

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF  
INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the nine-month period ended September 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 September 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 September 30, 2018, included an investment of Baht 0.08 million, representing 0.02% total assets in the consolidated financial statements, and a share of loss for the three-month and nine-month periods ended September 30, 2018 in the amount of Baht 1.04 million and Baht 1.84 million, representing 1.19% and 0.73% of consolidated net profit, respectively. 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, November 13, 2018

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
<b>ASSETS</b>					
<b>Current assets</b>					
	Cash and cash equivalents	104,549	127,687	50,647	55,498
5	Current investments	623,781	477,212	170,556	130,927
4, 6	Trade and other receivables - net	252,870	258,413	115,283	110,401
7	Current portion of receivables under finance lease contracts	2,658	8,618	-	-
8	Unbilled receivables	4,972	36,883	-	-
9	Inventories - net	359,490	355,725	202,334	201,753
10	Oil supplies	3,007	1,980	-	-
	<b>Total current assets</b>	<b>1,351,327</b>	<b>1,266,518</b>	<b>538,820</b>	<b>498,579</b>
<b>Non-current assets</b>					
11	Investments in associated company - net	800	2,637	-	-
12	Investments in subsidiaries	-	-	997,612	862,555
13	Pledged deposits at financial institution	24,017	23,017	-	-
14	Property, plant, vessel and equipment - net	1,920,713	1,834,078	535,281	570,871
15	Intangible assets - net	5,718	1,438	5,564	1,200
21	Deferred tax assets - net	7,391	11,787	5,046	6,088
	Deposit for purchase of assets	27,094	19,303	-	6,496
	Other non-current assets	13,135	24,877	315	315
	<b>Total non-current assets</b>	<b>1,998,868</b>	<b>1,917,137</b>	<b>1,543,818</b>	<b>1,447,525</b>
	<b>Total assets</b>	<b>3,350,195</b>	<b>3,183,655</b>	<b>2,082,638</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 SEPTEMBER 30, 2018

		Unit: Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		September 30, 2018	December 31, 2017	September 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	196,412	169,892	56,417	71,789
	Advance received and deferred construction revenue	8	-	7,062	-	-
	Income tax payable		1,281	11,007	1,193	2,803
	<b>Total current liabilities</b>		<b>197,693</b>	<b>187,961</b>	<b>57,610</b>	<b>74,592</b>
<b>Non-current liabilities</b>						
	Non-current provisions for employee benefits	17	28,075	30,497	18,827	18,526
	<b>Total non-current liabilities</b>		<b>28,075</b>	<b>30,497</b>	<b>18,827</b>	<b>18,526</b>
	<b>Total liabilities</b>		<b>225,768</b>	<b>218,458</b>	<b>76,437</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>						
	Appropriated					
	Legal reserve	20	70,000	70,000	70,000	70,000
	Unappropriated	19	(503,559)	(626,766)	331,171	178,963
<b>Other components of shareholders' equity</b>						
	Difference on business combination					
	under common control		(3,259)	(3,259)	-	-
	Capital surplus from share premium of subsidiary		360,580	360,580	-	-
	Gain on disposal of investment in subsidiaries		861,443	861,443	-	-
	Surplus from changes of shareholding in subsidiaries		13,148	-	-	-
	Actuarial gains		4,494	1,932	2,262	1,255
	<b>Total shareholders' equity of the Company</b>		<b>2,405,615</b>	<b>2,266,698</b>	<b>2,006,201</b>	<b>1,852,986</b>
	Non-controlling interests		718,812	698,499	-	-
	<b>Total shareholders' equity</b>		<b>3,124,427</b>	<b>2,965,197</b>	<b>2,006,201</b>	<b>1,852,986</b>
	<b>Total liabilities and shareholders' equity</b>		<b>3,350,195</b>	<b>3,183,655</b>	<b>2,082,638</b>	<b>1,946,104</b>

.....Director  
(Narong Tharatanavibool)

