

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR' S REPORT
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018



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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

I have audited the accompanying consolidated and separate financial statements of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2018, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion paragraph No.1 and No.2 on the consolidated financial statements for the year 2018, the accompanying consolidated and separate financial statements referred to above fairly present, in all material respects, the consolidated and separate financial position as at December 31, 2018 and the consolidated and separate financial performance and cash flows for the year then ended of Asian Insulators Public Company Limited, and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion on the Consolidated financial statements

1. As discussed in Note to Financial Statements No. 29.5, 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 predecessor auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014 (Before restated). The subsidiary's former 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 predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

2. As discussed in the Note to financial statements No.12, the consolidated financial statements for the years ended December 31, 2018 and 2017 of Asian Insulators Public Company Limited, included an investment in the PPC Asian Insulators Company Limited, an associated company, based on financial statements of the associated company which had not been audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2018 and 2017 amounted to Baht 0.00 million and amounted to Baht 2.64 million, respectively, representing 0.00% and 0.08% of total assets in the consolidated financial statements, and the share of net loss under the equity method of the associated company in the consolidated financial statements for the years ended December 31, 2018 and 2017 amounted to Baht 2.64 million and Baht 3.71 million, respectively, representing 0.90% and 1.65% of consolidated net profit, respectively.

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

Key Audit Matters

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

Recognition of revenue from sale of porcelain insulators and components

Risk

As mentioned in Note to Financial Statements No. 3, as at December 31, 2018, the Company has recognized the undelivered sale of porcelain insulators and components, in the amount of Baht 64.88 million, to state enterprise customers who have already committed to the purchases. This is according to the customers' requested arrangement whereby they own, and commit to the liability for the products.

Auditor's Response

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

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

Recognition of Revenue from Construction Contracts in subsidiary

Risk

The subsidiary, AI Engineering Services Company Limited, has revenue from construction contracts for the year ended December 31, 2018 in the amount of Baht 120.39 million. The subsidiary recognized revenue based on the stage of completion of contracts which it assessed with reference to the proportion of contract costs incurred for the work performed as at the statement of financial position date, relative to the estimated total costs of the contract at completion. The recognition of revenue, therefore, relies on estimates on the stage of completion of each contract. Profit or loss on contracts is a key risk for the audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenue recognized for the year ended December 31, 2018.

Auditor's Response

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

Quantity of inventories in subsidiary

Risk

As mentioned in Note to the Financial Statement No.10, as at December 31, 2018, AI Energy Public Company Limited, its subsidiary has outstanding inventories in amount of Baht 217.58 million. The calculation of the quantities of ending inventories must include the measurement and calculation methods, for which there are many variables. Such calculation is complex.

Auditor's Response

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

Inventory Valuation in subsidiary

Risk

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

Auditor's Response

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

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

Impairment of property, plant and equipment in subsidiary

Risk

As shown in Note to Financial Statements No. 15, the subsidiary, AI Ports and Terminals Co., Ltd, has temporarily halted its business. This is an indication of impairment of the property, plant and equipment. The subsidiary has related property, plant and equipment with net booked value as at December 31, 2018 of Baht 176.65 million. The provision for impairment of property, plant and equipment requires significant judgment by Management.



Auditor's response

I obtained an understanding and inquired with management of the Company's policy to determine the allowance for impairment of related property, plant and equipment. I also considered the appropriateness of the allowance for impairment of the property by verifying the work of the independent appraiser that the Company uses to evaluate the fair value of assets, assessing the competency of the independent appraiser engaged, and evaluating the appropriateness of valuation methodology used by the independent appraiser.

Other information

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

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

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

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

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

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 26, 2019

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2018	2017	2018	2017	
ASSETS						
Current assets						
	Cash and cash equivalents	5	125,718,806	127,687,497	26,270,314	55,498,164
	Current investments	6	562,301,223	477,211,632	251,157,113	130,927,342
	Trade and other current receivables - net	4, 7	234,149,350	258,412,914	135,448,053	110,400,778
	Current portion of receivables under finance lease contracts	8	-	8,618,160	-	-
	Unbilled receivables	9	10,135,422	36,882,598	-	-
	Inventories - net	10	445,295,273	355,724,640	227,717,943	201,752,850
	Oil supplies	11	1,570,866	1,980,082	-	-
	Total current assets		1,379,170,940	1,266,517,523	640,593,423	498,579,134
Non-current assets						
	Investments in associated company - net	12	-	2,637,337	-	-
	Investments in subsidiaries	13	-	-	997,611,710	862,555,182
	Pledged deposits at financial institution	14	24,016,896	23,016,896	-	-
	Property, plant, vessel and equipment - net	15	1,959,631,280	1,834,077,845	523,991,531	570,870,855
	Intangible assets - net	16	5,661,455	1,438,274	5,340,662	1,200,251
	Deferred tax assets - net	22	8,889,775	11,787,336	7,143,684	6,088,021
	Deposit for purchase of assets		6,537,000	19,303,508	1,395,000	6,496,200
	Other non-current assets		13,555,447	24,876,914	314,892	314,892
	Total non-current assets		2,018,291,853	1,917,138,110	1,535,797,479	1,447,525,401
	Total assets		3,397,462,793	3,183,655,633	2,176,390,902	1,946,104,535

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2018	2017	2018	2017	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
	Trade and other current payables	4, 17	200,271,482	169,891,511	65,566,092	71,789,405
	Advance received and deferred construction revenue	9	-	7,061,781	-	-
	Income tax payable		1,800,063	11,007,483	1,800,063	2,803,006
	Total current liabilities		202,071,545	187,960,775	67,366,155	74,592,411
Non-current liabilities						
	Non-current provisions for employee benefits	18	27,129,512	30,497,149	17,428,931	18,525,690
	Total non-current liabilities		27,129,512	30,497,149	17,428,931	18,525,690
	Total liabilities		229,201,057	218,457,924	84,795,086	93,118,101
Shareholders' equity						
Authorized share capital						
	Common shares 2,800,000,000 shares at Baht 0.25 each		700,000,000	700,000,000	700,000,000	700,000,000
Issued and fully paid-up share capital						
	Common shares 2,799,996,084 shares at Baht 0.25 each		699,999,021	699,999,021	699,999,021	699,999,021
	Premiums on share capital		902,769,092	902,769,092	902,769,092	902,769,092
Retained earnings (deficits)						
	Appropriated					
	Legal reserve	21	69,999,902	69,999,902	69,999,902	69,999,902
	Unappropriated	20	(444,053,183)	(626,766,440)	416,565,125	178,963,119
Other components of shareholders' equity						
	Difference on business combination					
	under common control		(3,258,930)	(3,258,930)	-	-
	Capital surplus from share premium of subsidiary		360,580,334	360,580,334	-	-
	Gain on disposal of investment in subsidiaries		861,442,927	861,442,927	-	-
	Surplus from changes of shareholding in subsidiaries		13,148,506	-	-	-
	Actuarial gains		4,494,512	1,932,396	2,262,676	1,255,300
	Total shareholders' equity of the Company		2,465,122,181	2,266,698,302	2,091,595,816	1,852,986,434
	Non-controlling interests		703,139,555	698,499,407	-	-
	Total shareholders' equity		3,168,261,736	2,965,197,709	2,091,595,816	1,852,986,434
	Total liabilities and shareholders' equity		3,397,462,793	3,183,655,633	2,176,390,902	1,946,104,535

