70,000	259,142	1,255			1,933,165		
Changes in shareholders' equity for the period:										
Dividend paid	-	-	-	(251,996)	-			(251,996)		
Total comprehensive income for the period	-	-	-	165,005	-			165,005		
Balance as at June 30, 2017	699,999	902,769	70,000	172,151	1,255			1,846,174		

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.....Director  
(Narong Tharatanavibool)

.....Director  
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS  
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED"  
 "REVIEWED"

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash Flows from Operating Activities</b>				
Profit (loss) before income tax expenses	174,717	(4,051)	188,298	170,033
Adjustments to reconcile profit (loss) to cash provided by (used in)				
operating activities:				
Depreciation	68,155	70,437	33,202	31,550
Amortization of computer softwares	526	928	468	884
(Gain) loss on disposal asset	8,341	(92)	5,664	(94)
Unrealized (gain) loss on investments in Open-end Fund	(1)	(1,518)	717	(592)
Reversal allowance for devaluation of inventories	(7,084)	(7,423)	-	-
Reversal impairment loss on asset	(5,874)	-	(5,874)	-
Share of loss from investment in associate	795	4,923	-	-
Dividend income	-	-	(10,000)	(14,976)
Unrealized loss on exchange rates	-	770	-	738
Non-current provisions for employee benefits	2,578	2,468	1,566	1,375
Interest income	(2,058)	(2,162)	(112)	-
Interest expenses	80	1,555	-	-
Gain from operating activities before changes				
in operating assets and liabilities	240,175	65,835	213,929	188,918
Changes in operating assets - (increase) decrease				
Trade and other receivables	(10,438)	172,807	(33,100)	(6,032)
Unbilled receivables	32,756	(31,168)	-	-
Inventories	(19,247)	148,428	1,334	8,917
Deposit for purchase of assets	1,488	-	-	-
Other non-current assets	9,541	(39,262)	6,496	(6,879)

.....Director  
 (Narong Thareratanavibool)

.....Director  
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED"

"REVIEWED"

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in operating liabilities - increase (decrease)				
Trade and other payables	5,250	87,640	(13,239)	6,510
Advance received and deferred construction revenue	(7,062)	(1,495)	-	-
Retention payables	(2,857)	-	-	-
Cash provided by operating activities	249,606	402,785	175,420	191,434
Payment for employee benefit obligations	(1,754)	(3,138)	(782)	(2,643)
Income tax paid	(12,489)	(7,933)	(2,902)	(4,162)
Net cash provided by operating activities	235,363	391,714	171,736	184,629
Cash Flows from Investing Activities				
Interest received	1,683	1,011	112	-
Increase (decrease) in current investments	(11,519)	(29,585)	90,008	93,508
Dividend income from investments in subsidiary	-	-	10,000	14,976
Payment for investment in subsidiary	(135,057)	-	(135,057)	-
Payment for purchases of assets	(114,886)	(64,342)	(11,530)	(44,941)
Payment for purchases of intangible assets	(5,413)	-	(5,413)	-
Cash advance receive from disposal of asset	-	160,000	-	-
Proceeds from receivables under finance lease contracts	-	5,778	-	-
Proceeds from disposal of assets	3,098	549	209	549
Net cash provided by (used in) investing activities	(262,094)	73,411	(51,671)	64,092
Cash Flows from Financing Activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(57,415)	-	-
Interest paid	(80)	(1,504)	-	-
Cash received from increase in share capital	178,073	-	-	-
Dividend payment	(139,930)	(251,996)	(139,930)	(251,996)
Subsidiary's dividend paid to non-controlling interests	-	(24)	-	-
Net cash provided by (used in) financing activities	38,063	(310,939)	(139,930)	(251,996)
Net increase (decrease) in cash and cash equivalents	11,332	154,186	(19,865)	(3,275)
Cash and cash equivalents at beginning of the periods	127,687	291,162	55,498	56,060
Cash and cash equivalents at end of the periods	139,019	445,348	35,633	52,785
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	21,218	4,387	1,651	1,070

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 (UNAUDITED) (REVIEWED)**

**1. GENERAL INFORMATION**

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

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

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

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

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017), Interim Financial Reporting.