.....Director  
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 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>					
		615,429	782,351	255,245	150,722
		11,960	27,316	-	-
		46,474	58,206	-	-
		13,631	-	-	-
		-	156,570	-	-
		4,632	6,429	2,498	2,424
		<u>692,126</u>	<u>1,030,872</u>	<u>257,743</u>	<u>153,146</u>
<b>Expenses</b>					
		(496,205)	(719,134)	(128,571)	(83,601)
		(8,551)	(21,227)	-	-
		(43,082)	(45,736)	-	-
		(14,259)	-	-	-
		(3,337)	(5,996)	(1,652)	(1,680)
		(36,115)	(48,072)	(15,897)	(16,804)
		-	(170)	-	-
	11	(1,042)	591	-	-
		<u>(602,591)</u>	<u>(839,744)</u>	<u>(146,120)</u>	<u>(102,085)</u>
		89,535	191,128	111,623	51,061
	22	(1,722)	(31,301)	(1,167)	(1,079)
		<u>87,813</u>	<u>159,827</u>	<u>110,456</u>	<u>49,982</u>
		-	-	-	-
		<u>87,813</u>	<u>159,827</u>	<u>110,456</u>	<u>49,982</u>
Profit (loss) attributable to :					
		96,569	119,212	110,456	49,982
		(8,756)	40,615	-	-
		<u>87,813</u>	<u>159,827</u>	<u>110,456</u>	<u>49,982</u>
Total comprehensive income (loss) attributable to :					
		96,569	119,212	110,456	49,982
		(8,756)	40,615	-	-
		<u>87,813</u>	<u>159,827</u>	<u>110,456</u>	<u>49,982</u>
Earnings per share					
		0.03	0.04	0.04	0.02
		<u>2,799,996,084</u>	<u>2,799,996,084</u>	<u>2,799,996,084</u>	<u>2,799,996,084</u>

.....Director  
 (Narong Thararatnavibool)

.....Director  
 (Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 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		1,807,826	2,313,358	683,068	591,977
Revenue from production contract		42,183	50,313	-	-
Revenue from construction contract		86,091	132,018	-	-
Revenue from vessel operating		40,997	24,786	-	-
Profit earned from the sale of non-current asset held for sale - net		-	156,570	-	-
Other incomes		19,195	19,173	8,017	7,759
Dividend income	12	-	-	10,000	14,976
<b>Total revenues</b>		<b>1,996,292</b>	<b>2,696,218</b>	<b>701,085</b>	<b>614,712</b>
<b>Expenses</b>					
Cost of sales		(1,454,405)	(2,166,875)	(347,715)	(336,338)
Cost of production contract		(30,950)	(44,067)	-	-
Cost of construction contract		(79,806)	(119,560)	-	-
Cost of vessel operating		(41,544)	(31,266)	-	-
Selling expenses		(9,318)	(14,552)	(4,187)	(5,465)
Administrative expenses		(114,100)	(126,764)	(49,262)	(51,815)
Finance costs		(80)	(1,725)	-	-
Share of loss from investment in associates	11	(1,837)	(4,332)	-	-
<b>Total expenses</b>		<b>(1,732,040)</b>	<b>(2,509,141)</b>	<b>(401,164)</b>	<b>(393,618)</b>
<b>Profit before income tax expenses</b>		<b>264,252</b>	<b>187,077</b>	<b>299,921</b>	<b>221,094</b>
Income tax expense	22	(11,292)	(36,190)	(7,714)	(6,107)
<b>Profit for the periods</b>		<b>252,960</b>	<b>150,887</b>	<b>292,207</b>	<b>214,987</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Defined benefit plan actuarial gains	17	4,107	-	1,258	-
Income tax on other comprehensive income relating to items that will not be reclassified	21	(855)	-	(251)	-
<b>Other comprehensive income for the periods, net of income tax</b>		<b>3,252</b>	<b>-</b>	<b>1,007</b>	<b>-</b>
<b>Total comprehensive income for the periods</b>		<b>256,212</b>	<b>150,887</b>	<b>293,214</b>	<b>214,987</b>
Profit (loss) attributable to :					
Equity holders of the parent		263,206	170,679	292,207	214,987
Non-controlling interests		(10,246)	(19,792)	-	-
		<b>252,960</b>	<b>150,887</b>	<b>292,207</b>	<b>214,987</b>
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		265,768	170,679	293,214	214,987
Non-controlling interests		(9,556)	(19,792)	-	-
		<b>256,212</b>	<b>150,887</b>	<b>293,214</b>	<b>214,987</b>
<b>Earnings per share</b>					
Basic earnings per share of the Company (Baht)		0.09	0.06	0.10	0.08
Weighted average number of ordinary shares (share)		2,799,996,084	2,799,996,084	2,799,996,084	2,799,996,084

.....Director  
 (Narong Thareratanavibool)

.....Director  
 (Thanit Thareratanavibool)

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

"UNAUDITED"  
"REVIEWED"