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
3, 4, 24, 26, 27, 28					
Revenues					
	Revenue from sales of goods	2,362,078,070	3,012,758,223	902,847,283	838,019,676
	Revenue from production contract	49,455,738	77,025,232	-	-
	Revenue from construction contract	120,392,394	151,853,565	-	-
	Revenue from vessel operating	54,109,552	32,920,936	-	-
	Profit earned from the sale of non-current asset held for sale - net	-	156,569,707	-	-
	Other incomes	22,238,279	27,105,477	9,913,526	9,916,541
	Dividend income	-	-	10,000,000	14,975,893
	Total revenues	2,608,274,033	3,458,233,140	922,760,809	862,912,110
Expenses					
	Cost of sales	(1,907,989,200)	(2,759,156,727)	(463,588,728)	(463,373,472)
	Cost of production contract	(36,368,777)	(62,980,818)	-	-
	Cost of construction contract	(111,603,893)	(135,553,101)	-	-
	Cost of vessel operating	(53,665,288)	(40,770,961)	-	-
	Selling expenses	(14,329,052)	(19,010,343)	(5,947,731)	(6,896,745)
	Administrative expenses	(156,835,359)	(173,395,940)	(69,320,104)	(73,515,841)
	Loss on impairment of property, plant and equipment	(17,400,000)	-	-	-
	Finance costs	(1,743)	(1,584,823)	-	-
	Share of loss from investment in associates	(2,637,337)	(3,708,956)	-	-
	Total expenses	(2,300,830,649)	(3,196,161,669)	(538,856,563)	(543,786,057)
	Profit before income tax expenses	307,443,384	262,071,471	383,904,246	319,126,053
	Income tax expense	(10,648,030)	(37,499,007)	(6,302,915)	(7,309,064)
	Profit for the years	296,795,354	224,572,464	377,601,331	311,816,989
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
	Defined benefit plan actuarial gains	4,107,016	-	1,259,220	-
	Income tax on other comprehensive income relating to items that will not be reclassified	(855,475)	-	(251,844)	-
	Other comprehensive income for the years, net of income tax	3,251,541	-	1,007,376	-
	Total comprehensive income for the years	300,046,895	224,572,464	378,608,707	311,816,989
Profit (loss) attributable to:					
	Equity holders of the parent	322,712,582	255,675,494	377,601,331	311,816,989
	Non-controlling interests	(25,917,228)	(31,103,030)	-	-
		296,795,354	224,572,464	377,601,331	311,816,989
Total comprehensive income (loss) attributable to:					
	Equity holders of the parent	325,274,698	255,675,494	378,608,707	311,816,989
	Non-controlling interests	(25,227,803)	(31,103,030)	-	-
		300,046,895	224,572,464	378,608,707	311,816,989
Earnings per share					
	Basic earnings per share of the Company (Baht)	0.115	0.091	0.135	0.110
	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 YEAR ENDED DECEMBER 31, 2018

Consolidated financial statements													
Unit : Baht													
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 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	Other comprehensive income			Total	Shareholders' Equity
									Retained earnings (deficits)	Equity attributable to equity holders of the parent	Other components of shareholders' equity		
	699,999,021	902,769,092	69,999,902	(626,766,440)	(3,258,930)	360,580,334	861,442,927	-	1,932,396	1,220,696,727	2,266,698,302	698,499,407	2,965,197,709
	-	-	-	(139,999,325)	-	-	-	-	-	-	(139,999,325)	-	(139,999,325)
	-	-	-	-	-	-	-	13,148,506	-	13,148,506	13,148,506	(13,534,219)	(385,713)
	-	-	-	-	-	-	-	-	-	-	-	43,402,170	43,402,170
	-	-	-	322,712,582	-	-	-	-	2,562,116	2,562,116	325,274,698	(25,227,803)	300,046,895
	699,999,021	902,769,092	69,999,902	(444,053,183)	(3,258,930)	360,580,334	861,442,927	13,148,506	4,494,512	1,236,407,349	2,465,122,181	703,139,555	3,168,261,736
	699,999,021	902,769,092	69,999,902	(490,446,346)	(3,258,930)	360,580,334	861,442,927	-	1,932,396	1,220,696,727	2,403,018,396	729,626,545	3,132,644,941
	-	-	-	(391,995,588)	-	-	-	-	-	-	(391,995,588)	(24,108)	(392,019,696)
	-	-	-	255,675,494	-	-	-	-	-	-	255,675,494	(31,103,030)	224,572,464
	699,999,021	902,769,092	69,999,902	(626,766,440)	(3,258,930)	360,580,334	861,442,927	-	1,932,396	1,220,696,727	2,266,698,302	698,499,407	2,965,197,709

.....Director
(Narong Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

Unit: Baht

	Separate financial statements									
	Notes	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Retained earnings		Total other components of shareholders' equity			Shareholders' Total Equity
					Unappropriated	Appropriated	Other comprehensive income	Actuarial gains		
Balance as at January 1, 2018		699,999,021	902,769,092	69,999,902	178,963,119	1,255,300				1,852,986,434
Changes in shareholders' equity for the year:										
Dividend paid	20	-	-	-	(139,999,325)	-				(139,999,325)
Total comprehensive income for the year		-	-	-	377,601,331	1,007,376				378,608,707
Balance as at December 31, 2018		699,999,021	902,769,092	69,999,902	416,565,125	2,262,676				2,091,595,816
Balance as at January 1, 2017		699,999,021	902,769,092	69,999,902	259,141,718	1,255,300				1,933,165,033
Changes in shareholders' equity for the year:										
Dividend paid	20	-	-	-	(391,995,588)	-				(391,995,588)
Total comprehensive income for the year		-	-	-	311,816,989	-				311,816,989
Balance as at December 31, 2017		699,999,021	902,769,092	69,999,902	178,963,119	1,255,300				1,852,986,434

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.....Director
(Narong Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash Flows from Operating Activities				
Profit before income tax expenses	307,443,384	262,071,471	383,904,246	319,126,053
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	142,210,327	138,031,869	67,926,968	63,887,225
Amortization of computer softwares	1,088,507	1,284,041	961,361	1,181,125
(Gain) loss on disposal asset	8,283,509	(150,119,674)	5,554,089	(242,539)
Unrealized (gain) loss on investments in Open-end Fund	(1,210,161)	(1,230,423)	(237,948)	177,294
Allowance for doubtful accounts	2,782,107	-	-	-
Reversal allowance for devaluation of inventories	(5,875,665)	(8,736,322)	-	-
(Reversal) Impairment loss on asset	11,526,420	1,959,996	(5,873,580)	1,959,996
Share of loss from investment in associate	2,637,337	3,708,956	-	-
Dividend income	-	-	(10,000,000)	(14,975,893)
Unrealized gain on exchange rates	-	(5,109,833)	-	-
Non-current provisions for employee benefits	5,048,351	4,283,908	3,119,214	2,363,049
Interest income	(3,275,786)	(4,118,609)	(212,571)	(259,597)
Interest expenses	1,743	1,584,781	-	-
Gain from operating activities before changes				
in operating assets and liabilities	470,660,073	243,610,161	445,141,779	373,216,713
Changes in operating assets - (increase) decrease				
Trade and other receivables	13,240,825	202,492,841	(25,047,276)	14,719,146
Unbilled receivables	26,747,176	184,039	-	-
Inventories	(83,285,752)	100,662,436	(25,965,093)	(78,117,362)
Advance payment to subcontractors	-	(4,719,964)	-	-
Deposit for purchase of assets	23,239,872	(28,026,351)	(1,395,000)	(6,499,200)
Other non-current assets	10,317,699	5,774,656	6,496,200	5,227,773