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

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

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2017. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2017.

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

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(Narong Thareratanavibool)

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the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

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

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2017.

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

#### **New financial reporting standards**

##### **a. Financial reporting standards that became effective in the current year**

During the 2<sup>nd</sup> quarter of 2018, the Company and its subsidiaries have adopted 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 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 2<sup>nd</sup> quarter of 2018, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation used for preparation of the financial statements for the year ended December 31, 2017.

### 4. TRANSACTIONS WITH THE RELATED PARTIES

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

Significant transactions between the Company and related parties for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Pricing Policy		2018	2017	2018	2017
<b><u>For the three-month periods</u></b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	448	694	448	694
AI Engineering Services Co., Ltd.	Market Price	-	-	2	-
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	12,170	23,168	12,170	23,168
<b>Dividend income</b>					
AI Engineering Services Co., Ltd.	As declared	-	-	10,000	-
<b>Other income - rental and services</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	131	142	131	142
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	292	338
AI Energy Public Co., Ltd.	Mutually agreed	-	-	258	317
AI Logistics Co., Ltd.	Mutually agreed	-	-	127	201
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	49	54
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	76	-	76	-
Samart Palm Industry Co., Ltd.	Market Price	-	7,665	-	-
<b>Purchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	5,546	9,456	5,546	9,456

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Unit: Thousand Baht

	Pricing Policy	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b><u>For the six-month periods</u></b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	1,051	1,226	1,051	1,226
AI Engineering Services Co., Ltd.	Market Price	-	-	2	3
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	28,200	49,153	28,200	49,153
<b>Dividend income</b>					
AI Engineering Services Co., Ltd.	As declared	-	-	10,000	14,976
<b>Other income - rental and services</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	271	268	271	268
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	582	671
AI Energy Public Co., Ltd.	Mutually agreed	-	-	510	600
AI Logistics Co., Ltd.	Mutually agreed	-	-	315	352
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	99	116
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	321	-	321	-
Samart Palm Industry Co., Ltd.	Market Price	-	15,982	-	-
<b>Purchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	10,636	19,253	10,636	19,253



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## Management's remuneration

Management's remuneration for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><u>For the three-month periods</u></b>				
Short-term employee benefits	11,668	11,491	6,705	6,044
Long-term post-employment benefits	233	215	110	99
Total management's remuneration	<u>11,901</u>	<u>11,706</u>	<u>6,815</u>	<u>6,143</u>
<b><u>For the six-month periods</u></b>				
Short-term employee benefits	22,742	22,457	12,582	12,264
Long-term post-employment benefits	527	452	220	220
Total management's remuneration	<u>23,269</u>	<u>22,909</u>	<u>12,802</u>	<u>12,484</u>

Significant balances with related parties as at June 30, 2018 and December 31, 2017 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade receivable</b>				
PPC Asian Insulators Co., Ltd.	12,245	8,435	12,245	8,435
<b>Other receivable</b>				
PPC Asian Insulators Co., Ltd.	92	98	92	98
AI Energy Public Co., Ltd.	-	-	26	-
AI Engineering Services Co., Ltd.	-	-	18	8
AI Logistics Co., Ltd.	-	-	2	1
<b>Trade payable</b>				
PPC Asian Insulators Co., Ltd.	5,661	6,088	5,661	6,088

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5. CURRENT INVESTMENTS

Current investments as at June 30, 2018 and December 31, 2017 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Saparate financial statements	
	2018	2017	2018	2017
Investment in Open-end Fund-Debt securities	483,774	473,627	40,159	130,168
<u>Add Unrealized gains on changes in fair value</u> of investments	3,937	3,116	43	759
Investment in Open-end Fund-Fair value	487,711	476,743	40,202	130,927
Fixed deposits	1,021	469	-	-
Total current investments	488,732	477,212	40,202	130,927