Unit : Thousand Baht													
Consolidated financial statements													
Equity attributable to equity holders of the parent													
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	Surplus from changes of shareholding in subsidiaries	Actuarial gains	Other comprehensive income		Total other components of shareholders' equity of the Company	Total Equity
										Retained earnings (deficits)	Other comprehensive income		
Balance as at January 1, 2018	699,999	902,769	70,000	(626,766)	(3,259)	360,580	861,443	-	1,932	-	-	2,266,698	2,965,197
Changes in shareholders' equity for the period:													
Dividend paid	-	-	-	(139,999)	-	-	-	-	-	-	(139,999)	-	(139,999)
Surplus from changes of shareholding in subsidiaries	-	-	-	-	-	-	-	13,148	-	-	-	13,148	(13,534)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	43,403
Total comprehensive income (loss) for the period	-	-	-	263,206	-	-	-	-	2,562	-	-	265,768	256,212
Balance as at September 30, 2018	699,999	902,769	70,000	(503,559)	(3,259)	360,580	861,443	13,148	4,494	-	-	2,405,615	3,124,427
Balance as at January 1, 2017	699,999	902,769	70,000	(490,446)	(3,259)	360,580	861,443	-	1,932	-	-	2,403,018	3,132,645
Changes in shareholders' equity for the period:													
Dividend paid	-	-	-	(391,996)	-	-	-	-	-	-	-	(391,996)	(392,020)
Total comprehensive income (loss) for the period	-	-	-	170,679	-	-	-	-	-	-	-	170,679	150,887
Balance as at September 30, 2017	699,999	902,769	70,000	(711,763)	(3,259)	360,580	861,443	-	1,932	-	-	2,181,701	2,891,512

.....Director  
(Narong Tharetanavibool)

.....Director  
(Thanit Tharetanavibool)



ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

"UNAUDITED"  
"REVIEWED"

Unit: Thousand Baht

Notes	Separate financial statements										Total Shareholders' Equity
	Retained earnings			Total other components of shareholders' equity			Other comprehensive income				
	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Actuarial gains	Other comprehensive income	Actuarial gains	Other comprehensive income	Actuarial gains	Other comprehensive income	
	699,999	902,769	70,000	178,963	1,255						1,852,986
Balance as at January 1, 2018											
Changes in shareholders' equity for the period:											
Dividend paid	-	-	-	(139,999)	-						(139,999)
Total comprehensive income for the period	-	-	-	292,207	1,007						293,214
Balance as at September 30, 2018	699,999	902,769	70,000	331,171	2,262						2,006,201
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	-	-	-	(391,996)	-						(391,996)
Total comprehensive income for the period	-	-	-	214,987	-						214,987
Balance as at September 30, 2017	699,999	902,769	70,000	82,133	1,255						1,756,156

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.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

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

"UNAUDITED"  
 "REVIEWED"

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash Flows from Operating Activities</b>				
Profit before income tax expenses	264,252	187,077	299,921	221,094
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	103,232	104,312	50,518	47,628
Amortization of computer softwares	827	1,104	738	1,031
(Gain) loss on disposal asset	8,287	(153,626)	5,560	(106)
Unrealized (gain) loss on investments in Open-end Fund	(813)	(558)	363	368
Reversal allowance for devaluation of inventories	(1,856)	(17,362)	-	-
Reversal impairment loss on asset	(5,874)	-	(5,874)	-
Share of loss from investment in associate	1,837	4,333	-	-
Dividend income	-	-	(10,000)	(14,976)
Unrealized (gain) loss on exchange rates	-	(180)	-	1,353
Non-current provisions for employee benefits	3,820	3,419	2,343	2,038
Interest income	(2,630)	(2,995)	(112)	-
Interest expenses	80	1,725	-	-
Gain from operating activities before changes				
in operating assets and liabilities	371,162	127,249	343,457	258,430
Changes in operating assets - (increase) decrease				
Trade and other receivables	(943)	133,040	(4,882)	17,153
Unbilled receivables	31,910	(9,675)	-	-
Inventories	(2,936)	114,411	(581)	(36,000)
Deposit for purchase of assets	928	-	-	-
Non-current assets held for sale	-	(13,458)	-	-
Other non-current assets	10,082	(12,564)	6,495	(1,271)

.....Director  
 (Narong Thareratanavibool)

