

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR' S REPORT
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2019

INDEPENDENT AUDITOR'S REPORT

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

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, 2019, 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, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, as at December 31, 2019, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. 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 opinion.

Emphasis of Matter

I draw attention as discussed in Note to Financial Statements No. 30.5, in case of the Securities and Exchange Commission of Thailand has filed a criminal complaint against two former directors and executives of the Subsidiary, AI Energy Public Company Limited, in case of the preparation of incorrect financial statements for the year 2014(Before restated), with the Department of Special Investigation for further legal proceedings. Presently, the investigation is still under the process. The legal opinion from an

independent law firm, dated November 11, 2019, has an opinion that the case is the criminal complaint against the former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way. Therefore, the Company's and the Subsidiary's management believes that final result investigation in such case does not have any significant impact on the Company's Consolidated financial statements. My opinion is not modified in respect of this matter.

Other Matter

I have audited the consolidated financial statements for the year ended December 31, 2018, whose report dated on February 26, 2019, which have been presented here in as comparative information, expressed the qualified opinion on the financial statements from the following matters:

1. The SEC has filed a criminal complaint against two former directors and executives of the Subsidiary, AI Energy Public Company Limited, in case of the preparation of incorrect financial statements for the year 2014 (Before restated), with the Department of Special Investigation for further legal proceedings. Presently, the investigation is still under the process.

Presently, the Company's and the Subsidiary's management and the independent law firm have an opinion that the case is the criminal complaint against the former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way, as described in the emphasis of matter paragraph.

2. Investment in the PPC Asian Insulators Company Limited, an associated company, was recorded for under the equity method based on financial statements of the associated company which had not been audited by an auditor, which have been presented here in as comparative information. At the end of year 2019, the Company does not have significant influence over the associated company. Therefore, the Company's management has classified the investment in associate as the other long-term investment which is recorded under at cost less allowance for impairment of investment.

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 year. 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, and I do not provide a separate opinion on these matters.

Recognition of revenue from sale of porcelain insulators and components

Risk

As mentioned in Note to Financial Statements No. 3, as at December 31, 2019, the Company has recognized the undelivered sale of porcelain insulators and components, in the amount of Baht 122.33 million, to a state enterprise customer who has already committed to the purchases. This is according to the customer's requested arrangement whereby the customer obtained control, 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 obtaining control of the goods, and the acceptance of liability by the customer, on a sampling basis to ensure the following:

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

Quantity of inventories in subsidiary

Risk

As mentioned in Note to the Consolidated Financial Statement No.9, as at December 31, 2019, AI Energy Public Company Limited, its subsidiary has outstanding inventories in amount of Baht 317.23 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 goods that contain intense price volatility. This volatility may lead to present 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 Subsidiary's inventory devaluation on the outstanding inventory.

Impairment of property, plant, vessel and equipment in subsidiaries

Risk

As at December 31, 2019, the Group has property, plant, vessel and equipment of two subsidiaries, AI Ports and Terminals Co., Ltd and AI logistics Co., Ltd, with a net book value of Baht 188.32 million, representing 5.23 percent of the Group's total assets, as described in Notes 15 to the consolidated financial statements. These subsidiaries still incur loss in the operation which is an indication of impairment of the property, plant, vessel and equipment. In determining the impairment loss, management had to exercise judgement with plans for management of assets, which directly affect the amount of allowance for impairment loss on such assets.

Auditor's response

I obtained an understanding of the Company's policy to determine the allowance for impairment of property, plant, vessel and equipment and assessed the assumptions applied in preparing plans and cash flow projections, based on the understanding I gained of the process by which the figures were arrived at. I 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 underlying assets, assessing the competency of the independent appraiser engaged, and evaluating the appropriateness of valuation methodology used by the independent appraiser for selling consideration purpose. I also evaluated the appropriateness of the recoverable amount and the key assumptions, including sales prices and discount rates which included comparing these inputs with externally derived data. Moreover, I reviewed the disclosures made with respect to the impairment assessment for property, plant, vessel and equipment.

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.

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 TSAs 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 24, 2020

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

Unit: Baht

Notes	Consolidated financial statements		Separate financial statements		
	2019	2018	2019	2018	
ASSETS					
Current assets					
Cash and cash equivalents	5	145,418,589	125,718,806	76,740,510	26,270,314
Current investments	6	314,718,084	562,301,223	76,804,288	251,157,113
Trade and other current receivables - net	4, 7	555,771,837	234,149,350	175,528,867	135,448,053
Short-term loans to subsidiary	4	-	-	250,000,000	-
Contract assets	8	-	10,135,422	-	-
Inventories - net	9	521,640,979	445,295,273	203,434,087	227,717,943
Oil supplies	10	746,210	1,570,866	-	-
Total current assets		1,538,295,699	1,379,170,940	782,507,752	640,593,423
Non-current assets					
Investments in associated company - net	11	-	-	-	-
Investments in subsidiaries	12	-	-	997,611,710	997,611,710
Other long-term investment - net	13	-	-	-	-
Pledged deposits at financial institution	14	16,947,299	24,016,896	-	-
Property, plant, vessel and equipment - net	15	2,022,133,253	1,959,631,280	475,703,471	523,991,531
Intangible assets - net	16	9,423,010	5,661,455	8,794,690	5,340,662
Deferred tax assets - net	23	2,466,833	8,889,775	4,963,422	7,143,684
Deposit for purchase of assets		1,877,108	6,537,000	450,000	1,395,000
Other non-current assets		7,311,236	13,555,447	380,092	314,892
Total non-current assets		2,060,158,739	2,018,291,853	1,487,903,385	1,535,797,479
Total assets		3,598,454,438	3,397,462,793	2,270,411,137	2,176,390,902

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loan					
	from financial institutions	17	53,557,889	-	50,000,000
	Trade and other current payables	4, 18	378,939,934	200,271,482	38,287,177
	Short-term loans from related party	4	40,000,000	-	-
	Contract liabilities	8	19,608,248	-	-
	Income tax payable		2,245,381	1,800,063	2,224,862
	Total current liabilities		494,351,452	202,071,545	90,512,039
Non-current liabilities					
	Non-current provisions for employee benefits	19	36,261,954	27,129,512	24,901,963
	Total non-current liabilities		36,261,954	27,129,512	24,901,963
	Total liabilities		530,613,406	229,201,057	115,414,002
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
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
	Premiums on share capital		902,769,092	902,769,092	902,769,092
Retained earnings (deficits)					
	Appropriated				
	Legal reserve	22	69,999,902	69,999,902	69,999,902
	Unappropriated		(484,648,826)	(444,053,183)	479,966,444
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	13,148,506	-
	Actuarial gains		4,494,512	4,494,512	2,262,676
	Total shareholders' equity of the Company		2,424,526,538	2,465,122,181	2,154,997,135
	Non-controlling interests		643,314,494	703,139,555	-
	Total shareholders' equity		3,067,841,032	3,168,261,736	2,154,997,135
	Total liabilities and shareholders' equity		3,598,454,438	3,397,462,793	2,270,411,137