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in operating liabilities - increase (decrease)				
Trade and other payables	25,265,359	2,784,076	(6,240,615)	10,249,065
Advance received and deferred construction revenue	(7,061,781)	3,374,069	-	-
Retention payables	(2,452,520)	969,159	-	-
Cash provided by operating activities	476,670,951	527,105,122	392,989,995	318,796,135
Payment for employee benefit obligations	(4,308,972)	(3,107,065)	(2,956,753)	(2,611,155)
Refund of income tax	895,283	2,480,713	-	-
Income tax paid	(19,928,518)	(34,217,085)	(8,613,365)	(8,933,649)
Net cash provided by operating activities	453,328,744	492,261,685	381,419,877	307,251,331
Cash Flows from Investing Activities				
Increase in restricted deposits at financial institution	(1,000,000)	(16,147,896)	-	-
Interest received	2,263,946	2,041,657	212,571	259,597
Increase (decrease) in current investments	(83,879,430)	(159,507,750)	(119,991,823)	152,024,414
Dividend income from investments in subsidiary	-	-	10,000,000	14,975,893
Payment for investment in subsidiary	(135,056,528)	-	(135,056,528)	-
Payment for purchases of assets	(281,659,772)	(290,514,274)	(21,508,963)	(83,648,314)
Payment for purchases of intangible assets	(5,623,316)	(128,812)	(5,413,400)	(128,812)
Proceeds from disposal of assets	11,256,819	329,979,595	780,809	699,362
Proceeds from disposal of intangible assets	311,628	-	311,628	-
Net cash provided by (used in) investing activities	(493,386,653)	(134,277,480)	(270,665,706)	84,182,140
Cash Flows from Financing Activities				
Increase in bank overdrafts and short-term loans from financial institutions	-	(128,000,000)	-	-
Interest paid	(1,743)	(1,439,172)	-	-
Cash received from increase in share capital	178,072,982	-	-	-
Dividend payment	(139,982,021)	(391,995,588)	(139,982,021)	(391,995,588)
Subsidiary's dividend paid to non-controlling interests	-	(24,108)	-	-
Net cash provided by (used in) financing activities	38,089,218	(521,458,868)	(139,982,021)	(391,995,588)
Net decrease in cash and cash equivalents	(1,968,691)	(163,474,663)	(29,227,850)	(562,117)
Cash and cash equivalents at beginning of the years	127,687,497	291,162,160	55,498,164	56,060,281
Cash and cash equivalents at end of the years	125,718,806	127,687,497	26,270,314	55,498,164
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	8,725,579	21,391,741	1,184,839	3,393,615

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

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

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

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

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543.

The financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements included the financial statements of the Company and its subsidiaries (“the Group”) equity in associate by shareholding in subsidiaries and associate as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			2018	2017
Subsidiaries directly held by the Company				
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	Thailand	100.00	99.84
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	Thailand	61.77	59.59
Subsidiaries held by AI Energy Public Company Limited				
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	Thailand	100.00	100.00
AI Ports and Terminals Company Limited	Servicing port (At present temporarily halted main business operation and in the process of preparing a business plan.)	Thailand	100.00	100.00
Associate				
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	Thailand	25.10	25.10

- b) The Company is deemed to have control over an investee or subsidiaries if the Company has rights, or is exposed, to variable returns from its involvement with the investee, and the Company has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Significant balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

The separate financial statements, which presented investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

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

During the year 2018, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 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 standards that will become effective for fiscal years beginning on or after January 1, 2019

During the year 2018, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

The Company and subsidiaries recognize revenues from sales and services when the significant risks and rewards of ownership of the goods have passed to the buyer, and services are already rendered to customers.

Subsidiary recognizes revenues from construction contract under percentage of completion method. Current portion of additional income and other contracts with working period within one year are recognized in proportion to the completed construction and being billed for collection.

Subsidiary recognizes revenues from vessel operating on the proportion of time travelled compared with the total time to be taken of that trip.

Subsidiary recognizes revenues from loading of goods, revenue from warehousing and other services when those services are already rendered.

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

The Company and subsidiaries recognize other revenues and expenses on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at the financial institutions due not more than 3 months from the date of acquisition with no obligation.

3.3 Short-term investments

Current investments consist of bank deposits over 3 months and up to 1 year.

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of trading securities disposed during the year is calculated by the weighted average method.

3.4 Trade and other accounts receivable

Trade and other accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

3.5 Receivable under finance lease contracts

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

3.6 Unbilled receivables / Deferred construction revenue

Unbilled receivables consist of the cost of materials and labour, cost of sub-contract, other services and expenses including both net profit or loss computed net from the amount collected from customers.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

The contracts which have construction value more than amount billed to customers will be presented under current assets. For those contracts which have the amount billed more than the construction value will be presented as “Deferred construction revenue” under current liabilities.

3.7 Inventories

Finished goods and raw materials are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

Goods in process are stated at average cost of raw materials plus wages and manufacturing expenses.

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

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

3.8 Oil supplies

Oil supply is valued at the lower of cost by the weighted average method and net realizable value and is charged to vessel operating costs whenever consumed.

3.9 Investments

Investments in associate mean that company in which the Group has shareholding and significant influence over the Group. That is, the parent company has power to participate in determining the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associate are stated by equity method for the consolidation and by cost method after provision for diminution in investment for the separate financial statements.

Investments in subsidiaries mean those companies in which the parent company in the Group, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries are stated by cost method for the separate financial statements.

Cost of investments in subsidiaries disposed during the year is calculated by the weighted average method.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.10 Property, plant, vessel and equipment

Property, plant, vessel and equipment are stated at cost. Depreciation for land improvement, plant, vessel and equipment is calculated by the straight-line method based on the estimated useful life of following assets:

Particulars	Useful Life (Years)	
	Consolidated	Separate Financial Statements
No depreciation is provided on land and assets under construction and installation		
Land improvement	5 - 10	5
Building and structures	5 - 40	10 - 20
Building improvement	10 - 20	20
Utility systems	5 - 20	5
Machinery, accessories and tools	5 - 20	5 - 10
Vessel and improvement	3 - 10	-
Office furniture and equipment	5	5
Motor vehicles	5 - 20	5

3.11 Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.12 Intangible assets and amortization

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year end. The amortization expense is charged to the income statement.