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## 6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at June 30, 2018 and December 31, 2017 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Trade receivable - related parties	12,245	8,435	12,245	8,435
Trade receivable - state enterprises	147,521	114,883	118,533	87,823
Trade receivables - others	97,757	128,160	6,799	11,497
Post date cheques	25	-	-	-
Total trade receivables	257,548	251,478	137,577	107,755
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	249,220	243,150	137,577	107,755
Other receivables				
Other receivables - related parties	92	98	138	107
Prepaid insurance	3,589	2,297	1,271	1,185
Prepaid expense	3,176	1,998	1,653	538
Deposit for inventories	2,453	554	2,453	554
Revenue Department receivable	1,526	1,508	390	262
Advance payment to subcontractors	5,245	8,499	-	-
Others	584	615	18	-
Total other receivables	16,665	15,569	5,923	2,646
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	-	-
Total other receivables - net	16,359	15,263	5,923	2,646
Total trade and other receivables - net	265,579	258,413	143,500	110,401

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As at June 30, 2018 and December 31, 2017, outstanding balances of trade receivables aged by number of months were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Related parties</b>				
Current	12,245	6,610	12,245	6,610
Overdue				
Within 3 months	-	1,825	-	1,825
Total	12,245	8,435	12,245	8,435
<b>State enterprises</b>				
Current	146,130	114,335	117,143	87,491
Overdue				
Within 3 months	264	383	263	167
Over 3 months to 12 months	1,127	165	1,127	165
Total	147,521	114,883	118,533	87,823
<b>Others</b>				
Current	80,642	112,486	3,071	7,318
Overdue				
Within 3 months	8,812	7,346	3,728	4,179
Over 12 months	8,328	8,328	-	-
Total	97,782	128,160	6,799	11,497
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	249,220	243,150	137,577	107,755

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7. RECEIVABLE UNDER FINANCE LEASE CONTRACTS - NET

Receivable under finance lease contracts as at June 30, 2018 and December 31, 2017 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2018	2017
Due within one year		
Value of minimum lease payment receivable	6,741	9,630
Deferred revenue - finance lease	(637)	(1,012)
Present value of minimum lease payment receivable	6,104	8,618

As at June 30, 2018 and December 31, 2017, AI Logistics Company Limited (“the subsidiary”) had receivable under finance lease contracts for hire-purchase of Vessel with a local company. These agreements are repayable in 24 equal monthly installments up to the year 2018. The ownership of assets purchased under hire-purchase agreements will be transferred to the subsidiary when last installment is paid. (interest income from finance lease contract had been recorded in the other income)

8. UNBILLED RECEIVABLES/ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

Unbilled receivables/advance received and deferred construction revenue as at June 30, 2018 and December 31, 2017 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2018	2017
Unbilled receivables		
Contract value	135,757	380,783
Recognition of income by the percentage of completion	45,917	380,783
Less Value of billing construction	(41,791)	(343,900)
Total	4,126	36,883
Advance received and deferred construction revenue		
Contract value	-	134,927.00
Value of billing construction	-	13,362
Less Recognition of income by the percentage of completion	-	(6,300)
Total	-	7,062

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## 9. INVENTORIES - NET

Inventories as at June 30, 2018 and December 31, 2017 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials and chemicals	207,759	167,178	107,175	116,566
Work in process	90,119	92,610	34,608	36,331
Finished goods	78,630	83,310	56,744	33,142
Supplies	7,572	6,270	827	732
Goods in transit	5,789	19,706	5,789	19,706
Total inventories	389,869	369,074	205,143	206,477
<u>Less</u> Allowance for devaluation of inventories	(6,265)	(13,349)	(4,724)	(4,724)
Total inventories - net	383,604	355,725	200,419	201,753

## 10. OIL SUPPLIES

Oil supplies as at June 30, 2018 and December 31, 2017 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2018	2017
Bunker oil	170	1,558
Lubricants	263	422
Total oil supplies	433	1,980

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## 11. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at June 30, 2018 and December 31, 2017 consisted of:

Company	Nature of business	Percentage of investment (%)		Unit: Million Baht		Unit: Thousand Baht			
		2018	2017	2018	2017	Separate financial statements			
		Invested share capital		Equity method		Cost method			
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramic	25.10	25.10	263	263	1,842	2,637	66,000	66,000
						-	-	(66,000)	(66,000)
						1,842	2,637	-	-

The consolidated and separate financial statements for the six-month periods ended June 30, 2018 and 2017 of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited respectively, included an investment in the associated company based on financial statements of the associated company which had not been reviewed by an auditor. The carrying value of the investment in the consolidated financial statements as at June 30, 2018 and December 31, 2017, amounted to Baht 1.84 million and Baht 2.64 million, respectively, representing 0.06% and 0.08% of total assets in the consolidated financial statements, representing.