.....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, 2019

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	3, 4, 25, 27, 29				
Revenues					
Revenue from sales of goods		2,970,093,613	2,362,078,070	1,012,924,019	902,847,283
Revenue from production contract		7,014,453	49,455,738	-	-
Revenue from construction contract		31,180,330	120,392,394	-	-
Revenue from vessel operating		16,486,717	54,109,552	-	-
Income from an insurance claim - net		13,331,727	-	-	-
Other incomes		12,852,757	22,238,279	13,036,816	9,913,526
Dividend income	12	-	-	10,000,000	10,000,000
Total revenues		3,050,959,597	2,608,274,033	1,035,960,835	922,760,809
Expenses					
Cost of sales		(2,553,729,566)	(1,907,989,200)	(542,041,297)	(463,588,728)
Cost of production contract		(4,739,351)	(36,368,777)	-	-
Cost of construction contract		(20,463,437)	(111,603,893)	-	-
Cost of vessel operating		(29,807,749)	(53,665,288)	-	-
Selling expenses		(28,442,249)	(14,329,052)	(8,778,786)	(5,947,731)
Administrative expenses		(162,272,600)	(156,835,359)	(75,102,474)	(69,320,104)
Loss on impairment of property, plant vessel and equipment	15	(1,620,000)	(17,400,000)	-	-
Finance costs		(1,466,341)	(1,743)	(2,900,958)	-
Share of loss from investment in associates	11	-	(2,637,337)	-	-
Total expenses		(2,802,541,293)	(2,300,830,649)	(628,823,515)	(538,856,563)
Profit before income tax expenses		248,418,304	307,443,384	407,137,320	383,904,246
Tax expense	24	(12,840,630)	(10,648,030)	(7,737,623)	(6,302,915)
Profit for the years		235,577,674	296,795,354	399,399,697	377,601,331
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial gains	19	-	4,107,016	-	1,259,220
Income tax on other comprehensive income relating to items that will not be reclassified	23	-	(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		235,577,674	300,046,895	399,399,697	378,608,707
Profit (loss) attributable to :					
Equity holders of the parent		295,402,735	322,712,582	399,399,697	377,601,331
Non-controlling interests		(59,825,061)	(25,917,228)	-	-
		235,577,674	296,795,354	399,399,697	377,601,331
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		295,402,735	325,274,698	399,399,697	378,608,707
Non-controlling interests		(59,825,061)	(25,227,803)	-	-
		235,577,674	300,046,895	399,399,697	378,608,707
Earnings per share					
Basic earnings per share of the Company (Baht)		0.106	0.115	0.143	0.135
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 Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

		Consolidated financial statements											
		Equity attributable to equity holders of the parent											
		Other components of shareholders' equity											
		Other comprehensive income											
Notes	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Difference on combination under common control	Capital surplus from share premium of subsidiary	Gain on disposal of investment in subsidiaries	Surplus from changes of shareholding in subsidiaries	Actuarial gains	Total other components of shareholders' equity	Total Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity
	699,999,021	902,769,092	69,999,902	(444,053,183)	(3,238,930)	360,380,334	861,442,927	13,148,506	4,494,512	1,236,407,349	2,465,122,181	703,139,555	3,168,261,736
Balance as at January 1, 2019													
Changes in shareholders' equity for the year:													
Dividend paid	-	-	-	(335,998,378)	-	-	-	-	-	-	(335,998,378)	-	(335,998,378)
Total comprehensive income (loss) for the year	-	-	-	293,402,755	-	-	861,442,927	13,148,506	4,494,512	1,236,407,349	2,424,526,538	(59,823,061)	235,577,674
Balance as at December 31, 2019	699,999,021	902,769,092	69,999,902	(444,053,183)	(3,238,930)	360,380,334	861,442,927	13,148,506	4,494,512	1,236,407,349	2,424,526,538	643,314,494	3,067,841,032
	699,999,021	902,769,092	69,999,902	(626,786,440)	(3,238,930)	360,380,334	861,442,927	-	1,932,396	1,220,696,727	2,266,698,302	698,499,407	2,965,197,709
Balance as at January 1, 2018													
Changes in shareholders' equity for the year:													
Dividend paid	-	-	-	(139,999,325)	-	-	-	-	-	-	(139,999,325)	-	(139,999,325)
Change in proportion of shareholders in subsidiary	-	-	-	-	-	-	-	13,148,506	-	13,148,506	13,148,506	(13,534,219)	(385,713)
Capital increase	-	-	-	-	-	-	-	-	-	-	-	43,402,170	43,402,170
Total comprehensive income (loss) for the year	-	-	-	322,712,582	-	-	-	-	2,562,116	2,562,116	325,274,698	(25,227,803)	300,046,895
Balance as at December 31, 2018	699,999,021	902,769,092	69,999,902	(444,053,183)	(3,238,930)	360,380,334	861,442,927	13,148,506	4,494,512	1,236,407,349	2,465,122,181	703,139,555	3,168,261,736

.....Director
(Narong Tharettanasitboon)

.....Director
(Thanit Tharettanasitboon)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

		Separate financial statements						
Notes	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Unappropriated	Total other components of shareholders' equity		Total Shareholders' Equity
			Appropriated to legal reserve	Unappropriated		Other comprehensive income	Actuarial gains	
	699,999,021	902,769,092	69,999,902	416,565,125		2,262,676		2,091,595,816
Balance as at January 1, 2019								
Changes in shareholders' equity for the year:								
Dividend paid	-	-	-	(335,998,378)		-		(335,998,378)
Total comprehensive income for the year	-	-	-	399,399,697		-		399,399,697
Balance as at December 31, 2019	699,999,021	902,769,092	69,999,902	479,966,444		2,262,676		2,154,997,135
	699,999,021	902,769,092	69,999,902	178,963,119		1,255,300		1,852,986,434
Balance as at January 1, 2018								
Changes in shareholders' equity for the year:								
Dividend paid	-	-	-	(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

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.....Director
(Narong Thararatnavibool)

.....Director
(Thanit Thararatnavibool)

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Operating Activities				
Profit for the years	235,577,674	296,795,354	399,399,697	377,601,331
Adjustments to reconcile profit to cash provided by (used in) operating activities:				
Tax expense	12,840,630	10,648,030	7,737,623	6,302,915
Depreciation	160,397,269	142,210,327	73,931,092	67,926,968
Amortization of intangible assets	1,130,428	1,088,507	945,972	961,361
(Gain) loss on disposal asset	3,650,360	8,283,509	(55,976)	5,554,089
Unrealized (gain) loss on investments in Open-end Fund	2,559,045	(1,210,161)	912,909	(237,948)
Allowance for doubtful accounts	-	2,782,107	-	-
(Reversal) Allowance for devaluation of inventories	41,250,000	(5,875,665)	-	-
(Reversal) Impairment loss on asset	(456,608)	11,526,420	(2,076,608)	(5,873,580)
Share of loss from investment in associate	-	2,637,337	-	-
Dividend income	-	-	(10,000,000)	(10,000,000)
Non-current provisions for employee benefits	10,301,612	5,048,351	7,984,962	3,119,214
Income from an insurance claim - net	(13,331,727)	-	-	-
Interest income	(613,162)	(3,275,786)	(3,733,643)	(212,571)
Interest expenses	1,466,341	1,743	2,900,958	-
Gain from operating activities before changes in operating assets and liabilities	454,771,862	470,660,073	477,946,986	445,141,779
Changes in operating assets - (increase) decrease				
Trade and other current receivables	(314,537,306)	13,240,825	(40,080,814)	(25,047,276)
Contract assets	10,135,422	26,747,176	-	-
Inventories	(116,771,050)	(83,285,752)	24,283,856	(25,965,093)
Deposit for purchase of assets	(2,408,350)	23,239,872	945,000	(1,395,000)
Other non-current assets	(770,997)	10,317,699	(65,200)	6,496,200
Changes in operating liabilities - increase (decrease)				
Trade and other current payables	171,631,020	25,265,359	(27,414,320)	(6,240,615)
Contract liabilities	19,608,248	(7,061,781)	-	-
Retention payables	(1,481,252)	(2,452,520)	-	-
Cash provided by operating activities	220,177,597	476,670,951	435,615,508	392,989,995