.....Director  
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 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	10,319	106,266	(15,395)	13,403
Advance received and deferred construction revenue	(7,062)	(67)	-	-
Retention payables	(2,462)	-	-	-
Cash provided by operating activities	410,998	445,202	329,094	251,715
Payment for employee benefit obligations	(2,134)	(3,215)	(782)	(2,719)
Refund of income tax	895	1,959	-	-
Income tax paid	(18,936)	(32,333)	(8,534)	(8,833)
Net cash provided by operating activities	390,823	411,613	319,778	240,163
<b>Cash Flows from Investing Activities</b>				
Increase in restricted deposits at financial institution	(1,000)	(16,148)	-	-
Interest received	1,849	1,352	112	-
Increase (decrease) in current investments	(145,757)	(140,575)	(39,993)	222,024
Dividend income from investments in subsidiary	-	-	10,000	14,976
Payment for investment in subsidiary	(135,057)	-	(135,057)	-
Payment for purchases of assets	(175,270)	(258,659)	(15,385)	(72,816)
Payment for purchases of intangible assets	(5,413)	(158)	(5,413)	(4)
Proceeds from receivables under finance lease contracts	-	8,667	-	-
Proceeds from disposal of assets	8,358	318,360	771	562
Proceeds from disposal of intangible assets	312	-	312	-
Net cash provided by (used in) investing activities	(451,978)	(87,161)	(184,653)	164,742
<b>Cash Flows from Financing Activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	-	43,379	-	-
Interest paid	(80)	(1,601)	-	-
Cash received from increase in share capital	178,073	-	-	-
Dividend payment	(139,976)	(391,996)	(139,976)	(391,996)
Subsidiary's dividend paid to non-controlling interests	-	(24)	-	-
Net cash provided by (used in) financing activities	38,017	(350,242)	(139,976)	(391,996)
Net increase (decrease) in cash and cash equivalents	(23,138)	(25,790)	(4,851)	12,909
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	104,549	265,372	50,647	68,969
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	20,285	22,991	1,653	3,954

.....Director  
(Narong Tharatanavibool)

.....Director  
(Thanit Tharatanavibool)

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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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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 period, 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 period, 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 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. 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.

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Unit: Thousand Baht

Pricing Policy	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
<b>For the three-month periods</b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	424	658	424	658
AI Engineering Services Co., Ltd.	Market Price	-	-	-	9
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	13,932	22,377	13,932	22,377
<b>Other income - rental and services</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	132	162	132	162
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	312	333
AI Energy Public Co., Ltd.	Mutually agreed	-	-	232	291
AI Logistics Co., Ltd.	Mutually agreed	-	-	131	144
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	49	54
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	94	3	94	3
<b>Purchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	4,845	7,496	4,845	7,496

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(Thanit Thareratanavibool)

Unit: Thousand Baht

Pricing Policy	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
<b><u>For the nine-month periods</u></b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	1,475	1,884	1,475	1,884
AI Engineering Services Co., Ltd.	Market Price	-	-	2	12
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	42,132	71,530	42,132	71,530
<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	403	430	403	430
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	894	1,004
AI Energy Public Co., Ltd.	Mutually agreed	-	-	742	891
AI Logistics Co., Ltd.	Mutually agreed	-	-	446	469
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	148	170
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	415	3	415	3
Samart Palm Industry Co., Ltd.	Market Price	-	18,855	-	-
<b>Purchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	15,481	26,749	15,481	26,749

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## Management's remuneration

Management's remuneration for the three-month and nine-month periods ended September 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>				
Short-term employee benefits	10,856	11,090	6,081	5,628
Long-term post-employment benefits	233	207	110	99
Total management's remuneration	11,089	11,297	6,191	5,727
<b>For the nine-month periods</b>				
Short-term employee benefits	33,598	33,547	18,663	17,891
Long-term post-employment benefits	760	659	330	320
Total management's remuneration	34,358	34,206	18,993	18,211

Significant balances with related parties as at September 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.	9,116	8,435	9,116	8,435
<b>Other receivable</b>				
PPC Asian Insulators Co., Ltd.	93	98	93	98
AI Engineering Services Co., Ltd.	-	-	25	8
AI Logistics Co., Ltd.	-	-	2	1
<b>Trade payable</b>				
PPC Asian Insulators Co., Ltd.	3,282	6,088	3,282	6,088

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## 5. CURRENT INVESTMENTS

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Investment in Open-end Fund-Debt securities	617,972	473,627	170,159	130,168
Add Unrealized gains on changes in fair value of investments	5,492	3,116	397	759
Investment in Open-end Fund-Fair value	623,464	476,743	170,556	130,927
Fixed deposits	317	469	-	-
Total current investments	623,781	477,212	170,556	130,927