The equity of net loss of the associated company in the consolidated financial statements for the three-month periods ended June 30, 2018 and 2017 amounted to Baht 2.67 million and Baht 5.19 million, respectively, representing 3.14% and 41.56% of consolidated net profit, respectively and the equity of net loss of the associated company in the consolidated financial statements for the six-month periods ended June 30, 2018 and 2017 amounted to Baht 0.80 million and Baht 4.92 million, respectively, representing 0.01% and (55.07%) of consolidated net profit(loss), respectively.

As at June 30, 2018, 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.

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## 12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at June 30, 2018 and December 31, 2017, and dividend income from the investment during for the six-month periods ended June 30, 2018 and 2017, consisted of

Company	Nature of business	Percentage of investment (%)		Unit : Million Baht		Unit: Thousand Baht			
		2018	2017	2018	2017	2018	2017	Dividend	
				Issued share capital		Cost method		Separate financial statements	
<b>Subsidiaries directly held by the Company</b>									
A1 Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	100.00	99.84	200	200	197,386	197,000	10,000	14,976
A1 Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	59.59	1,130	1,130	800,226	665,555	-	-
<b>Subsidiaries held by A1 Energy Public Company Limited</b>									
A1 Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	-	-	-	-
A1 Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable oil and other fuel oil	100.00	100.00	450	460	-	-	-	-
<b>Total investments in subsidiaries</b>						<b>997,612</b>	<b>862,555</b>	<b>10,000</b>	<b>14,976</b>

On June 6, 2018, the Company exercised its right to purchase 583.68 million shares of AIE-W1, amount of Baht 134.67 million, at Baht 0.25 per share.

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### 13. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee (Note 27.1).

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

Property, plant, vessel and equipment as at June 30, 2018 and December 31, 2017 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Book value as at December 31, 2017</b>	1,834,078	570,871
Additions/Transfers in during the period (Cost)	176,928	51,241
Disposals/Transfers out during the period (Book value)	(45,156)	(39,711)
Depreciation charge for the period	(68,155)	(33,202)
<b>Book value as at June 30, 2018</b>	<b>1,897,695</b>	<b>549,199</b>

Depreciations in the statements of profit or loss for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>For the three-month periods</b>				
Cost of sale and service	29,423	30,131	15,277	13,837
Selling and administrative expenses	5,299	5,552	1,846	2,013
	<b>34,722</b>	<b>35,683</b>	<b>17,123</b>	<b>15,850</b>
<b>For the six-month periods</b>				
Cost of sale and service	57,608	59,129	29,532	27,288
Selling and administrative expenses	10,547	11,308	3,670	4,262
	<b>68,155</b>	<b>70,437</b>	<b>33,202</b>	<b>31,550</b>

As at June 30, 2018 and December 31, 2017 interest incurred on loans used for a Purify Glycerin project of AI Energy Public Company Limited, totaling to Baht 2.82 million and Baht 1.67 million, respectively, have been capitalized as part of cost of construction in process.

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at June 30, 2018 and December 31, 2017, in the consolidated financial statement totaling approximately Baht 406.39 million and Baht 400.06 million respectively, and separate financial statements totaling approximately Baht 250.02 million and Baht 248.03 million, respectively.