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payment for employee benefit obligations	(1,169,170)	(4,308,972)	(511,930)	(2,956,753)
Refund of income tax	7,124,612	895,283	-	-
Income tax paid	(6,262,021)	(19,928,518)	(5,132,562)	(8,613,365)
Net cash provided by operating activities	<u>219,871,018</u>	<u>453,328,744</u>	<u>429,971,016</u>	<u>381,419,877</u>
Cash Flows from Investing Activities				
(Increase) Decrease in restricted deposits at financial institution	7,069,598	(1,000,000)	-	-
Interest received	613,162	2,263,946	3,733,643	212,571
(Increase) Decrease in current investments	245,024,094	(83,879,430)	173,439,916	(119,991,823)
Cash paid from short-term loans to subsidiary	-	-	(280,000,000)	-
Proceeds from repayment of short-term loans to subsidiary	-	-	30,000,000	-
Dividend income from investments in subsidiary	-	-	10,000,000	10,000,000
Payment for investment in subsidiary	-	(135,056,528)	-	(135,056,528)
Payment for purchases of assets	(244,489,430)	(281,659,772)	(24,423,724)	(21,508,963)
Payment for purchases of intangible assets	(4,891,982)	(5,623,316)	(4,400,000)	(5,413,400)
Proceeds from receive from an insurance claim	39,243,715	-	-	-
Proceeds from disposal of assets	1,072,478	11,256,819	954,721	780,809
Proceeds from disposal of intangible assets	-	311,628	-	311,628
Net cash provided by (used in) investing activities	<u>43,641,635</u>	<u>(493,386,653)</u>	<u>(90,695,444)</u>	<u>(270,665,706)</u>
Cash Flows from Financing Activities				
Increase in bank overdrafts from financial institutions	3,557,889	-	-	-
Interest paid	(1,466,341)	(1,743)	(2,900,958)	-
Proceeds from short-term loan from financial institutions	50,000,000	-	50,000,000	-
Proceeds from short-term loan from related parties	50,000,000	-	160,000,000	-
Repayment for short-term loans from related parties	(10,000,000)	-	(160,000,000)	-
Cash received from increase in share capital	-	178,072,982	-	-
Dividend payment	(335,904,418)	(139,982,021)	(335,904,418)	(139,982,021)
Net cash provided by (used in) financing activities	<u>(243,812,870)</u>	<u>38,089,218</u>	<u>(288,805,376)</u>	<u>(139,982,021)</u>
Net increase (decrease) in cash and cash equivalents	19,699,783	(1,968,691)	50,470,196	(29,227,850)
Cash and cash equivalents at beginning of the years	125,718,806	127,687,497	26,270,314	55,498,164
Cash and cash equivalents at end of the years	<u>145,418,589</u>	<u>125,718,806</u>	<u>76,740,510</u>	<u>26,270,314</u>

Supplemental disclosures of cash flows information

Non-cash transactions consisted of:

Assets payable for plant and equipment	9,448,639	8,725,579	1,074,066	1,184,839
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.....Director

(Narong Thareeratanavibool)

.....Director

(Thanit Thareeratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2019

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 have been prepared on the historical cost basis, except where otherwise disclosed in respective accounting policies.

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

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

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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Basis for preparation of the consolidated financial statements

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

Name	Nature of business	Country of incorporation	Percentage of holding	
			2019	2018
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	100.00
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	Thailand	61.77	61.77
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 and rental tank farms.	Thailand	100.00	100.00
Associate (Becomes an other long-term investment at the end of year 2019)				
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)

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

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

New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarized below.

IFRS 15 Revenue from Contracts with Customers

IFRS 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

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

(b) Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TRIC 16	Hedges of a Net Investment in a Foreign Operation
TRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenues of the Company and subsidiaries are recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

The Company and subsidiaries recognizes revenue from sales of goods and services when a customer obtains control of the goods, generally on delivery of the goods to the customers, after deducting goods returns.

Subsidiary recognizes revenues from construction contract are recognized based on the performance obligation satisfied over time using an input method on the basis of inputs the cost incurred to-date to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

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.

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

3.2 Cash and cash equivalents

Cash and cash equivalents comprise 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 Current 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 Contract assets

When the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A contract asset are measured at value less allowance for doubtful accounts which is assessed on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.6 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 inventories consist of the cost of materials and labour, cost of subcontract, 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.

3.7 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.

3.8 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.

Long-term investments comprise of non-marketable equity securities.

Long-term investments in non-marketable equity securities, which are classified as general investment, are stated at cost less allowance for impairment of investments.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.9 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 building improvement *	5 - 40	10 - 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

* Building and improvement included Port and Storage tanks farm

** Machinery accessories and tools included Refinery plants

3.10 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.

3.11 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.

3.12 Trade and other current payables

Trade and other current payables are stated at cost.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

3.13 Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

3.14 Income Taxes

Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be 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.

3.15 Non-current provisions for employee benefits

Short-term employee benefits

The Company and subsidiaries recognized salaries, wages and bonuses 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.

3.16 Basic earnings per share

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

3.17 Foreign currency transactions

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

3.18 Significant accounting judgments and estimates

Allowance for doubtful accounts

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

Allowance for diminution in inventory value

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

Impairment of investments

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

Allowances for impairment of assets

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

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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.

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.

3.19 Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

At the end of each reporting period, the Company and subsidiaries determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

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 and rental tank farms.	100.00 % holding of interest
Associate		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	Change status the investment in associate as other long-term investment at the end of 2019
Related companies		
Samart Palm oil Company Limited	Crude Palm Oil	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2019 and 2018 were as follows:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Pricing Policy		2019	2018	2019	2018
Sales of products and raw materials					
PPC Asian Insulators Co., Ltd.	Mutually agreed	40,446	1,995,731	40,446	1,995,731
AI Engineering Services Co., Ltd.	Market Price	-	-	-	1,859
Sales of hybrid clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	961,179	55,627,887	961,179	55,627,887
Dividend income					
AI Engineering Services Co., Ltd.	As declared	-	-	10,000,000	10,000,000
Other income - rental and services					
PPC Asian Insulators Co., Ltd.	Mutually agreed	393,200	536,264	393,200	536,264
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	1,096,269	1,163,514
AI Energy Public Co., Ltd.	Mutually agreed	-	-	966,984	974,094
AI Logistics Co., Ltd.	Mutually agreed	-	-	564,649	571,639
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	196,704	196,345
Other income - interest receive					
AI Energy Public Co., Ltd.	2.84% - 3.75% P.A.	-	-	3,535,521	-
Purchases goods					
PPC Asian Insulators Co., Ltd.	Market Price	-	422,348	-	422,348
Samart Palm oil Co., Ltd.	Market Price	17,490,480	-	-	-
Samart Palm Industry Co., Ltd.	Market Price	4,857,383	-	-	-
Repurchases of scrap clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	958,065	21,155,949	958,065	21,155,949
Finance costs - interest paid					
AI Energy Public Co., Ltd.	2.84% - 3.75% P.A.	-	-	1,605,041	-
Director	3.75% P.A.	59,589	-	-	-

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	50,674,491	48,920,385	29,179,037	28,449,679
Long-term post-employment benefits	942,062	962,832	351,253	410,112
Total directors and management's remuneration	51,616,553	49,883,217	29,530,290	28,859,791

Significant balances with related parties as at December 31, 2019 and 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
ASSETS				
Trade receivable				
PPC Asian Insulators Co., Ltd.	-	10,160,710	-	10,160,710
Other current receivables				
PPC Asian Insulators Co., Ltd.	-	94,588	-	94,588
AI Engineering Services Co., Ltd.	-	-	14,510	7,097
AI Logistics Co., Ltd.	-	-	1,456	1,608
Short-term loans to subsidiary				
AI Energy Public Co., Ltd.	-	-	250,000,000	-
LIABILITIES				
Trade payable				
PPC Asian Insulators Co., Ltd.	-	9,336,573	-	9,336,573
Short-term loans from related party				
Director	40,000,000	-	-	-

As at December 31, 2019, the Company has short-term loan to subsidiary, AI Energy Public Co., Ltd. The subsidiary issued promissory notes in the amount of Baht 250 million with an interest rate of 2.84% - 3.75% per annum, due on March 31, 2020.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

As at December 31, 2019 the subsidiary, AI Energy Public Co., Ltd, has short-term loan from related party, a director. The subsidiary issued promissory notes in the total amount of Baht 40 million with an interest rate of 3.75% per annum, due on March 31, 2020.