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## 6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at September 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	9,116	8,435	9,116	8,435
Trade receivable - state enterprises	145,649	114,883	96,826	87,823
Trade receivables - others	92,091	128,160	3,932	11,497
Post date cheques	1,460	-	-	-
Total trade receivables	248,316	251,478	109,874	107,755
Less Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	239,988	243,150	109,874	107,755
Other receivables				
Other receivables - related parties	93	98	120	107
Prepaid insurance	4,041	2,297	1,920	1,185
Prepaid expense	2,354	1,998	1,250	538
Deposit for inventories	1,780	554	1,781	554
Revenue Department receivable	2,519	1,508	338	262
Advance payment to subcontractors	2,004	8,499	-	-
Others	397	615	-	-
Total other current receivables	13,188	15,569	5,409	2,646
Less Allowance for doubtful accounts	(306)	(306)	-	-
Total other receivables - net	12,882	15,263	5,409	2,646
Total trade and other receivables - net	252,870	258,413	115,283	110,401

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As at September 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	9,116	6,610	9,116	6,610
Overdue				
Within 3 months	-	1,825	-	1,825
Total	9,116	8,435	9,116	8,435
<b>State enterprises</b>				
Current	145,129	114,335	96,306	87,491
Overdue				
Within 3 months	-	383	-	167
Over 6 months to 12 months	520	165	520	165
Total	145,649	114,883	96,826	87,823
<b>Others</b>				
Current	78,673	112,486	3,907	7,318
Overdue				
Within 3 months	3,768	7,346	25	4,179
Over 3 months to 6 months	2,782	-	-	-
Over 12 months	8,328	8,328	-	-
Total	93,551	128,160	3,932	11,497
Less Allowance for doubtful accounts	(8,328)	(8,328)	-	-
Total trade receivables - net	239,988	243,150	109,874	107,755

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7. RECEIVABLE UNDER FINANCE LEASE CONTRACTS - NET

Receivable under finance lease contracts as at September 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	2,889	9,630
Deferred revenue - finance lease	(231)	(1,012)
Present value of minimum lease payment receivable	2,658	8,618

As at September 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 September 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	92,391	380,783
Less Value of billing construction	(87,419)	(343,900)
Total	4,972	36,883
Advance received and deferred construction revenue		
Contract value	-	134,927
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 September 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	178,011	167,178	115,773	116,566
Work in process	90,853	92,610	33,171	36,331
Finished goods	83,618	83,310	48,378	33,142
Supplies	10,012	6,270	1,246	732
Goods in transit	8,489	19,706	8,489	19,706
Total inventories	370,983	369,074	207,057	206,477
<u>Less</u> Allowance for devaluation of inventories	(11,493)	(13,349)	(4,723)	(4,724)
Total inventories - net	359,490	355,725	202,334	201,753

## 10. OIL SUPPLIES

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

	Unit: Thousand Baht	
	Consolidated financial statements	
	2018	2017
Bunker oil	2,656	1,558
Lubricants	351	422
Total oil supplies	3,007	1,980

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## 11. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at September 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	Consolidated financial statements		Separate financial statements	
				Issued share capital		Equity method	2018	2017	2018
PPC Asian Insulators	Producing and distributing	25.10	25.10	263	263	800	2,637	66,000	66,000
Company Limited	electronics insulators and ceramic								
						-	-	(66,000)	(66,000)
	Less Provision for diminution in investment					800	2,637	-	-
	Total investments in associate - net								

The consolidated and separate financial statements for the nine-month periods ended September 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 September 30, 2018 and December 31, 2017, amounted to Baht 0.80 million and Baht 2.64 million, respectively, representing 0.02% and 0.08% of total assets in the consolidated financial statements, representing.

The equity of net profit (loss) of the associated company in the consolidated financial statements for the three-month periods ended September 30, 2018 and 2017 amounted to Baht (1.04) million and Baht 0.59 million, respectively, representing 1.19% and 0.37% of consolidated net profit, respectively and the equity of net loss of the associated company in the consolidated financial statements for the nine-month periods ended September 30, 2018 and 2017 amounted to Baht (1.84) million and Baht (4.33) million, respectively, representing 0.73% and 2.87% of consolidated net profit, respectively.