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## 15. INTANGIBLE ASSETS - NET

Intangible assets as at June 30, 2018 and December 31, 2017 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Book value as at December 31, 2017	1,438	1,200
Additions/Transfers in during the period (Cost)	5,418	5,414
Amortization for the period (Book value)	(526)	(468)
<b>Book value as at June 30, 2018</b>	<b>6,330</b>	<b>6,146</b>

## 16. TRADE AND OTHER PAYABLES

Trade and other payables as at June 30, 2018 and December 31, 2017 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables				
Trade payables - related parties	5,661	6,088	5,661	6,088
Trade payables - others	117,775	90,959	31,201	46,380
<b>Total trade payables</b>	<b>123,436</b>	<b>97,047</b>	<b>36,862</b>	<b>52,468</b>
Other payables				
Payables for purchase of assets	21,219	21,392	1,651	3,394
Other payables	2,800	4,410	-	-
Advances received for goods	8,766	1,609	4,452	1,606
Electricity payable	4,104	4,152	1,488	1,158
Fine from the delay of work	-	4,929	-	-
Accrued bonus	9,244	-	6,491	-
Accrued dividend	1,591	-	1,591	-
Accrued expenses	4,529	15,635	1,534	7,519
Retention	3,462	5,415	-	-
Revenue Department payables	11,722	13,703	4,060	4,656
Others	1,030	1,600	490	988
<b>Total other payables</b>	<b>68,467</b>	<b>72,845</b>	<b>21,757</b>	<b>19,321</b>
<b>Total trade and other payables</b>	<b>191,903</b>	<b>169,892</b>	<b>58,619</b>	<b>71,789</b>

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## 17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the six-month periods ended June 30, 2018 and 2017 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Non-current provisions for employee benefits</b>				
<b>at beginning of periods</b>	30,497	29,320	18,526	18,774
Included in profit or loss:				
Current service cost	2,242	2,158	1,328	1,178
Interest cost	336	310	238	197
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(546)	-	804	-
Experience adjustments	(3,561)	-	(2,064)	-
Benefit paid during the periods	(1,754)	(3,138)	(782)	(2,643)
<b>Non-current provisions for employee benefits</b>				
<b>at end of periods</b>	<u>27,214</u>	<u>28,650</u>	<u>18,050</u>	<u>17,506</u>

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Employee benefit expenses in profit or loss for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><u>For the three-month periods</u></b>				
Cost of sales	909	823	637	547
Selling expenses	1	20	-	-
Administrative expenses	352	374	148	130
<b>Total employee benefit expenses</b>	<b>1,262</b>	<b>1,217</b>	<b>785</b>	<b>677</b>
<b><u>For the six-month periods</u></b>				
Cost of sales	1,810	1,689	1,274	1,115
Selling expenses	2	136	-	-
Administrative expenses	766	643	292	260
<b>Total employee benefit expenses</b>	<b>2,578</b>	<b>2,468</b>	<b>1,566</b>	<b>1,375</b>

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

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

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Principal actuarial assumptions as at June 30, 2018 and December 31, 2017 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	1.77 - 2.85	1.77 - 2.35	2.21	2.22
Salary increases rate	1.00 - 5.00	0.00 - 5.00	1.00 - 5.00	1.00 - 5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008
Turnover rate				
Under 31 years old	0 - 40	0 - 33	21 - 32	33
31 - 40 years old	0 - 28	0 - 14	5 - 22	14
41 - 50 years old	0 - 7	0 - 7	5 - 7	5
Above 50 years old	0	0	0	0

## 18. 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.

During the period second quarter year 2018, the warrant holders exercised 712.29 million units. AIE- W1 warrants to purchase 712.29 ordinary million shares at Baht 0.25 each in the amount of Baht 178.07 million.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

**19. DIVIDEND PAYMENT**

The 2018 Annual General Meeting of Shareholders of the Company held on April 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. The dividend was paid on May 15, 2018.

The Board of Directors' Meeting No.1/2018 held on April 9, 2018 of AI Engineering Services Company Limited, ("the subsidiary") passed a resolution to pay dividends from retained earnings to the shareholders of 20 million shares at Baht 0.50 per share, amount Baht 10 million. The 2018 Annual General Shareholders' Meeting held on April 30, 2018, passed a resolution to pay such dividends. The dividend was paid on May 14, 2018.

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 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 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.