During the year 2019, the Company has short-term loan from subsidiary, AI Engineering Services Co., Ltd. The Company issued promissory notes in the total amount of Baht 160 million with an interest rate of 2.84% - 3.75% per annum, due on November 1, 2019.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	611,796	270,000	85,000	85,000
Deposit at bank - saving	142,083,533	123,612,418	76,401,856	25,436,669
- current	312,792	867,951	253,654	748,645
Fixed deposits due within 3 months	2,410,468	968,437	-	-
Total cash and cash equivalents	145,418,589	125,718,806	76,740,510	26,270,314

6. CURRENT INVESTMENTS

Current investments as at December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investment in Open-end Fund-Debt securities	306,525,356	557,352,207	76,719,434	250,159,647
<u>Add Unrealized gains on changes in fair value</u> of investments	2,027,898	4,632,394	84,854	997,466
Investment in Open-end Fund-Fair value	308,553,254	561,984,601	76,804,288	251,157,113
Fixed deposits	6,164,830	316,622	-	-
Total short-term investments	314,718,084	562,301,223	76,804,288	251,157,113

Investment in open-end Fund-Debt securities of the Company and subsidiaries are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trusts has been determined by using the net asset value.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivable - related parties	-	10,160,710	-	10,160,710
Trade receivable - state enterprises	144,552,951	117,589,616	144,552,951	117,589,616
Trade receivables - other	397,478,475	110,129,062	28,559,809	3,581,814
Total trade receivables	542,031,426	237,879,388	173,112,760	131,332,140
<u>Less</u> Allowance for doubtful accounts	(3,221,507)	(11,109,938)	-	-
Total trade receivables - net	538,809,919	226,769,450	173,112,760	131,332,140
Other current receivables				
Other receivables - related parties	-	94,588	15,966	103,293
Prepaid insurance	3,539,246	2,630,902	1,174,976	1,178,090
Prepaid expense	1,317,287	1,439,955	558,799	595,880
Deposit for inventories	7,824,079	1,916,887	506,160	1,916,887
Revenue Department receivable	95,614	-	-	-
Undue input tax	750,970	718,806	134,258	321,763
Advance payment to subcontractors	-	249,678	-	-
Retention	3,148,932	-	-	-
Others	592,140	635,434	25,948	-
Total other current receivables	17,268,268	7,686,250	2,416,107	4,115,913
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	-	-
Total other current receivables - net	16,961,918	7,379,900	2,416,107	4,115,913
Total trade and other current receivables - net	555,771,837	234,149,350	175,528,867	135,448,053

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

As at December 31, 2019 and 2018, outstanding balances of trade receivables aged by number of months were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related parties				
Current	-	3,758,363	-	3,758,363
Overdue				
Within 3 months	-	6,402,347	-	6,402,347
Total	-	10,160,710	-	10,160,710
State enterprises				
Current	137,124,872	117,589,616	137,124,872	117,589,616
Overdue				
Within 3 months	7,428,079	-	7,428,079	-
Total	144,552,951	117,589,616	144,552,951	117,589,616
Other				
Current	340,801,897	96,128,364	13,391,050	3,532,166
Overdue				
Within 3 months	22,939,295	2,890,760	15,168,759	49,648
Over 3 months to 6 months	30,515,776	-	-	-
Over 6 months to 12 months	-	2,782,107	-	-
Over 12 months	3,221,507	8,327,831	-	-
Total	397,478,475	110,129,062	28,559,809	3,581,814
Less Allowance for doubtful accounts	(3,221,507)	(11,109,938)	-	-
Total trade receivables - net	538,809,919	226,769,450	173,112,760	131,332,140

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

8. Contract assets/Contract liabilities

Contract assets/Contract liabilities as at December 31, 2019 and 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2019	2018
Contract assets		
Contract value	-	135,757,103
Recognition of income by the percentage of completion	-	126,692,409
<u>Less</u> Value of billing construction	-	(116,556,987)
Total	-	10,135,422
Contract liabilities		
Contract value	143,920,561	-
Value of billing construction	40,875,124	-
<u>Less</u> Recognition of income by the percentage of completion	(21,266,876)	-
Total	19,608,248	-

9. INVENTORIES - NET

Inventories as at December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw materials and chemicals	247,561,375	226,289,553	131,194,632	133,391,638
Work in process	190,720,368	106,907,067	33,945,182	37,703,345
Finished goods	113,447,659	102,494,264	35,196,446	52,504,147
Supplies	12,241,801	8,940,982	1,428,051	705,406
Goods in transit	1,669,776	8,137,151	1,669,776	8,137,151
Total	565,640,979	452,769,017	203,434,087	232,441,687
<u>Less</u> Allowance for devaluation of inventories	(44,000,000)	(7,473,744)	-	(4,723,744)
Total inventories - net	521,640,979	445,295,273	203,434,087	227,717,943

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

10. OIL SUPPLIES

Oil supplies as at December 31, 2019 and 2018 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2019	2018
Bunker oil	624,897	1,337,967
Lubricants	121,313	232,899
Total oil supplies	746,210	1,570,866

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

11. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at December 31, 2019 and 2018 consisted of:

	Company	Nature of business	Percentage of investment (%)		Unit: Baht		Unit : Baht			
			2019	2018	2019	2018	Consolidated financial statements	Separate financial statements		
			Issued share capital	Equity method	2019	2018	2019	2018		
PPC Asian Insulators Company Limited	PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	25.10	25.10	263,000,000	263,000,000	-	-	66,000,000	66,000,000
Company Limited										
Less Provision for diminution in investment		and ceramics								
Investments in associate - net										
Transfer investment in associate to other long-term investments (Note 13)										
Cost										
Provision for diminution in investment										
Net Book Value										

As the Extraordinary shareholders' meeting No.3/2019 held on November 4, 2019, of PPC Asian Insulators Company Limited, passed a resolution to remove a director who is the representation of the Company on the board of the associated company, causing the Company loses the power to participate in the financial and operating policy decisions of the associated company. During the year 2019, the Company also does not have significant trading transactions with the associated company. Therefore the Company loses significant influence over the associated company, the Company's management considered to classify the investment in associate as other long-term investment at the end of year 2019. (Note 13)

..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

The consolidated and separate financial statements for the years ended December 31, 2019 and 2018 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, 2019 and 2018 amounted to Baht 0.00 million and amounted to Baht 0.00 million, respectively, representing 0.00% and 0.00% 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, 2019 and 2018 amounted to Baht 0.00 million and Baht 2.64 million, respectively, representing 0.00% and 0.90% of consolidated net profit, respectively.

As at December 31, 2019 and 2018, the management of the Company has considered the net realizable value from investments in associate and passed a resolution to set up fully provision for diminution of investment in associate in the separate financial statements.