Computer system development and computer software to be amortized to expense by the straight-line method for 5 years.

The right of natural gas distribution system to be amortized to expense by the straight-line method for 10 years.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.13 Income Taxes

Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realized in future period when the income is realized, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilize these assets.

At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

Income tax expenses

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

3.14 Non-current provisions for employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.15 Basic earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of issued common shares during the year.

3.16 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

3.17 Significant accounting judgments and estimates

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Impairment of investments

Management assesses the impairment of investments in subsidiaries company by considering the operating result and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

Allowances for impairment of assets

The Company and subsidiaries consider asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of recoverable amount is requires judgment. An impairment loss is recognized as an expense in the income statement.

Property, plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Deferred tax assets

The Company and subsidiaries recognized deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

4. TRANSACTIONS WITH RELATED PARTIES

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

Details of the related parties are as follows:

Name	Nature of business	Nature of relationships
Subsidiaries directly held by the Company		
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	100.00 % holding of interest
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77 % holding of interest
Subsidiaries held by AI Energy Public Company Limited		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00 % holding of interest
AI Ports and Terminals Company Limited	Servicing port (At present temporarily halted main business operation and in the process of preparing a business plan.)	100.00 % holding of interest
Associate		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	25.10 % holding of interest
Related companies		
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2018 and 2017 were as follows:

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
Pricing Policy		2018	2017	2018	2017	
Sales of products and raw materials						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	1,995,731	2,300,102	1,995,731	2,300,102
	AI Engineering Services Co., Ltd.	Market Price	-	-	1,859	1,566,423
Sales of hybrid clay						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	55,627,887	84,067,110	55,627,887	84,067,110
Dividend income						
	AI Engineering Services Co., Ltd.	As declared	-	-	10,000,000	14,975,893
Other income - rental and services						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	536,264	570,400	536,264	570,400
	AI Engineering Services Co., Ltd.	Mutually agreed	-	-	1,163,514	1,299,946
	AI Energy Public Co., Ltd.	Mutually agreed	-	-	974,094	1,181,685
	AI Logistics Co., Ltd.	Mutually agreed	-	-	571,639	638,376
	AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	196,345	223,838
Purchases goods						
	PPC Asian Insulators Co., Ltd.	Market Price	422,348	7,902,900	422,348	7,902,900
	Samart Palm Industry Co., Ltd.	Market Price	-	19,919,742	-	-
Repurchases of scrap clay						
	PPC Asian Insulators Co., Ltd.	Mutually agreed	21,155,949	31,923,662	21,155,949	31,923,662

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December, 31 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	48,920,385	66,298,954	28,449,679	44,117,874
Long-term post-employment benefits	962,832	864,909	410,112	419,227
Total directors and management's remuneration	49,883,217	67,163,863	28,859,791	44,537,101

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivable				
PPC Asian Insulators Co., Ltd.	10,160,710	8,435,279	10,160,710	8,435,279
Other current receivables				
PPC Asian Insulators Co., Ltd.	94,588	98,425	94,588	98,425
AI Engineering Services Co., Ltd.	-	-	7,097	7,684
AI Logistics Co., Ltd.	-	-	1,608	1,128
Trade payable				
PPC Asian Insulators Co., Ltd.	9,336,573	6,088,232	9,336,573	6,088,232

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	270,000	290,000	85,000	105,000
Deposit at bank - saving	123,612,418	125,492,816	25,436,669	54,584,819
- current	867,951	958,345	748,645	808,345
Fixed deposits due within 3 months	968,437	946,336	-	-
Total cash and cash equivalents	125,718,806	127,687,497	26,270,314	55,498,164

6. CURRENT INVESTMENTS

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Investment in Open-end Fund-Debt securities	557,352,207	473,626,841	250,159,647	130,167,824
<u>Add Unrealized gains on changes in fair value</u> of investments	4,632,394	3,115,486	997,466	759,518
Investment in Open-end Fund-Fair value	561,984,601	476,742,327	251,157,113	130,927,342
Fixed deposits	316,622	469,305	-	-
Total short-term investments	562,301,223	477,211,632	251,157,113	130,927,342

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Trade receivable - related parties	10,160,710	8,435,279	10,160,710	8,435,279
Trade receivable - state enterprises	117,589,616	114,882,732	117,589,616	87,823,185
Trade receivables - other	110,129,062	128,159,970	3,581,814	11,496,788
Total trade receivables	237,879,388	251,477,981	131,332,140	107,755,252
Less Allowance for doubtful accounts	(11,109,938)	(8,327,831)	-	-
Total trade receivables - net	226,769,450	243,150,150	131,332,140	107,755,252
Other current receivables				
Other receivables - related parties	94,588	98,425	103,293	107,237
Prepaid insurance	2,630,902	1,112,337	1,178,090	-
Prepaid expense	1,439,955	2,753,868	595,880	1,722,545
Deposit for inventories	1,916,887	554,008	1,916,887	554,008
Revenue Department receivable	718,806	1,508,230	321,763	261,736
Advance payment to subcontractors	249,678	8,499,400	-	-
Others	635,434	1,042,846	-	-
Total other current receivables	7,686,250	15,569,114	4,115,913	2,645,526
Less Allowance for doubtful accounts	(306,350)	(306,350)	-	-
Total other current receivables - net	7,379,900	15,262,764	4,115,913	2,645,526
Total trade and other current receivables - net	234,149,350	258,412,914	135,448,053	110,400,778

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Related parties				
Current	3,758,363	6,610,454	3,758,363	6,610,454
Overdue				
Within 3 months	6,402,347	1,824,825	6,402,347	1,824,825
Total	10,160,710	8,435,279	10,160,710	8,435,279
State enterprises				
Current	117,589,616	114,334,472	117,589,616	87,491,065
Overdue				
Within 3 months	-	383,060	-	166,920
Over 3 months to 12 months	-	165,200	-	165,200
Total	117,589,616	114,882,732	117,589,616	87,823,185
Other				
Current	96,128,364	112,486,560	3,532,166	7,317,614
Overdue				
Within 3 months	2,890,760	7,345,579	49,648	4,179,174
Over 6 months to 12 months	2,782,107	-	-	-
Over 12 months	8,327,831	8,327,831	-	-
Total	110,129,062	128,159,970	3,581,814	11,496,788
<u>Less Allowance for doubtful accounts</u>	(11,109,938)	(8,327,831)	-	-
Total trade receivables - net	226,769,450	243,150,150	131,332,140	107,755,252



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

8. RECEIVABLE UNDER FINANCE LEASE CONTRACTS - NET

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

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Due within one year		
Value of minimum lease payment receivable	-	9,630,000
Deferred revenue - finance lease	-	(1,011,840)
Present value of minimum lease payment receivable	-	8,618,160

As at December 31, 2017, the subsidiary made finance lease contracts for hire-purchase Vessel with a company. These agreements are repayable in 24 equal monthly installments. The ownership of assets purchased under hire-purchase agreements has been transferred to buyer in November 2018. (interest income from finance lease contract had been recorded in the other income)