**20. 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.

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## 21. DEFERRED TAX

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

	Unit: Thousand Baht							
	Consolidated financial statements			Separate financial statements				
	As at January 1, 2018	Profit (Loss)	Comprehensive loss	As at June 30, 2018	As at January 1, 2018	Profit (Loss)	Comprehensive loss	As at June 30, 2018
<b>Deferred tax assets</b>								
Allowance for doubtful trade accounts receivable	149	-	-	149	-	-	-	-
Allowance for devaluation of inventories	945	-	-	945	945	-	-	945
Allowance for impairment of assets	1,590	(1,175)	-	415	1,590	(1,175)	-	415
Non-current provisions for employee benefits	6,019	154	(855)	5,318	3,705	157	(251)	3,611
Tax loss carries forward	8,127	(2,218)	-	5,909	-	-	-	-
<b>Total</b>	<b>16,830</b>	<b>(3,239)</b>	<b>(855)</b>	<b>12,736</b>	<b>6,240</b>	<b>(1,018)</b>	<b>(251)</b>	<b>4,971</b>
<b>Deferred tax liability</b>								
Unrealized gain on investments in Open-end Fund	(434)	-	-	(434)	(152)	143	-	(9)
Depreciation	(4,609)	(95)	-	(4,704)	-	-	-	-
<b>Total</b>	<b>(5,043)</b>	<b>(95)</b>	<b>-</b>	<b>(5,138)</b>	<b>(152)</b>	<b>143</b>	<b>-</b>	<b>(9)</b>
<b>Deferred tax assets - net</b>	<b>11,787</b>	<b>(3,334)</b>	<b>(855)</b>	<b>7,598</b>	<b>6,088</b>	<b>(875)</b>	<b>(251)</b>	<b>4,962</b>

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

As at June 30, 2018 and December 31, 2017, AI Energy Public Company Limited (“the subsidiary”) had the deferred tax asset for the carry forward of unused tax losses in financial statements Baht 5.91 million and Baht 8.13 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.

## 22. TAX EXPENSE

Tax expense the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>For the three-month periods</b>				
<b>Current tax expense</b>				
Current periods	(2,939)	(1,978)	(2,377)	(1,978)
<b>Deferred tax expense</b>				
Movement in temporary differences	(951)	159	291	126
<b>Total</b>	<b>(3,890)</b>	<b>(1,819)</b>	<b>(2,086)</b>	<b>(1,852)</b>
<b>For the six-month periods</b>				
<b>Current tax expense</b>				
Current periods	(6,236)	(4,667)	(5,673)	(4,667)
<b>Deferred tax expense</b>				
Movement in temporary differences	(3,334)	(222)	(874)	(361)
<b>Total</b>	<b>(9,570)</b>	<b>(4,889)</b>	<b>(6,547)</b>	<b>(5,028)</b>

### 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.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

### 23. FOREIGN CURRENCY TRANSACTIONS

As at June 30, 2018 and December 31, 2017, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging were as follows:

Unit: Thousand

Particulars	Consolidated financial statements				Separate financial statements			
	2018		2017		2018		2017	
	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht
<b>Assets</b>								
USD	31.10	1,026.62	31.58	1,026.77	30.97	1,022.13	31.45	1,022.48
<b>Total</b>		1,026.62		1,026.77		1,022.13		1,022.48
<b>Liabilities</b>								
USD	414.08	13,681.72	1,120.57	36,797.00	312.24	10,412.39	1,059.83	34,802.09
EUR	370.28	14,480.75	50.00	1,969.69	19.00	834.19	50.00	1,969.69
<b>Total</b>		28,162.47		38,766.69		11,246.58		36,771.78

### 24. PROMOTIONAL PRIVILEGES

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

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

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)