As at September 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 September 30, 2018 and December 31, 2017, and dividend income from the nine-month periods ended September 30, 2018 and 2017, consisted of:

Company	Nature of business	Percentage of investment (%)		Unit : Million Baht		Unit: Thousand Baht				
		2018	2017	2018	2017	Separate financial statements				
				Issued share capital		Cost method	2018	2017	2018	2017
<b>Subsidiaries directly held by the Company</b>										
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	100.00	99.84	200	200	197,386	197,000	10,000	14,976	
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	59.59	1,308	1,130	800,226	665,555	-	-	
<b>Subsidiaries held by AI Energy Public Company Limited</b>										
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	-	-	-	-	
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube	100.00	100.00	460	460	-	-	-	-	
	At present temporarily halted main business operation and in the process of preparing a business plan.									
<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 September 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)	239,664	56,607
Disposals/Transfers out during the period (Book value)	(49,797)	(41,679)
Depreciation charge for the period	(103,232)	(50,518)
<b>Book value as at September 30, 2018</b>	<b>1,920,713</b>	<b>535,281</b>

Depreciations in the statements of profit or loss for the three-month and nine-month periods ended September 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>				
Cost of sale and service	29,805	28,500	15,539	14,221
Selling and administrative expenses	5,272	5,375	1,777	1,858
	<u>35,077</u>	<u>33,875</u>	<u>17,316</u>	<u>16,079</u>
<b><u>For the nine-month periods</u></b>				
Cost of sale and service	87,413	87,629	45,071	41,509
Selling and administrative expenses	15,819	16,683	5,447	6,120
	<u>103,232</u>	<u>104,312</u>	<u>50,518</u>	<u>47,629</u>

As at September 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 September 30, 2018 and December 31, 2017, in the consolidate financial statement totaling approximately Baht 398.55 million and Baht 400.06 million respectively, and separate financial statements totaling approximately Baht 243.39 million and Baht 248.03 million, respectively.

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15. INTANGIBLE ASSETS - NET

Intangible assets as at September 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>	1,438	1,200
Additions/Transfers in during the period (Cost)	5,419	5,413
Disposals/Transfers out during the period (Book value)	(312)	(311)
Amortization for the period	(827)	(738)
<b>Book value as at September 30, 2018</b>	<b>5,718</b>	<b>5,564</b>

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## 16. TRADE AND OTHER PAYABLES

Trade and other payables as at September 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	3,282	6,088	3,282	6,088
Trade payables - others	121,015	90,959	28,711	46,380
Total trade payables	124,297	97,047	31,993	52,468
Other payables				
Payables for purchase of assets	20,285	21,392	1,653	3,394
Other payables	2,492	4,410	-	-
Advances received for goods	4,929	1,609	4,823	1,606
Electricity payable	4,076	4,152	1,498	1,158
Fine from the delay of work	-	4,929	-	-
Accrued bonus	13,719	-	9,733	-
Accrued dividend	1,545	-	1,545	-
Accrued expenses	4,796	15,635	1,900	7,519
Retention	6,623	5,415	-	-
Revenue Department payables	13,075	13,703	2,923	4,656
Others	575	1,600	349	988
Total other payables	72,115	72,845	24,424	19,321
Total trade and other payables	196,412	169,892	56,417	71,789

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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 nine-month periods ended

September 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	3,313	3,225	1,987	1,752
Interest cost	506	456	355	286
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(546)	-	804	-
Experience adjustments	(3,561)	(261)	(2,063)	-
Benefit paid during the periods	(2,134)	(3,215)	(782)	(2,719)
<b>Non-current provisions for employee benefits</b>				
<b>at end of periods</b>	<u>28,075</u>	<u>29,525</u>	<u>18,827</u>	<u>18,093</u>

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Employee benefit expenses in profit or loss for the three-month and nine-month periods ended September 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	887	818	630	533
Selling expenses	-	67	-	-
Administrative expenses	354	328	146	130
<b>Total employee benefit expenses</b>	<b>1,241</b>	<b>1,213</b>	<b>776</b>	<b>663</b>
<b><u>For the nine-month periods</u></b>				
Cost of sales	2,697	2,507	1,904	1,648
Selling expenses	2	203	-	-
Administrative expenses	1,120	971	438	390
<b>Total employee benefit expenses</b>	<b>3,819</b>	<b>3,681</b>	<b>2,342</b>	<b>2,038</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 September 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 10, 2018.

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 9, 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.