9. UNBILLED RECEIVABLES/ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

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

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Unbilled receivables		
Contract value	135,757,103	380,782,700
Recognition of income by the percentage of completion	126,692,409	380,782,700
<u>Less</u> Value of billing construction	(116,556,987)	(343,900,102)
Total	10,135,422	36,882,598
Advance received and deferred construction revenue		
Contract value	-	134,927,103
Value of billing construction	-	13,361,795
<u>Less</u> Recognition of income by the percentage of completion	-	(6,300,014)
Total	-	7,061,781

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

10. INVENTORIES - NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials	226,289,553	167,177,541	133,391,638	116,566,027
Work in process	106,907,067	92,609,922	37,703,345	36,330,373
Finished goods	102,494,264	83,310,412	52,504,147	33,141,714
Supplies	8,940,982	6,269,951	705,406	732,256
Goods in transit	8,137,151	19,706,224	8,137,151	19,706,225
Total	452,769,017	369,074,050	232,441,687	206,476,595
Less Allowance for devaluation of inventories	(7,473,744)	(13,349,410)	(4,723,744)	(4,723,745)
Total inventories - net	445,295,273	355,724,640	227,717,943	201,752,850

11. OIL SUPPLIES

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

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Bunker oil	1,337,967	1,558,302
Lubricants	232,899	421,780
Total oil supplies	1,570,866	1,980,082

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

12. INVESTMENTS IN ASSOCIATED COMPANY - NET

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

Company	Nature of business	Percentage of investment (%)		Unit: Baht		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017	Equity method	Cost method	2018	2017
				Issued share capital					
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	25.10	25.10	263,000,000	263,000,000	-	2,637,337	66,000,000	66,000,000
	Less Provision for diminution in investment					-	-	(66,000,000)	(66,000,000)
	Total investments in associate - net					-	2,637,337	-	-

The consolidated and separate financial statements for the years ended December 31, 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 audited by an auditor. The carrying value of the investment in the consolidated financial statements as at December 31, 2018 and 2017 amounted to Baht 0.00 million and amounted to Baht 2.64 million, respectively, representing 0.00% and 0.08% of total assets in the consolidated financial statements.

The equity of net loss of the associated company in the consolidated financial statements for the years ended December 31, 2018 and 2017 amounted to Baht 2.64 million and Baht 3.71 million, respectively, representing 0.90 and 1.65% of consolidated net profit, respectively.

As at December 31, 2018 and 2017, the management of the Company has considered the net realizable value from investments in associate and passed a resolution to set up fully provision for diminution of investment in associate in the separate financial statements

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

The following is summarized financial information relating to an entity's interest in an associate company were as follows:

	Unit : Baht	
	PPC Asian Insulators Company Limited	
	2018	2017
Current assets	77,451,120	85,713,383
Non-current assets	102,408,044	117,570,709
Current liabilities	(191,221,262)	(190,447,555)
Non-current liabilities	(2,955,678)	(2,329,218)
Net assets (liabilities)	(14,317,776)	10,507,319
Revenues	138,818,998	192,806,367
loss for the years	(33,998,573)	(4,651,760)

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

	Uni : Baht	
	PPC Asian Insulators Company Limited	
	2018	2017
Net assets (liabilities) of associate company	(14,317,776)	10,507,319
Ownership interest (%)	25.10	25.10
Carrying amount of interest in an associate company	-	2,637,337

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2018 and 2017, and dividend income from the investment during the years ended December 31, 2018 and 2017, consisted of:

Company	Nature of business	Percentage of investment (%)		Separate financial statements				
		2018	2017	Issued share capital		Dividend		
		2018	2017	2018	2017		2018	2017
Subsidiaries directly held by the Company								
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	100.00	99.84	200,000,000	197,385,741	197,000,025	10,000,000	14,975,893
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	59.59	1,130,000,000	800,225,969	665,555,157	-	-
Subsidiaries held by AI Energy Public Company Limited								
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209,000,000	-	-	-	-
AI Ports and Terminals Company Limited	Servicing port (At present temporarily halted main business operation and in the process of preparing a business plan.)	100.00	100.00	460,000,000	-	-	-	-
Total investments in subsidiaries				997,611,710	862,555,182	10,000,000	14,975,893	

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

		Unit : Baht		
		December 31, 2018		
Name of subsidiary	Nature of business	Ownership interests held by NCI (percentage)	Comprehensive	Accumulated
			loss attributable to Non-controlling interest	Non-controlling interest
Subsidiaries directly held by the Company				
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power	0.00	-	-
AI Energy Public Company Limited	Sub-station and trading electrical equipment Producing and distributing biodiesel, vegetable oil and other fuel oil	38.23	25,227,803	703,139,555
Total			25,227,803	703,139,555

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

	Unit: Baht				
	AI Engineering Services Company Limited	AI Energy Public Company Limited	AI Logistics Company Limited	AI Ports and Terminals Company Limited	Total
As at December 31, 2018					
Current assets	242,795,048	361,336,535	8,107,242	266,347,398	878,586,223
Non-current assets	1,629,878	1,665,245,986	19,932,493	177,560,566	1,864,368,923
Current liabilities	(8,312,954)	(263,780,230)	(2,463,257)	(157,654)	(274,714,095)
Non-current liabilities	(1,621,138)	(7,588,203)	(312,837)	(368,101)	(9,890,279)
Net assets	234,490,834	1,755,214,088	25,263,641	443,382,209	2,458,350,772
Net assets attributable to					
Non-controlling interests	-	703,139,555	-	-	703,139,555
For the year ended December 31, 2018					
Revenues	127,502,997	1,512,323,819	55,141,119	3,888,466	1,698,856,401
Total comprehensive loss for the year					
attributable to non-controlling interests	-	25,227,803	-	-	25,227,803
Net cash provided by (used in)					
Operating activities	52,560,082	37,085,145	(5,862,374)	(11,873,986)	71,908,867
Investing activities	(10,152,962)	(259,741,755)	9,828,144	7,781,352	(252,285,221)
Financing activities	(10,000,000)	217,636,032	(278)	(241)	207,635,513
Cash increase (decrease) - net	32,407,120	(5,020,578)	3,965,492	(4,092,875)	27,259,159

14. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee. (Note 29.1)