The Company and subsidiaries have revenue, from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month and six-month periods ended June 30, 2018 and 2017 was as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Promoted Activities	Non-promoted Activities	Promoted Activities	Non-promoted Activities
		Total		Total
<b>For the three-month period ended June 30, 2018</b>				
Revenue from sales of goods	522,464	566,834	190,961	23,023
Revenue from production contract	-	13,572	-	-
Revenue from construction contract	-	12,231	-	-
Revenue from vessel operating	-	13,683	-	-
Other incomes	-	7,650	-	1,147
Dividend income	-	-	-	10,000
<b>Total</b>	<b>522,464</b>	<b>613,970</b>	<b>190,961</b>	<b>225,131</b>
<b>For the three-month period ended June 30, 2017</b>				
Revenue from sales of goods	640,160	830,231	175,611	42,805
Revenue from production contract	-	15,993	-	-
Revenue from construction contract	-	38,313	-	-
Revenue from vessel operating	-	11,844	-	-
Other incomes	-	6,326	-	2,337
<b>Total</b>	<b>640,160</b>	<b>902,707</b>	<b>175,611</b>	<b>45,142</b>

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
	Activities	Activities		Activities	Activities	
Revenue from sales of goods	1,074,710	117,687	1,192,397	345,278	82,545	427,823
Revenue from production contract	-	30,223	30,223	-	-	-
Revenue from construction contract	-	39,617	39,617	-	-	-
Revenue from vessel operating	-	27,366	27,366	-	-	-
Other incomes	-	14,563	14,563	-	5,519	5,519
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>1,074,710</b>	<b>229,456</b>	<b>1,304,166</b>	<b>345,278</b>	<b>98,064</b>	<b>443,342</b>

**For the six-month period ended June 30, 2018**

Revenue from sales of goods	1,283,371	247,636	1,531,007	354,785	86,470	441,255
Revenue from production contract	-	22,997	22,997	-	-	-
Revenue from construction contract	-	73,812	73,812	-	-	-
Revenue from vessel operating	-	24,786	24,786	-	-	-
Other incomes	-	12,744	12,744	-	5,335	5,335
Dividend income	-	-	-	-	14,976	14,976
<b>Total</b>	<b>1,283,371</b>	<b>381,975</b>	<b>1,665,346</b>	<b>354,785</b>	<b>106,781</b>	<b>461,566</b>

**For the six-month period ended June 30, 2017**

Revenue from sales of goods	1,283,371	247,636	1,531,007	354,785	86,470	441,255
Revenue from production contract	-	22,997	22,997	-	-	-
Revenue from construction contract	-	73,812	73,812	-	-	-
Revenue from vessel operating	-	24,786	24,786	-	-	-
Other incomes	-	12,744	12,744	-	5,335	5,335
Dividend income	-	-	-	-	14,976	14,976
<b>Total</b>	<b>1,283,371</b>	<b>381,975</b>	<b>1,665,346</b>	<b>354,785</b>	<b>106,781</b>	<b>461,566</b>

..... Director

(Thanit Thararatnavibool)

..... Director

(Narong Thararatnavibool)

## 25. PROVIDENT FUND

The Company and subsidiary' contributions for the employees' provident fund and recorded as expenses in the statements of profit or loss for the three-month and six-month periods ended June 30, 2018 and 2017 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b><u>For the three-month periods</u></b>				
Asian Insulators Public Company Limited	447	434	447	434
AI Engineering Services Company Limited	47	45	-	-
AI Energy Public Company Limited	378	341	-	-
AI Logistics Company Limited	7	7	-	-
Total	879	827	447	434
<b><u>For the six-month periods</u></b>				
Asian Insulators Public Company Limited	917	900	917	900
AI Engineering Services Company Limited	93	98	-	-
AI Energy Public Company Limited	716	651	-	-
AI Logistics Company Limited	14	13	-	-
Total	1,740	1,662	917	900

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

**26. SEGMENT INFORMATION**

The segmented information for the three-month and six-month periods ended June 30, 2018 and 2017 was as follows:

		Unit: Thousand Baht						
		Consolidated financial statements						
		For the three-month period ended June 30, 2018						
		Group of AI Energy Public Company Limited						
		Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refined crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services		213,982	12,231	352,852	13,572	13,683	-	606,320
Cost of sales and services		(107,190)	(11,336)	(336,713)	(10,251)	(13,580)	-	(479,070)
Gross profit (loss) by segment		106,792	895	16,139	3,321	103	-	127,250
Other income								7,650
Selling expenses								(2,987)
Administrative expenses								(40,271)
Finance costs								(80)
Share of loss from investments in associate								(2,672)
Income tax expenses								(3,890)
Profit for the period								85,000
Equity holders of the parent								85,890
Non-controlling interests								(890)