The Company records the allowance for impairment of investments by using the cash flows projection which is the fair value measurement hierarchy in Level 3.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

The following is summarized financial information relating to an PPC Asian Insulators Company Limited were as follows:

Unit : Baht		
PPC Asian Insulators Company Limited		
	2019	2018
Current assets	95,095,473	77,451,120
Non-current assets	-	102,408,044
Current liabilities	(165,784,913)	(191,221,262)
Non-current liabilities	-	(2,955,678)
Net liabilities	(70,689,440)	(14,317,776)
Revenues	28,262,286	138,818,998.00
Profit(loss) for the years	8,017,440	(33,998,573)

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		
	2019	2018
Net liabilities of associate company	(70,689,440)	(14,317,776)
Ownership interest (%)	25.10	25.10
Carrying amount of interest in an associate company	-	-

The interest of the investment in associated company is reduced to zero and the associated company incurred lots of net liabilities. Since the Company does not have incurred legal obligation in net liabilities of the associated company, therefore, the Company discontinues recognizing its share of further profit or loss and does not have a liability is recognized.

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..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2019 and 2018, and dividend income from the investment during the years ended December 31, 2019 and 2018, consisted of:

Company	Nature of business	Percentage of investment (%)		Issued share capital		Cost method		Dividend
		2019	2018	2019	2018	2019	2018	
		Unit : Baht						
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	100.00	200,000,000	200,000,000	197,385,741	197,385,741	10,000,000
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	61.77	1,308,072,982	1,308,072,982	800,225,969	800,225,969	-
Subsidiaries held by AI Energy Public Company Limited								
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.000	100.00	209,000,000	209,000,000	-	-	-
AI Ports and Terminals Company Limited	Servicing port and rental tank farms.	100.000	100.00	460,000,000	460,000,000	-	-	-
Total investments in subsidiaries				997,611,710	997,611,710	10,000,000	10,000,000	10,000,000

On June 6, 2018, the Company exercised its right to purchase 538.68 million shares of AIE-W1, amount of Baht 134.67 million, at Baht 0.25 per share.

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

		Unit : Baht		
		As at December 31, 2019		
Name of subsidiary	Nature of business	Ownership interests held by NCI (percentage)	Comprehensive	
			loss attributable to Non-controlling interest	Accumulated Non-controlling interest
Subsidiaries directly held by the Company				
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power	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	59,825,061	643,314,494
Total			59,825,061	643,314,494

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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, 2019					
Current assets	251,112,099	757,639,613	1,199,320	271,803,157	1,281,754,189
Non-current assets	1,018,679	1,744,656,736	24,864,643	164,101,536	1,934,641,594
Current liabilities	(22,825,678)	(887,354,267)	(20,176,485)	(868,967)	(931,225,397)
Non-current liabilities	(2,140,072)	(13,899,019)	(239,236)	(423,313)	(16,701,640)
Net assets	<u>227,165,028</u>	<u>1,601,043,063</u>	<u>5,648,242</u>	<u>434,612,413</u>	<u>2,268,468,746</u>
Net assets attributable to					
Non-controlling interests	-	643,314,494	-	-	643,314,494
For the year ended December 31, 2019					
Revenues	<u>35,770,558</u>	<u>1,980,152,320</u>	<u>16,729,560</u>	<u>14,120,162</u>	<u>2,046,772,600</u>
Total comprehensive loss for the year					
attributable to non-controlling interests	-	59,825,061	-	-	59,825,061
Net cash provided by (used in)					
Operating activities	15,923,192	(210,420,609)	(13,025,520)	(2,577,060)	(210,099,997)
Investing activities	(41,194,918)	(184,464,954)	(10,852,381)	6,997,617	(229,514,636)
Financing activities	(10,000,000)	399,229,844	18,194,665	(32)	407,424,477
Cash increase (decrease) - net	<u>(35,271,726)</u>	<u>4,344,281</u>	<u>(5,683,236)</u>	<u>4,420,525</u>	<u>(32,190,156)</u>

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

13. OTHER LONG-TERM INVESTMENT – NET

Other long-term investment as at December 31, 2019 and 2018 consisted of:

	Holdings (%)		Unit : Baht	
			Consolidated/Separate financial statements	
	2019	2018	2019	2018
<u>Investment in non-marketable equity securities - at cost other company</u>				
PPC Asian Insulators Company Limited	25.10%	-	66,000,000	-
Less Provision for diminution in investment			(66,000,000)	-
Other long-term investment - net			-	-

In the year 2019, The Company’s management has classified the investment in PPC Asian Insulators Company Limited from Investments in associated company to other long-term investment at the end of year 2019. (Note 11)

14. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee. (Note 30.1)

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

15. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at December 31, 2019 and 2018 consisted of:

At cost	Consolidated financial statements										Total				
	Land		Building and building improvement		Machinery, accessories and tools		Vessel and improvement		Office furniture and equipment			Motor vehicles		Fixed assets under construction and installation	
	Land	improvement	Land	improvement	Utility system	accessories and tools	improvement	improvement	and equipment	vehicles		construction and installation	construction and installation		
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					
Purchases during year	-	1,700,635	5,337,851	88,280	32,412,007	10,659,044	1,328,843	4,046,925	197,358,363	252,931,948					
Transfers in (Transfer out) during year	-	13,233,013	81,661,685	26,701,874	405,027,641	-	106,900	-	(526,731,113)	-					
Disposal /written off during year	-	-	(6,676,846)	(10,363,201)	(41,699,617)	(9,507,560)	(2,501,081)	(6,777,617)	-	(77,525,922)					
As at December 31, 2019	236,132,190	64,776,862	952,410,663	87,636,120	1,855,884,774	125,317,234	26,562,110	42,391,101	130,667,413	3,521,778,467					
Accumulated Depreciation															
As at December 31, 2018	-	24,245,781	358,058,218	46,243,739	786,603,879	104,436,043	23,509,531	24,167,362	-	1,367,264,553					
Depreciation for the year	-	4,294,759	38,059,738	5,971,548	103,513,627	4,172,397	1,531,747	2,853,453	-	160,397,269					
Depreciation - disposals for the year	-	-	(1,227,186)	(4,441,654)	(23,415,596)	(9,507,559)	(2,466,999)	(5,977,614)	-	(47,036,608)					
As at December 31, 2019	-	28,540,540	394,890,770	47,773,633	866,701,910	99,100,881	22,574,279	21,043,201	-	1,480,625,214					
Book value															
As at December 31, 2018	236,132,190	25,597,433	514,029,755	24,965,428	673,540,864	19,729,707	4,117,917	20,954,431	460,040,163	1,979,107,888					
As at December 31, 2019	236,132,190	36,236,322	557,519,893	39,862,487	989,182,864	26,216,353	3,987,831	21,347,900	130,667,413	2,041,153,253					
Allowances for impairment of assets															
As at December 31, 2018	-	-	-	-	-	-	-	-	-	(19,476,608)					
Increase during year	-	-	-	-	-	-	-	-	-	(1,620,000)					
Reversal of Allowances for impairment for the year	-	-	-	-	-	-	-	-	-	2,076,608					
As at December 31, 2019	-	-	-	-	-	-	-	-	-	(19,020,000)					
Property, plant, vessel and equipment - net															
As at December 31, 2018	-	-	-	-	-	-	-	-	-	1,959,631,280					
As at December 31, 2019	-	-	-	-	-	-	-	-	-	2,022,133,253					

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit : Baht

Consolidated financial statements

	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
	Land improvement		Land improvement	building improvement	Utility system	accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	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					