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

15. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

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

		Consolidated financial statements															
		Unit : Baht															
		Land		Building and building improvement		Machinery, accessories and tools		Vessel and improvement		Office furniture and equipment		Motor vehicles		Fixed assets under construction and installation		Total	
At cost																	
As at December 31, 2017		236,132,190	47,413,220	866,522,705	70,599,507	1,432,947,775	124,165,750	32,535,291	48,628,959	242,285,888	3,101,231,285						
Purchases during year		-	3,100,000	3,593,990	433,412	15,570,158	-	1,502,945	-	265,000,006	289,200,511						
Transfers in (Transfer out) during year		-	-	2,928,274	176,248	43,247,934	-	893,275	-	(47,245,731)	-						
Disposal / written off during year		-	(670,006)	(956,996)	-	(31,621,124)	-	(7,304,063)	(3,507,166)	-	(44,059,355)						
As at December 31, 2018		236,132,190	49,843,214	872,087,973	71,209,167	1,460,144,743	124,165,750	27,627,448	45,121,793	460,040,163	3,346,372,441						
Accumulated Depreciation																	
As at December 31, 2017		-	21,968,339	323,884,333	40,838,003	716,586,677	102,606,222	28,969,642	24,350,036	-	1,259,203,252						
Depreciation for the year		-	2,947,447	34,652,416	5,405,736	91,649,058	1,829,821	1,728,864	2,867,985	-	141,081,327						
Depreciation - disposals for the year		-	(670,005)	(478,531)	-	(22,760,856)	-	(7,188,975)	(3,050,659)	-	(34,149,026)						
As at December 31, 2018		-	24,245,781	358,058,218	46,243,739	785,474,879	104,436,043	23,509,531	24,167,362	-	1,366,135,553						
Book value																	
As at December 31, 2017		236,132,190	25,444,881	542,638,372	29,761,504	716,361,098	21,559,528	3,565,649	24,278,923	242,285,888	1,842,028,033						
As at December 31, 2018		236,132,190	25,597,433	514,029,755	24,965,428	674,669,864	19,729,707	4,117,917	20,954,431	460,040,163	1,980,236,888						
Allowances for impairment of assets																	
As at December 31, 2017											(7,950,188)						
Increase during year											(17,400,000)						
Disposal during year											5,873,580						
As at December 31, 2018											(19,476,608)						
Property, plant, vessel and equipment - net																	
As at December 31, 2017											1,834,077,845						
As at December 31, 2018											1,959,631,280						

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit : Baht

Separate financial statements

	Land	Land improvement	Building and building improvement	Utility system	Machinery, accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
At cost									
As at December 31, 2017	61,576,168	14,822,060	444,015,326	20,849,191	661,706,130	23,121,699	12,824,623	34,947,968	1,273,863,165
Purchases during year	-	-	193,000	83,412	8,322,640	1,080,248	-	11,829,663	21,508,963
Transfers in (Transfer out) during year	-	-	792,560	-	41,812,170	893,275	-	(43,498,005)	-
Disposal /written off during year	-	(670,006)	-	-	(25,165,964)	(6,287,074)	(7,166)	-	(32,130,210)
As at December 31, 2018	61,576,168	14,152,054	445,000,886	20,932,603	686,674,976	18,808,148	12,817,457	3,279,626	1,263,241,918
Accumulated Depreciation									
As at December 31, 2017	-	14,822,032	200,153,339	19,603,767	431,209,582	21,230,256	8,023,146	-	695,042,122
Depreciation for the year	-	-	19,731,001	425,300	46,235,723	766,914	768,030	-	67,926,968
Depreciation - disposals for the year	-	(670,005)	-	-	(18,940,679)	(6,177,467)	(7,160)	-	(25,795,311)
As at December 31, 2018	-	14,152,027	219,884,340	20,029,067	458,504,626	15,819,703	8,784,016	-	737,173,779
Book value									
As at December 31, 2017	61,576,168	28	243,861,987	1,245,424	230,496,548	1,891,443	4,801,477	34,947,968	578,821,043
As at December 31, 2018	61,576,168	27	225,116,546	903,536	228,170,350	2,988,445	4,033,441	3,279,626	526,068,139
Allowances for impairment of assets									
As at December 31, 2017	-	-	-	-	-	-	-	-	(7,950,188)
Increase during year	-	-	-	-	-	-	-	-	5,873,580
As at December 31, 2018	-	-	-	-	-	-	-	-	(2,076,608)
Property, plant, vessel and equipment - net									
As at December 31, 2017	61,576,168	28	243,861,987	1,245,424	230,496,548	1,891,443	4,801,477	34,947,968	578,821,043
As at December 31, 2018	61,576,168	27	225,116,546	903,536	228,170,350	2,988,445	4,033,441	3,279,626	526,068,139

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the year ended December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sale and service	118,566,532	115,996,565	60,655,049	55,913,896
Selling and administrative expenses	23,643,795	22,035,304	7,271,919	7,973,329
	142,210,327	138,031,869	67,926,968	63,887,225

As at December 31, 2018 and 2017 interest incurred on loans used for a Purify Glycerin project of AI Energy Public Company Limited (“the subsidiary”) totaling to Baht 1.37 million and Baht 1.67 million, respectively, have been capitalized as part of cost of construction in process.

The gross carrying amounts of assets were fully depreciated but these items are still in active use by the Company and subsidiaries as at December 31, 2018 and 2017, in the consolidate financial statement totaling approximately Baht 394.56 million and Baht 400.06 million, respectively, and in the separate financial statements totaling approximately Baht 243.65 million and Baht 248.03 million, respectively.

The subsidiary, AI Ports and Terminals Co., Ltd, due to at present temporarily halted main business. Management has assessed the appropriateness of the valuation of the property, plant and equipment of the subsidiary from the cessation by uses of the work of the independent appraiser that the company uses to evaluate the fair value of assets and considered to set up the allowance for impairment amount of Baht 17.40 million, in financial statements for the year ended December 31, 2018.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

16. INTANGIBLE ASSETS - NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	Computer system development and computer software	The right of natural gas distribution system	Computer system development and computer software	The right of natural gas distribution system
	Total	Total	Total	Total
At cost				
As at December 31, 2017	22,132,184	-	22,132,184	21,134,691
Purchases during year	523,316	5,100,000	5,623,316	5,100,000
Disposals during the year	(511,550)	-	(511,550)	-
As at December 31, 2018	22,143,950	5,100,000	27,243,950	5,100,000
Accumulated Depreciation				
As at December 31, 2017	20,693,910	-	20,693,910	19,934,440
Amortization for the year disposal during the year	(199,922)	-	(199,922)	(199,922)
As at December 31, 2018	21,181,481	401,014	21,582,495	401,014
Book value				
As at December 31, 2017	1,438,274	-	1,438,274	1,200,251
As at December 31, 2018	962,469	4,698,986	5,661,455	4,698,986

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

17. TRADE AND OTHER CURRENT PAYABLES

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables				
Trade payables - related parties	9,336,573	6,088,232	9,336,573	6,088,232
Trade payables - others	127,492,359	90,958,548	27,388,354	46,379,820
Total trade payables	136,828,932	97,046,780	36,724,927	52,468,052
Other current payables				
Payables for purchase of assets	8,725,579	21,391,741	1,184,839	3,393,615
Other payables	3,875,367	4,409,847	-	-
Advances received for goods	16,527,214	1,609,171	16,515,874	1,605,638
Accrued bonus	96,716	-	-	-
Electricity payable	3,937,796	4,152,362	1,329,493	1,158,436
Fine from the delay of work	-	4,928,952	-	-
Accrued expenses	5,815,456	15,635,229	2,932,984	7,519,176
Retention	9,128,744	5,414,708	-	-
Revenue Department payables	13,897,704	13,702,682	6,475,130	4,655,997
Advance received for vessel operating services	612,138	-	-	-
Others	825,836	1,600,039	402,845	988,491
Total other current payables	63,442,550	72,844,731	28,841,165	19,321,353
Total trade and other current payables	200,271,482	169,891,511	65,566,092	71,789,405