..... Director  
(Narong Thararatnavibool)

..... Director  
(Thanit Thararatnavibool)

Unit: Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2018

Group of A1 Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refined crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	427,820	39,617	764,577	30,223	27,366	-	1,289,603
Cost of sales and services	(219,144)	(36,724)	(739,056)	(22,399)	(27,285)	-	(1,044,608)
Gross profit by segment	208,676	2,893	25,521	7,824	81	-	244,995
Other income							14,563
Selling expenses							(5,981)
Administrative expenses							(77,985)
Finance costs							(80)
Share of loss from investments in associate							(795)
Income tax expenses							(9,570)
Loss for the period							165,147
Defined benefit plan actuarial gains - net of income tax							3,252
Total comprehensive income for the period							168,399
Equity holders of the parent							169,173
Non-controlling interests							(774)
Property, plant, vessel and equipment - net	549,199	8	1,126,524		20,925	201,039	1,897,695

..... Director  
(Narong Thararatnavibool)

..... Director  
(Thanit Thararatnavibool)

Unit: Thousand Baht

Consolidated financial statements

For the three-month period ended June 30, 2017

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refind crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	218,416	38,313	611,815	15,993	11,844	-	896,381
Cost of sales and services	(128,568)	(40,334)	(641,154)	(14,171)	(16,343)	-	(840,570)
Gross profit (loss) by segment	89,848	(2,021)	(29,339)	1,822	(4,499)	-	55,811
Other income							6,326
Selling expenses							(4,511)
Administrative expenses							(37,482)
Finance costs							(665)
Share of loss from investments in associate							(5,185)
Income tax expenses							(1,819)
Profit for the period							12,475
Equity holders of the parent							32,968
Non-controlling interests							(20,493)

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2017

Group of A1 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	441,251	73,812	1,089,756	22,997	24,786	-	1,652,602
Cost of sales and services	(252,737)	(73,824)	(1,195,004)	(22,840)	(31,266)	-	(1,575,671)
Gross profit (loss) by segment	188,514	(12)	(105,248)	157	(6,480)	-	76,931
Other income							12,744
Selling expenses							(8,556)
Administrative expenses							(78,692)
Finance costs							(1,555)
Share of loss from investments in associate							(4,923)
Income tax expenses							(4,889)
Loss for the period							(8,940)
Equity holders of the parent							51,467
Non-controlling interests							(60,407)
Property, plant, vessel and equipment - net	564,135	22	890,406		18,567	211,145	1,684,275

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..... Director  
(Narong Thararatnavibool)

..... Director  
(Thanit Thararatnavibool)

## 27. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at June 30, 2018 and December 31, 2017 were as follows:

27.1 The Group has contingent liabilities on bank guarantees amount to Baht 311.11 million and Baht 192.77 million, respectively, issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

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

	Contracted Balance			
	Consolidated financial		Separate financial statements	
	2018	2017	2018	2017
Capital commitments				
Contracted but not provided for :				
Utility systems (Unit:Thousand Baht)	23,026	33,911	-	2,900
Machinery, accessories and tools (Unit: Thousand Baht)	101,875	73,170	3,319	5,314
Machinery, accessories and tools (Unit: Thousand Euro)	-	146	-	-

27.3 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 60.50 million and Baht 91.12 million, respectively.

27.4 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.

27.5 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(Before restated). 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 (Before restated), as the subsidiary auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

27.6 At October 24, 2016, AI Energy Public Company Limited (“the subsidiary”) entered into a 5-year contract with a company for production services on edible oil products and granting the use of “Pamola” trademark. On May 15, 2018, both parties agreed to terminate the contract since the counterparty can not comply with the conditions stated in the contract.

27.7 The Company and a subsidiary had overdrafts and short-term loans credit facilities with four local commercial bank totaling amount of Baht 992 million. The Company and a subsidiary has a commitment under the conditions of this loan agreement.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



28. 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.

29. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on August 14, 2018.



..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)