..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 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 September 30, 2018	As at January 1, 2018	Profit (Loss)	Comprehensive loss	As at September 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	320	(855)	5,484	3,705	311	(251)	3,765
Tax loss carries forward	8,127	(2,703)	-	5,424	-	-	-	-
<b>Total</b>	<b>16,830</b>	<b>(3,558)</b>	<b>(855)</b>	<b>12,417</b>	<b>6,240</b>	<b>(864)</b>	<b>(251)</b>	<b>5,125</b>
<b>Deferred tax liability</b>								
Unrealized gain on investments in Open-end Fund	(434)	(162)	-	(596)	(152)	73	-	(79)
Depreciation	(4,609)	179	-	(4,430)	-	-	-	-
<b>Total</b>	<b>(5,043)</b>	<b>17</b>	<b>-</b>	<b>(5,026)</b>	<b>(152)</b>	<b>73</b>	<b>-</b>	<b>(79)</b>
<b>Deferred tax assets - net</b>	<b>11,787</b>	<b>(3,541)</b>	<b>(855)</b>	<b>7,391</b>	<b>6,088</b>	<b>(791)</b>	<b>(251)</b>	<b>5,046</b>

Q

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)



As at September 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 5.42 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 nine-month periods ended September 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>				
<b>Current tax expense</b>				
Current periods	(1,515)	(31,226)	(1,250)	(1,389)
<b>Deferred tax expense</b>				
Movement in temporary differences	(207)	(75)	83	310
Total	<u>(1,722)</u>	<u>(31,301)</u>	<u>(1,167)</u>	<u>(1,079)</u>
<b><u>For the nine-month periods</u></b>				
<b>Current tax expense</b>				
Current periods	(7,751)	(35,893)	(6,923)	(6,056)
<b>Deferred tax expense</b>				
Movement in temporary differences	(3,541)	(297)	(791)	(51)
Total	<u>(11,292)</u>	<u>(36,190)</u>	<u>(7,714)</u>	<u>(6,107)</u>

### **Income tax reduction**

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

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

### 23. FOREIGN CURRENCY TRANSACTIONS

As at September 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
Assets								
USD	31.23	1,006.77	31.58	1,026.77	31.09	1,002.39	31.45	1,022.48
Total		1,006.77		1,026.77		1,002.39		1,022.48
Liabilities								
USD	460.43	15,041.34	1,120.57	36,797.00	290.87	9,475.67	1,059.83	34,802.09
EUR	351.28	13,380.54	50.00	1,969.69	-	-	50.00	1,969.69
Total		28,421.88		38,766.69		9,475.67		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.

..... 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 nine-month periods ended September 30, 2018 and 2017 as follows:

	Unit: Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
<b>For the three-month period ended September 30, 2018</b>						
Revenue from sales of goods	585,976	29,453	615,429	239,284	15,961	255,245
Revenue from production contract	-	11,960	11,960	-	-	-
Revenue from construction contract	-	46,474	46,474	-	-	-
Revenue from vessel operating	-	13,631	13,631	-	-	-
Other incomes	-	4,632	4,632	-	2,498	2,498
<b>Total</b>	<b>585,976</b>	<b>106,150</b>	<b>692,126</b>	<b>239,284</b>	<b>18,459</b>	<b>257,743</b>
<b>For the three-month period ended September 30, 2017</b>						
Revenue from sales of goods	744,399	37,952	782,351	120,513	30,209	150,722
Revenue from production contract	-	27,316	27,316	-	-	-
Revenue from construction contract	-	58,206	58,206	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,570	156,570	-	-	-
Other incomes	-	6,429	6,429	-	2,424	2,424
<b>Total</b>	<b>744,399</b>	<b>286,473</b>	<b>1,030,872</b>	<b>120,513</b>	<b>32,633</b>	<b>153,146</b>

Q

..... Director

(Thanit Tharatanavibool)

..... Director

(Narong Tharatanavibool)

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted		Promoted	Non-promoted	
	Activities	Activities	Total	Activities	Activities	Total
<b>For the nine-month period ended September 30, 2018</b>						
Revenue from sales of goods	1,660,686	147,140	1,807,826	584,562	98,506	683,068
Revenue from production contract	-	42,183	42,183	-	-	-
Revenue from construction contract	-	86,091	86,091	-	-	-
Revenue from vessel operating	-	40,997	40,997	-	-	-
Other incomes	-	19,195	19,195	-	8,017	8,017
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>1,660,686</b>	<b>335,606</b>	<b>1,996,292</b>	<b>584,562</b>	<b>116,523</b>	<b>701,085</b>
<b>For the nine-month period ended September 30, 2017</b>						
Revenue from sales of goods	2,027,770	285,588	2,313,358	475,299	116,678	591,977
Revenue from production contract	-	50,313	50,313	-	-	-
Revenue from construction contract	-	132,018	132,018	-	-	-
Revenue from vessel operating	-	24,786	24,786	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,570	156,570	-	-	-
Other incomes	-	19,173	19,173	-	7,759	7,759
Dividend income	-	-	-	-	14,976	14,976
<b>Total</b>	<b>2,027,770</b>	<b>668,448</b>	<b>2,696,218</b>	<b>475,299</b>	<b>139,413</b>	<b>614,712</b>