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Non-current provisions for employee benefits				
at beginning of year	30,497,149	29,320,306	18,525,690	18,773,796
Included in profit or loss:				
Current service cost	4,379,705	3,684,189	2,647,370	1,988,484
Interest cost	668,646	599,719	471,844	374,565
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(545,649)	-	804,376	-
Experience adjustments	(3,561,367)	-	(2,063,596)	-
Benefit paid during the year	(4,308,972)	(3,107,065)	(2,956,753)	(2,611,155)
Non-current provisions for employee benefits				
at end of year	<u>27,129,512</u>	<u>30,497,149</u>	<u>17,428,931</u>	<u>18,525,690</u>

Employee benefit expenses in profit or loss for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Cost of sales	3,547,073	2,994,464	2,534,668	1,851,148
Selling expenses	39,185	269,640	-	-
Administrative expenses	1,462,093	1,019,804	584,546	511,901
Total employee benefit expenses	<u>5,048,351</u>	<u>4,283,908</u>	<u>3,119,214</u>	<u>2,363,049</u>

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

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.16 - 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

The results of sensitivity analysis for significant assumptions that affect the present value of the Non-current provisions employee benefits as at December 31, 2018 are summarized below:

	Unit: Baht			
	Change of the present value of the Non-current provisions for employee benefits			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2,476,799)	2,819,891	(1,661,557)	1,462,531
Salary increase rate	2,907,618	(2,604,139)	1,957,973	(1,445,064)
Turnover rate	(2,641,894)	1,672,679	(1,768,515)	858,859

As at December 31, 2018, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	758,462	393,534
Over 1 and up to 5 years	17,640,377	13,750,674
Over 5 and up to 10 years	51,949,945	35,482,365

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 5.03 million. The Group will reflect the effect of the change by recognizing past service costs as expenses in the income statement of the period in which the law is effective.

19. 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.

20. 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

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

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

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

21. 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)

22. DEFERRED TAX

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

	Unit : Baht						
	Consolidated financial statements			Separate financial statements			
	Other		Other		Other		
As at January 1, 2018	Profit (loss)	comprehensive loss	As at December 31, 2018	As at January 1, 2018	Profit (loss)	comprehensive loss	As at December 31, 2018
Deferred tax assets							
Allowance for doubtful trade	149,150	556,421	-	705,571	-	-	-
accounts receivable							
Allowance for devaluation of inventories	944,749	-	-	944,749	944,749	-	944,749
Allowance for impairment of assets	1,590,038	(1,174,716)	-	415,322	1,590,038	(1,174,716)	415,322
Allowance for diminution in non-current assets held for sale							
Non-current provisions for employee benefits	6,018,990	126,200	(855,475)	5,289,715	3,705,138	32,492	3,485,786
Tax loss carries forward	8,127,274	(3,982,104)	-	4,145,170	-	-	-
Revenues treated as revenues under the Revenue Code	-	2,497,320	-	2,497,320	-	2,497,320	2,497,320
Total	16,830,201	(1,976,879)	(855,475)	13,997,847	6,239,925	1,355,096	7,343,177
Deferred tax liability							
Unrealized gain on investments in Open-end Fund	(433,447)	(242,032)	-	(675,479)	(151,904)	(47,589)	(199,493)
Depreciation	(4,609,418)	176,825	-	(4,432,593)	-	-	-
Total	(5,042,865)	(65,207)	-	(5,108,072)	(151,904)	(47,589)	(199,493)
Deferred tax assets - net	11,787,336	(2,042,086)	(855,475)	8,889,775	6,088,021	1,307,507	7,143,684

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit: Baht

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

As at December 31, 2018 and 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 4.15 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.



..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

23. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2018 and 2017 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current tax expense				
Current year	(8,605,944)	(35,285,794)	(7,610,422)	(7,697,533)
Deferred tax expense				
Movement in temporary differences	(2,042,086)	(2,213,213)	1,307,507	388,469
Total	(10,648,030)	(37,499,007)	(6,302,915)	(7,309,064)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit before income tax expense		307,443,384		262,071,471
Income tax using the corporate tax rate	20	(61,488,677)	20	(52,414,294)
Exemption from income tax on profit revived from BOI		69,923,380		53,782,876
Non-taxable income		1,220,187		1,747,264
Double expenses by the Revenue Code		533,790		1,772,698
Non-deductible expenses		(6,748,991)		(2,328,407)
Tax loss carried forward		-		1,493,542
Unused current tax loss*		(13,560,252)		(40,810,895)
Income tax in share of loss in associate		(527,467)		(741,791)
Income tax expense	4	(10,648,030)	14	(37,499,007)

* The subsidiaries have tax losses in 2018 and 2017 of Baht 67.80 million and Baht 204.05 million, respectively. Due to the uncertainty of the utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward in consolidated financial statements.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

	Separate financial statements			
	2018		2017	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit before income tax expense		383,904,246		319,126,053
Income tax using the corporate tax rate	20	(76,780,849)	20	(63,825,211)
Exemption from income tax on profit revived from BOI		69,923,380		53,782,877
Non-taxable income		2,000,000		2,995,179
Double expenses by the Revenue Code		107,495		407,719
Non-deductible expenses		(1,552,941)		(669,628)
Income tax expense	2	(6,302,915)	2	(7,309,064)

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.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
(Increase) decrease in change of				
finished goods and work in progress	(56,253,762)	72,586,531	(30,459,514)	(8,736,543)
Raw materials and consumables used	1,737,521,298	2,473,468,669	251,053,365	241,960,649
Construction materials and subcontractors	23,041,844	42,786,309	-	-
Purchase of goods for sale	31,161,215	30,545,749	31,163,074	31,951,161
Employee benefit expenses	186,750,794	186,699,746	108,994,319	102,076,240
Depreciation and amortization expenses	143,458,110	138,846,487	6,888,329	65,068,350
Reversal loss on devaluation of inventories	(5,875,665)	(8,736,322)	-	-
(Reversal) Loss on impairment of assets	11,616,420	2,300,824	(5,783,580)	1,959,996

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25. FOREIGN CURRENCY TRANSACTIONS

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

(Unit: Thousand)

Particulars	Consolidated financial statements				Separate financial statements			
	2018		2017		2018		2017	
	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	50.24	1,621.88	31.58	1,026.77	31.10	1,004.08	31.45	1,022.48
Total		1,621.88		1,026.77		1,004.08		1,022.48
Liabilities								
USD	304.60	9,968.91	1,120.57	36,797.00	253.74	8,275.52	1,059.83	34,802.09
EUR	-	-	50.00	1,969.69	-	-	50.00	1,969.69
Total		9,968.91		38,766.69		8,275.52		36,771.78

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..... Director

(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

26. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company and the subsidiary were granted promotional certificates as follows:

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
Asian Insulators Plc.	1025/2541	January 24, 2001	Producing porcelain insulators	January 23, 2009
	1115(2)/2548	February 28, 2005	Producing finished hybrid clay	February 27, 2013
	1116(2)/2549	January 30, 2009	Producing porcelain insulators	January 29, 2017
	1478(2)/2553	June 12, 2012	Producing porcelain insulators	June 11, 2020
AI Energy Public Co., Ltd.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
	2777(1)/2556	February 3, 2015	Producing biodiesel	February 2, 2023

5. Important privileges which are granted:

5.1 Exemption from corporate income tax on net profit of promotion operation for 8 years, the promotional certificates No. 1025/2541, 1922(1)/2553, 2777(1)/2556, Whereby the promotional certificates No.1115(2)/2548, 1116(2)/2549 and 1478(2)/2553 and have limited amount for corporate income tax exemption at maximum of Baht 11.01 million, Baht 75.18 million and Baht 495.91 million, respectively.