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

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..... 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, 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
Purchases during year		-	-	4,542,675	28,200	6,217,768	212,128	3,952,925	9,511,473	24,465,169
Transfers in (Transfer out) during year		-	4,109,972	710,913	-	5,637,692	-	-	(10,458,577)	-
Disposal /written off during year		-	-	(76,845)	(198,225)	(9,186,167)	(1,451,493)	(6,117,617)	-	(17,030,347)
As at December 31, 2019		61,576,168	18,262,026	450,177,629	20,762,578	689,344,269	17,568,783	10,652,765	2,332,522	1,270,676,740
Accumulated Depreciation										
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
Depreciation for the year		-	724,257	19,667,398	379,078	51,001,741	932,117	1,226,501	-	73,931,092
Depreciation - disposals for the year		-	-	(72,190)	(198,220)	(9,100,141)	(1,443,436)	(5,317,615)	-	(16,131,602)
As at December 31, 2019		-	14,876,284	239,479,548	20,209,925	500,406,226	15,308,384	4,692,902	-	794,973,269
Book value										
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
As at December 31, 2019		61,576,168	3,385,742	210,698,081	552,653	188,938,043	2,260,399	5,959,863	2,332,522	475,703,471

Allowances for impairment of assets

As at December 31, 2018	(2,076,608)
Reversal of Allowances for impairment for the year	2,076,608
As at December 31, 2019	-

Property, plant, vessel and equipment - net

As at December 31, 2018	523,991,531
As at December 31, 2019	475,703,471

..... Director

(Narong Tharetanavibool)

..... Director

(Thanit Tharetanavibool)

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									570,870,855
As at December 31, 2018									523,991,531

..... Director

(Narong Thararatnavibool)

..... Director

(Thanit Thararatnavibool)

Depreciations in the statements of profit or loss for the year ended December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sale and service	139,635,359	118,566,532	66,103,850	60,655,049
Selling and administrative expenses	20,761,910	23,643,795	7,827,242	7,271,919
	<u>160,397,269</u>	<u>142,210,327</u>	<u>73,931,092</u>	<u>67,926,968</u>

As at December 31, 2018 interest incurred on loans used for a Purify Glycerin project of AI Energy Public Company Limited (“the subsidiary”) totaling to Baht 1.37 million, 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, 2019 and 2018, in the consolidate financial statement totaling approximately Baht 385.54 million and Baht 394.96 million, respectively, and in the separate financial statements totaling approximately Baht 236.64 million and Baht 243.65 million, respectively.

During the year 2018, 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 temporarily halted by using the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets. According to the appraisal report, the appraisal value amounted Baht 176.65 million. The property, plant and equipment appraisal above is the fair value measurement hierarchy in Level 2. The net book value of property, plant and equipment as at December 31, 2018 amount of Baht 194.05 million, respectively. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidate statements of financial position as at December 31, 2018.

In the fourth quarter of year 2019, the subsidiary, start earning income from operations however still incur loss in the operation. Therefore value in use of assets not more than of the net book value.

In 2019, the subsidiary, AI Logistics Co., Ltd, has the net book value of vessel and improvement in the consolidate financial statement more than market value. Management has assessed the appropriateness of the valuation of the vessel of the subsidiary by using the work of the independent appraiser that the Company uses to evaluate the fair value of vessel. According to the appraisal report, the appraisal value amounted Baht 24.60 million. The vessel appraisal above is the fair value measurement hierarchy in Level 2. The net book value of vessel as at December 31, 2019, amount of Baht 26.22 million. Therefore, the Company considered to set up the allowance for impairment amount of Baht 1.62 million, in the consolidated statements of financial position as at December 31, 2019.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

16. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2019 and 2018 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
At cost				
As at December 31, 2018	22,143,950	5,100,000	20,936,541	5,100,000
Purchases during year	4,891,983	-	4,400,000	-
As at December 31, 2019	27,035,933	5,100,000	25,336,541	5,100,000
Accumulated Depreciation				
As at December 31, 2018	21,181,481	401,014	20,294,865	401,014
Amortization for the year	620,428	510,000	435,972	510,000
As at December 31, 2019	21,801,909	911,014	20,730,837	911,014
Book value				
As at December 31, 2018	962,469	4,698,986	641,676	4,698,986
As at December 31, 2019	5,234,024	4,188,986	4,605,704	4,188,986

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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	-	21,134,691	-
Purchases during year	523,316	5,100,000	313,400	5,100,000
Disposals during the year	(511,550)	-	(511,550)	-
As at December 31, 2018	22,143,950	5,100,000	20,936,541	5,100,000
Accumulated Depreciation				
As at December 31, 2017	20,693,910	-	19,934,440	-
Amortization for the year	687,493	401,014	560,347	401,014
disposal during the year	(199,922)	-	(199,922)	-
As at December 31, 2018	21,181,481	401,014	20,294,865	401,014
Book value				
As at December 31, 2017	1,438,274	-	1,200,251	-
As at December 31, 2018	962,469	4,698,986	641,676	4,698,986

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..... Director
(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

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

Bank overdrafts and short-term loan from financial institutions as at December 31, 2019 and 2018 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	3,557,889	-	-	-
Promissory notes	50,000,000	-	50,000,000	-
Total	53,557,889	-	50,000,000	-

	Credit facilities (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	22,000,000	22,000,000	12,000,000	12,000,000
Promissory notes	830,000,000	870,000,000	430,000,000	330,000,000
Trust receipts	225,000,000	225,000,000	225,000,000	225,000,000
Letter of guarantee	585,900,000	1,110,467,000	585,500,000	535,500,000
Total	1,662,900,000	2,227,467,000	1,252,500,000	1,102,500,000

As at December 31, 2019, The Company has short-term loans in the amount of Baht 50 million. The Company issued a promissory note with an interest rate of at 3.75 % per annum, and are repayable in 3 months.

The Company and its subsidiaries had credit facilities from financial institutions, these credit facilities are secured by the guarantee from the Company and its subsidiaries, AI Energy Public Co., Ltd, and by pledge of fixed deposits of subsidiaries.

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..... Director
(Narong Tharateratanavibool)

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(Thanit Tharateratanavibool)

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2019 and 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related parties	-	9,336,573	-	9,336,573
Trade payables - others	287,933,424	127,492,359	15,030,114	27,388,354
Total trade payables	287,933,424	136,828,932	15,030,114	36,724,927
Other current payables				
Payables for purchase of assets	9,448,639	8,725,579	1,074,066	1,184,839
Other current payables	7,615,901	3,875,367	1,152,141	-
Advances received for goods	4,250,657	16,527,214	1,792,019	16,515,874
Electricity payable	6,222,724	3,937,796	1,169,775	1,329,493
Accrued expenses	6,976,542	5,815,456	4,152,031	2,932,984
Retention	14,603,277	9,128,744	-	-
Revenue Department payables	41,149,749	13,897,704	13,823,604	6,475,130
Unearned revenue for vessel operating services	-	612,138	-	-
Others	739,021	922,552	93,427	402,845
Total other current payables	91,006,510	63,442,550	23,257,063	28,841,165
Total trade and other current payables	378,939,934	200,271,482	38,287,177	65,566,092

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..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

19. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the years ended December 31, 2019 and 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Non-current provisions for employee benefits				
at beginning of year	27,129,512	30,497,149	17,428,931	18,525,690
Included in profit or loss:				
Past service cost	5,029,718	-	4,630,690	-
Current service cost	4,574,474	4,379,705	2,870,538	2,647,370
Interest cost	697,420	668,646	483,734	471,844
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	(1,169,170)	(4,308,972)	(511,930)	(2,956,753)
Non-current provisions for employee benefits				
at end of year	<u>36,261,954</u>	<u>27,129,512</u>	<u>24,901,963</u>	<u>17,428,931</u>