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

## 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 nine-month periods ended September 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	444	429	444	429
AI Engineering Services Company Limited	47	43	-	-
AI Energy Public Company Limited	371	318	-	-
AI Logistics Company Limited	9	7	-	-
Total	871	797	444	429
<b><u>For the nine-month periods</u></b>				
Asian Insulators Public Company Limited	1,361	1,329	1,361	1,329
AI Engineering Services Company Limited	140	141	-	-
AI Energy Public Company Limited	1,087	969	-	-
AI Logistics Company Limited	23	20	-	-
Total	2,611	2,459	1,361	1,329

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

**26. SEGMENT INFORMATION**

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

		Unit: Thousand Baht						
		Consolidated financial statements						
		For the three-month period ended September 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 refine crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services		255,246	46,474	360,183	11,960	13,631	-	687,494
Cost of sales and services		(128,571)	(43,082)	(367,634)	(8,551)	(14,259)	-	(562,097)
Gross profit (loss) by segment		126,675	3,392	(7,451)	3,409	(628)	-	125,397
Other income								4,632
Selling expenses								(3,337)
Administrative expenses								(36,115)
Finance costs								-
Share of loss from investments in associate								(1,042)
Income tax expenses								(1,722)
Profit for the period								87,813
Equity holders of the parent								96,569
Non-controlling interests								(8,756)

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements							
For the nine-month period ended September 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 refine crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	683,066	86,091	1,124,760	42,183	40,997	-	1,977,097
Cost of sales and services	(347,715)	(79,806)	(1,106,690)	(30,950)	(41,544)	-	(1,606,705)
Gross profit by (loss) segment	335,351	6,285	18,070	11,233	(547)	-	370,392
Other income							19,195
Selling expenses							(9,318)
Administrative expenses							(114,100)
Finance costs							(80)
Share of loss from investments in associate							(1,837)
Income tax expenses							(11,292)
Profit for the period							252,960
Defined benefit plan actuarial gains - net of income tax							3,252
Total comprehensive income for the period							256,212
Equity holders of the parent							265,768
Non-controlling interests							(9,556)
Property, plant, vessel and equipment - net	535,280	178	1,166,248		20,447	198,560	1,920,713

..... Director  
(Narong Thararatnavibool)

..... Director  
(Thanit Thararatnavibool)

Consolidated financial statements

For the three-month period ended September 30, 2017

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refind crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	150,715	58,206	631,636	27,316	-	-	867,873
Cost of sales and services	(83,601)	(45,736)	(635,533)	(21,227)	-	-	(786,097)
Gross profit (loss) by segment	67,114	12,470	(3,897)	6,089	-	-	81,776
Profit earned from the sale of non-current asset held for sale - net							156,570
Other income							6,429
Selling expenses							(5,996)
Administrative expenses							(48,072)
Finance costs							(170)
Share of profit from investments in associate							591
Income tax expenses							(31,301)
Profit for the period							159,827
Equity holders of the parent							119,212
Non-controlling interests							40,615

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)



Unit: Thousand Baht

Consolidated financial statements

For the nine-month period ended September 30, 2017

Group of AI Energy Public Company Limited

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

Q

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

## 27. COMMITMENT AND CONTINGENT LIABILITIES

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

27.1 The Group has contingent liabilities on bank guarantees amount to Baht 338.08 million and Euro 0.35 million (2017 : Baht 192.77 million.), 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 :				
Land improvement	6,706	-	2,747	-
work in process :				
- building and utility systems (Unit :Thousand Baht)	18,381	33,911	644	2,900
- Machinery, accessories and tools (Unit: Thousand Baht)	175,731	73,170	2,747	5,314
- Office equipment (Unit: Thousand Baht)	628	-	628	-
- Machinery (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 27.77 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 695 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.

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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.

**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 November 13, 2018.



..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)