5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 throughout the promotional period of all promotional certificates.

5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption is expired as 5.1 for 5 years especially for promotional certificate No. 1025/2541, 1922(1)/2553 and 2777(1)/2556.

5.4 Allowance for double deduction of annual expenses of public utilities (electricity, water supply and transportation), commencing from the generating revenues date for 10 years of promotional certificate No. 1025/2541, 1922(1)/2553 and 2777(1)/2556.

5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.

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

..... Director

(Narong Thareranavibool)

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(Thanit Thareranavibool)

The Company and subsidiaries have revenue from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the years ended December 31, 2018 and 2017, as follows:

	Unit : Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
For the year ended December 31, 2018						
Revenue from sales of goods	2,135,638,782	226,439,288	2,362,078,070	789,555,020	113,292,263	902,847,283
Revenue from production contract	-	49,455,738	49,455,738	-	-	-
Revenue from construction contract	-	120,392,394	120,392,394	-	-	-
Revenue from vessel operating	-	54,109,552	54,109,552	-	-	-
Other incomes	-	22,238,279	22,238,279	-	9,913,526	9,913,526
Dividend income	-	-	-	-	10,000,000	10,000,000
Total	2,135,638,782	472,635,251	2,608,274,033	789,555,020	133,205,789	922,760,809
For the year ended December 31, 2017						
Revenue from sales of goods	2,705,139,452	307,618,771	3,012,758,223	701,172,964	136,846,712	838,019,676
Revenue from production contract	-	77,025,232	77,025,232	-	-	-
Revenue from construction contract	-	151,853,565	151,853,565	-	-	-
Revenue from vessel operating	-	32,920,936	32,920,936	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,569,707	156,569,707	-	-	-
Other incomes	-	27,105,477	27,105,477	-	9,916,541	9,916,541
Dividend income	-	-	-	-	14,975,893	14,975,893
Total	2,705,139,452	753,093,688	3,458,233,140	701,172,964	161,739,146	862,912,110

..... Director

(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

27. PROVIDENT FUND

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

The Company and subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of profit or loss for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Asian Insulators Public Company Limited	1,789,152	1,759,744	1,789,152	1,759,744
AI Engineering Services Company Limited	187,413	183,633	-	-
AI Energy Public Company Limited	1,457,438	1,295,267	-	-
AI Logistics Company Limited	32,730	26,316	-	-
Total	3,466,733	3,264,960	1,789,152	1,759,744



28. SEGMENT INFORMATION

The segmented information for the years ended December 31, 2018 and 2017 were as follows:

		Consolidated financial statements						
		For year ended December 31, 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 refind crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services		902,845	120,392	1,459,233	49,456	54,110	-	2,586,036
Cost of sales and services		(463,589)	(111,604)	(1,444,400)	(36,369)	(53,665)	-	(2,109,627)
Gross profit by segment		439,256	8,788	14,833	13,087	445	-	476,409
Other income								22,238
Selling expenses								(14,329)
Administrative expenses								(156,835)
Loss on impairment of property, plant and equipment								(17,400)
Finance costs								(2)
Share of loss from investments in associate								(2,637)
Income tax expenses								(10,648)
Profit for the year								296,796
Defined benefit plan actuarial gains - net of income tax								3,251
Total comprehensive income for the year								300,047
Equity holders of the parent								325,275
Non-controlling interests								(25,228)
Property, plant, vessel and equipment - net		523,992	171	1,238,901		19,912	176,655	1,959,631

..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements

For year ended December 31, 2017

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refind crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	836,453	151,854	2,176,305	77,025	32,921	-	3,274,558
Cost of sales and services	(463,326)	(135,553)	(2,295,831)	(62,981)	(40,771)	-	(2,998,462)
Gross profit (loss) by segment	373,127	16,301	(119,526)	14,044	(7,850)	-	276,096
Profit earned from the sale of non-current asset held for sale - net							156,570
Other income							27,105
Selling expenses							(19,010)
Administrative expenses							(173,396)
Finance costs							(1,585)
Share of loss from investments in associate							(3,709)
Income tax expenses							(37,499)
Profit for the year							224,572
Equity holders of the parent							255,675
Non-controlling interests							(31,103)
Property, plant, vessel and equipment - net	570,871	14	1,035,298		21,985	205,910	1,834,078

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(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

29. COMMITMENT AND CONTINGENT LIABILITIES

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

29.1 The Group has contingent liabilities on bank guarantees amounting to Baht 394.34 million, in 2018, and amounting to Baht 192.77, in 2017, issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

29.2 Group has contingent liabilities on capital commitments as follows:

	Contracted Balance			
	Consolidated		Separate financial statements	
	2018	2017	2018	2017
Capital commitments				
Contracted but not provided for				
Land improvement (Unit : Baht)	2,771,300	-	-	-
work in process :				
- building and utility systems (Unit : Baht)	6,870,512	9,217,482	2,324,558	2,899,827
- Machinery, accessories and tools (Unit : Baht)	12,874,350	25,729,648	3,504,360	5,314,048
work in process - Purify Glycerin project				
(Unit :Baht)	126,167,840	79,054,916	-	-
work in process - Purify Glycerin project				
(Unit :Euro)	-	146,400	-	-

29.3 AI Engineering Services Company Limited (“the subsidiary”) has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 5.33 million and Baht 91.12 million, respectively.

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

29.5 AI Energy Public Company Limited (“the subsidiary”) received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary predecessor auditor’s disclaimer of opinion in the subsidiary’s financial statements for the year 2014 (Before restated). The subsidiary’s former 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 predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings

..... Director
(Narong Thareratanavibool)

..... Director 57
(Thanit Thareratanavibool)

29.6 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.

29.7 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.

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

30.1 Risk from breach of contracts

Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.

The credit risk with respect to the concentration of trade accounts receivable consists of

- Revenue of the Company and its subsidiaries resulting from sale, production contract, construction contract and vessel operation to few major customers but very high proportion.
- Revenue of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.

For the financial assets shown in the statement of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

30.2 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

30.3 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

30.4 Fair value of financial instruments

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

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

..... Director

(Narong Tharateratanavibool)

..... Director

(Thanit Tharateratanavibool)

31. 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.

32. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No. 1/2019 held on February 26, 2019, passed a resolution to pay dividend for the year 2018 of Baht 0.12 per share for a total amount of Baht 336 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.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved to issue by the Company's Board of Directors on February 26, 2019.