Employee benefit expenses in profit or loss for the years ended December 31, 2019 and 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Cost of sales	6,943,611	3,547,073	5,957,849	2,534,668
Selling expenses	164,483	39,185	-	-
Administrative expenses	3,193,518	1,462,093	2,027,113	584,546
Total employee benefit expenses	<u>10,301,612</u>	<u>5,048,351</u>	<u>7,984,962</u>	<u>3,119,214</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, 2019 and 2018 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.16 - 2.94	2.16 - 2.94	2.21	2.21
Salary increases rate	1.00 - 5.00	1.00 - 5.00	1.00 - 5.00	1.00 - 5.00
Mortality rate	100% of Thai	100% of Thai	100% of Thai	100% of Thai
	Mortality Ordinary Tables of 2017	Mortality Ordinary Tables of 2017	Mortality Ordinary Tables of 2017	Mortality Ordinary Tables of 2017
Turnover rate				
Under 31 years old	0 - 40	0 - 40	21 - 32	21 - 32
31 - 40 years old	0 - 28	0 - 28	5 - 22	5 - 22
41 - 50 years old	0 - 7	0 - 7	5 - 7	5 - 7
Above 51 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, 2019 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	(2,663,546)	3,028,145	(1,733,370)	1,960,686
Salary increase rate	3,509,014	(3,130,071)	2,307,602	(2,067,813)
Turnover rate	(2,841,066)	1,789,099	(1,844,058)	1,178,542

As at December 31, 2019, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	2,659,539	2,085,500
Over 1 and up to 5 years	15,673,197	11,665,174
Over 5 and up to 10 years	23,675,306	13,054,673

On April 5, 2019 The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 5.03 million (The Company only: Baht 4.63 million) as a result. The Company and its subsidiaries has recorded the effect of the change by recognising past service costs as expenses immediately in the income statement of the period in which the law is effective, which is the second quarter of 2019

20. 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.

21. DIVIDEND PAYMENT

The 2019 Annual General Meeting of Shareholders of the Company held on April 26, 2019, passed a resolution to pay dividend for the year 2018 to the shareholders of 2,800 million shares at 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. The dividend was paid on May 22, 2019.

The Board of Directors' Meeting No.1/2019 held on April 4, 2019 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 2019 Annual General Shareholders' Meeting held on April 30, 2019, passed a resolution to pay such dividends. The dividend was paid on May 10, 2019.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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 to the shareholders of 2,800 million shares at 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.

22. 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.

23. DEFERRED TAX

Deferred tax as at December 31, 2019 and 2018 were as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
Deferred tax assets	7,825,452	13,997,847	4,980,393	7,343,177
Deferred tax liability	(5,358,619)	(5,108,072)	(16,971)	(199,493)
Deferred tax assets - net	2,466,833	8,889,775	4,963,422	7,143,684

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	Unit : Baht					
	Consolidated financial statements		Separate financial statements			
	As at January 1, 2019	Profit (loss)	As at December 31, 2019	As at January 1, 2019	Profit (loss)	As at December 31, 2019
Deferred tax assets						
Allowance for doubtful accounts	705,571	-	705,571	-	-	-
Allowance for devaluation of inventories	944,749	(944,749)	-	944,749	(944,749)	-
Allowance for impairment of assets	415,322	(415,322)	-	415,322	(415,322)	-
Non-current provisions for employee benefits	5,289,715	1,830,166	7,119,881	3,485,786	1,494,607	4,980,393
Tax loss carries forward	4,145,170	(4,145,170)	-	-	-	-
Revenues treated as revenues under the Revenue Code	2,497,320	(2,497,320)	-	2,497,320	(2,497,320)	-
Total	13,997,847	(6,172,395)	7,825,452	7,343,177	(2,362,784)	4,980,393
Deferred tax liability						
Unrealized gain on investments in						
Open-end Fund	(675,479)	278,989	(396,490)	(199,493)	182,522	(16,971)
Depreciation	(4,432,593)	(529,536)	(4,962,129)	-	-	-
Total	(5,108,072)	(250,547)	(5,358,619)	(199,493)	182,522	(16,971)
Deferred tax assets - net	8,889,775	(6,422,942)	2,466,833	7,143,684	(2,180,262)	4,963,422

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..... Director
(Narong Thareeratanaivibool)

..... Director
(Thanit Thareeratanaivibool)

Unit : Baht

	Consolidated financial statements				Separate financial statements			
	Other		Other		Other		Other	
	As at January 1, 2018	Profit (loss)	As at December 31, 2018	As at January 1, 2018	Profit (loss)	As at December 31, 2018	Profit (loss)	As at December 31, 2018
Deferred tax assets								
Allowance for doubtful accounts	149,150	556,421	705,571	-	-	-	-	-
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
Non-current provisions for employee benefits	6,018,990	126,200	5,289,715	3,705,138	32,492	(251,844)	(251,844)	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)	13,997,847	6,239,925	1,355,096	(251,844)	(251,844)	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)	8,889,775	6,088,021	1,307,507	(251,844)	(251,844)	7,143,684

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..... Director

(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

24. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2019 and 2018 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax expense				
Current year	(6,417,688)	(8,605,944)	(5,557,361)	(7,610,422)
Deferred tax expense				
Movement in temporary differences	(6,422,942)	(2,042,086)	(2,180,262)	1,307,507
Total	(12,840,630)	(10,648,030)	(7,737,623)	(6,302,915)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit before income tax expense		248,418,304		307,443,384
Income tax using the corporate tax rate	20	(49,683,661)	20	(61,488,677)
Exemption from income tax on profit revived from BOI		74,090,779		69,923,380
Revenues treated as revenues under the Revenue Code		(433,714)		-
Non-taxable income		-		1,220,187
Double expenses by the Revenue Code		117,300		533,790
Non-deductible expenses		(16,473,372)		(6,748,991)
Unused current tax loss*		(20,457,962)		(13,560,252)
Income tax in share of loss in associate		-		(527,467)
Income tax expense	5	<u>(12,840,630)</u>	4	<u>(10,648,030)</u>

* The subsidiaries have tax losses in 2019 and 2018 of Baht 102.29 million and Baht 67.80 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			
	2019		2018	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit before income tax expense		407,137,320		383,904,246
Income tax using the corporate tax rate	20	(81,427,464)	20	(76,780,849)
Exemption from income tax on profit reviled from BOI		74,090,779		69,923,380
Revenues treated as revenues under the Revenue Code		(433,714)		-
Non-taxable income		2,000,000		2,000,000
Double expenses by the Revenue Code		42,766		107,495
Non-deductible expenses		(2,009,990)		(1,552,941)
Income tax expense	2	(7,737,623)	2	(6,302,915)

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.

25. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2019 and 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
(Increase) decrease in change of				
finished goods and work in progress	(95,603,011)	(56,253,762)	21,203,189	(30,459,514)
Raw materials and consumables used	2,196,615,276	1,737,521,298	238,089,894	251,053,365
Construction materials and subcontractors	1,053,372	23,041,844	-	-
Purchase of goods for sale	57,611,305	31,163,074	57,611,305	31,163,074
Employee benefit expenses	183,565,283	186,750,794	121,168,336	108,994,319
Depreciation and amortization expenses	161,527,696	143,458,110	74,877,064	68,888,329
(Reversal) loss on devaluation of inventories	41,250,000	(5,875,665)	-	-
(Reversal) Loss on impairment of assets	(456,608)	11,616,420	(2,076,608)	(5,873,580)

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

26. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2019 and 2018 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			
	2019		2018		2019		2018	
	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currency	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	32.52	974.81	50.24	1,621.88	31.12	932.73	31.10	1,004.08
Total		974.81		1,621.88		932.73		1,004.08
Liabilities								
USD	129.17	3,917.80	304.60	9,968.91	123.26	3,738.60	253.74	8,275.52
Total		3,917.80		9,968.91		3,738.60		8,275.52

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

27. 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.	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
	60-0406-1-00-1-0	November 21, 2019	Producing 99.8% Pure Glycerin	November 22, 2022
	60-0623-1-00-1-0	Not yet operated	Producing biodiesel	Not yet operated

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. 1478(2)/2553, 1922(1)/2553, 2777(1)/2556, And promotional operation for 3 years. No. 60-0406-1-00-1-0 and 60-0623-1-00-1-0 Whereby the promotional certificates No.1478(2)/2553 and have limited amount for corporate income tax exemption at maximum of Baht 495.91 million,
- 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.1922(1)/2553 and 2777(1)/2556 and from promotional net profit at 100% of normal rate since the exemption is expired as 5.1 for 3 years especially for promotional certificate No.60-0406-1-00-1-0 and 60-0623-1-00-1-0
- 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.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.

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

The Company and subsidiaries have revenue from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the years ended December 31, 2019 and 2018, 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, 2019						
Revenue from sales of goods	1,641,848,063	1,328,245,550	2,970,093,613	930,343,995	82,580,024	1,012,924,019
Revenue from production contract	-	7,014,453	7,014,453	-	-	-
Revenue from construction contract	-	31,180,330	31,180,330	-	-	-
Revenue from vessel operating	-	16,486,717	16,486,717	-	-	-
Income from an insurance claim - net	-	13,331,727	13,331,727	-	-	-
Other incomes	1,906,479	10,946,278	12,852,757	1,906,479	11,130,337	13,036,816
Dividend income	-	-	-	-	10,000,000	10,000,000
Total	1,643,754,542	1,407,205,055	3,050,959,597	932,250,474	103,710,361	1,035,960,835
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	1,708,820	20,529,459	22,238,279	1,708,820	8,204,706	9,913,526
Dividend income	-	-	-	-	10,000,000	10,000,000
Total	2,137,347,602	470,926,431	2,608,274,033	791,263,840	131,496,969	922,760,809

..... Director

(Narong Tharatanavibool)

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28. 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, 2019 and 2018 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Asian Insulators Public Company Limited	1,703,965	1,789,152	1,703,965	1,789,152
AI Engineering Services Company Limited	197,778	187,413	-	-
AI Energy Public Company Limited	1,556,808	1,457,438	-	-
AI Logistics Company Limited	37,148	32,730	-	-
Total	3,495,699	3,466,733	1,703,965	1,789,152

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29. SEGMENT INFORMATION

The segmented information for the years ended December 31, 2019 and 2018 were as follows:

		Unit : Thousand Baht							
		Consolidated financial statements							
		For year ended December 31, 2019							
		Group of AI Energy Public Company Limited							
		Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Production contract of refine crude palm oil	Sale of refine glycerine	Vessel operating	Port services	Total
Revenues from sales and services		1,012,924	31,180	1,956,108	7,014	1,062	16,487	-	3,024,775
Cost of sales and services		(542,042)	(20,463)	(1,966,456)	(4,739)	(1,232)	(29,808)	-	(2,564,740)
Allowance for devaluation of inventories		-	-	(4,000)	-	(40,000)	-	-	(44,000)
Gross profit (loss) by segment		470,882	10,717	(14,348)	2,275	(40,170)	(13,321)	-	416,035
Income from an insurance claim - net									13,332
Other income									12,853
Selling expenses									(28,442)
Administrative expenses									(162,273)
Loss on impairment of property, plant, vessel and equipment									(1,620)
Finance costs									(1,466)
Income tax expenses									(12,841)
Profit for the year									235,578
Other comprehensive income (loss)									-
Total comprehensive income for the year									235,578
Equity holders of the parent									295,403
Non-controlling interests									(59,825)
Property, plant, vessel and equipment - net		475,703	135		886,224	471,752	24,854	163,465	2,022,133

..... Director
(Narong Tharetanavibool)

..... Director
(Thanit Tharetanavibool)

Unit : Thousand Bahr

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		Production crude palm oil contract of refined		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)	(1,441,650)	(36,369)	(53,665)	-	-	(2,106,877)	
Allowance for devaluation of inventories	-	-	(2,750)	-	-	-	-	(2,750)	
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 Tharetanavibool)

..... Director
(Thanit Tharetanavibool)

30. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at December 31, 2019 and 2018 were as follows:

30.1 Letters of guarantee

The Group had contingent liabilities on bank guarantees by banks on behalf of the Group were as follows

	Unit : Baht	
	Consolidated financial statements	
	2019	2018
Guarantee for construction undertaking	198,006,676	194,350,216
Guarantee for sale of porcelain insulators and component	181,290,186	171,745,873
Guarantee for importation machinery	11,178,299	18,247,896
Guarantee for electricity usage	7,698,200	9,993,790
Total	398,173,361	394,337,775

30.2 Group has contingent liabilities on capital commitments as follows:

	Contracted Balance (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Capital commitments				
Contracted but not provided for				
Land improvement	-	2,771,300	-	-
work in process :				
- building and utility systems	1,877,155	6,870,512	-	2,324,558
- Machinery, accessories and tools	4,083,805	12,874,350	1,530,100	3,504,360
work in process - Purify Glycerin project	14,023,420	126,167,840	-	-

30.3 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 59.36 million and Baht 5.33 million, respectively.

30.4 The Company is the guarantor for the repayment of loans from financial institutions for AI Engineering Services Company Limited (“the subsidiary”) amount of Baht 595 million.

..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

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30.5 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 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. Presently, the investigation is still under the process.

During the year 2019, the Subsidiary requested a legal opinion in case of the Securities and Exchange Commission of Thailand (the SEC), has filed a criminal complaint against the former directors and executives of the Subsidiary with the Department of Special Investigation (DSI), with an independent law firm, whose letter dated November 11, 2019, has an opinion that the case is the criminal complaint against the former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way. Therefore, when the former directors and executives of the Subsidiary have complaint against it will not have any impact on the Subsidiary.

The Company’s and the Subsidiary’s management believes that final result investigation in such case does not have any significant impact on the Company’s consolidated financial statements.

31. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

31.1 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.

31.2 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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31.3 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.

31.4 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.

32. 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.

33. EVENTS AFTER THE REPORTING PERIOD

Dividend payment

The Board of Directors' Meeting No. 1/2020 held on February 24, 2020, passed a resolution to pay dividend for the year 2019 of Baht 0.12 per share for a total amount 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 and propose for approval to the Company's Annual General Shareholders' Meeting of 2020.

Reduction of legal reserve and premium on ordinary shares to offset the deficits

The Board of Directors' Meeting AI Energy Public Company Limited ("the subsidiary") on February 24, 2020, passed a resolution to approve the reduction of legal reserve amounting to Baht 8.23 million and premium on ordinary shares amounting to Baht 315.32 million so as to reduce the deficits in the subsidiary's separate financial statements as at December 31, 2019 amounting to Baht 323.55 million and propose for approval to the Subsidiary's Annual General Shareholders' Meeting of 2020.

34. FINANCIAL STATEMENTS APPROVAL

These financial statements have been approved to issue by the Company's Board of Directors on February 24, 2020.

..... Director
(Narong Thareratanavibool)

..... Director 65
(Thanit Thareratanavibool)