

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF
INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the consolidated and separate statements of financial position of Asian Insulators Public Company Limited and its subsidiaries and of Asian Insulators Public Company Limited, respectively as at March 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, consolidated and separate statements of cash flows for the three-month period ended March 31, 2019, and the condensed notes to the interim financial statements (Interim financial information) The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Basis for Qualified Conclusion on the Consolidated Interim Financial Information

1. As discussed in Note to Financial Statements No. 25.5, the subsidiary, AI Energy Public Company Limited, received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary predecessor auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014 (Before restated). The subsidiary's former management provided a clarification of the facts to the SEC.

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



I was unable to determine whether there is any necessary adjustment to the consolidated interim financial information for the three-month periods ended March 31, 2019 as a result from the above matter .

2. As discussed in the Note to financial statements No.10, the financial statements of PPC Asian Insulator Company Limited, an associated company, as at March 31, 2019, used for recording the investment under the equity method in the consolidated financial statement, is based on information from Management which had not been reviewed by an auditor. The Company's consolidated financial statements, as at March 31, 2019, included an investment of Baht 0.00 million, representing 0.00% total assets in the consolidated financial statements, and a share of profit for the three-month period ended March 31, 2019 in the amount of Baht 0.00 million, representing 0.00% of consolidated net profit. I am unable to obtain sufficient evidence for recording of such investment in associated company.

Qualified Conclusion on the Consolidated Interim the review Financial Information of the account

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

Conclusion on the Separate Interim Financial Information

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



Vichai Ruchitanont
Certified Public Accountant
Registration Number 4054

ANS Audit Co., Ltd
Bangkok, May 14, 2019

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2019

Unit: Thousand Baht

	Notes	Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
ASSETS					
Current assets					
Cash and cash equivalents		102,846	125,719	62,340	26,270
Current investments	5	564,485	562,301	287,116	251,157
Trade and other current receivables - net	4, 6	244,037	234,149	89,722	135,448
Unbilled receivables	7	-	10,136	-	-
Inventories - net	8	445,463	445,295	262,268	227,718
Oil supplies	9	1,861	1,571	-	-
Total current assets		1,358,692	1,379,171	701,446	640,593
Non-current assets					
Investments in associated company - net	10	-	-	-	-
Investments in subsidiaries	11	-	-	997,612	997,612
Pledged deposits at financial institution	12	24,017	24,017	-	-
Property, plant, vessel and equipment - net	13	2,007,855	1,959,631	510,635	523,991
Intangible assets - net	14	5,489	5,662	5,149	5,341
Deferred tax assets - net	19	6,153	8,890	4,595	7,144
Deposit for purchase of assets		10,977	6,537	2,699	1,395
Other non-current assets		13,553	13,555	315	315
Total non-current assets		2,068,044	2,018,292	1,521,005	1,535,798
Total assets		3,426,736	3,397,463	2,222,451	2,176,391

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT MARCH 31, 2019

Unit: Thousand Baht

	Notes	Consolidated financial statements		Separate financial statements	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts from financial institutions		307	-	-	-
Trade and other current payables	4, 15	199,665	200,272	42,376	65,566
Income tax payable		3,875	1,800	3,258	1,800
Total current liabilities		203,847	202,072	45,634	67,366
Non-current liabilities					
Non-current provisions for employee benefits	16	27,957	27,129	18,043	17,429
Total non-current liabilities		27,957	27,129	18,043	17,429
Total liabilities		231,804	229,201	63,677	84,795
Shareholders' equity					
Authorized share capital					
Common shares 2,800,000,000 shares at Baht 0.25 each		700,000	700,000	700,000	700,000
Issued and fully paid-up share capital					
Common shares 2,799,996,084 shares at Baht 0.25 each		699,999	699,999	699,999	699,999
Premiums on share capital		902,769	902,769	902,769	902,769
Retained earnings (deficits)					
Appropriated					
Legal reserve	18	70,000	70,000	70,000	70,000
Unappropriated		(400,709)	(444,053)	483,743	416,565
Other components of shareholders' equity					
Difference on business combination					
under common control		(3,259)	(3,259)	-	-
Capital surplus from share premium of subsidiary		360,580	360,580	-	-
Gain on disposal of investment in subsidiaries		861,443	861,443	-	-
Surplus from changes of shareholding in subsidiaries		13,149	13,149	-	-
Actuarial gains		4,494	4,494	2,263	2,263
Total shareholders' equity of the Company		2,508,466	2,465,122	2,158,774	2,091,596
Non-controlling interests		686,466	703,140	-	-
Total shareholders' equity		3,194,932	3,168,262	2,158,774	2,091,596
Total liabilities and shareholders' equity		3,426,736	3,397,463	2,222,451	2,176,391

..... Director
 (Narong Thareratanavibool)

..... Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
3, 4, 22, 23, 24					
Revenues					
		604,359	625,564	191,846	213,838
		5,065	16,651	-	-
		9,913	27,386	-	-
		6,441	13,682	-	-
		3,313	6,913	2,515	4,372
		<u>629,091</u>	<u>690,196</u>	<u>194,361</u>	<u>218,210</u>
Expenses					
		(541,258)	(514,297)	(104,474)	(111,954)
		(3,716)	(12,147)	-	-
		(4,011)	(25,388)	-	-
		(7,859)	(13,704)	-	-
		(5,657)	(2,994)	(1,206)	(1,178)
		(35,066)	(37,714)	(17,455)	(16,053)
	10	-	1,877	-	-
		<u>(597,567)</u>	<u>(604,367)</u>	<u>(123,135)</u>	<u>(129,185)</u>
		31,524	85,829	71,226	89,025
	20	(4,854)	(5,680)	(4,048)	(4,461)
		<u>26,670</u>	<u>80,149</u>	<u>67,178</u>	<u>84,564</u>
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
	16	-	4,107	-	1,258
		-	(855)	-	(251)
		-	3,252	-	1,007
		<u>26,670</u>	<u>83,401</u>	<u>67,178</u>	<u>85,571</u>
Profit (loss) attributable to:					
		43,344	80,762	67,178	84,564
		(16,674)	(613)	-	-
		<u>26,670</u>	<u>80,149</u>	<u>67,178</u>	<u>84,564</u>
Total comprehensive income (loss) attributable to:					
		43,344	83,285	67,178	85,571
		(16,674)	116	-	-
		<u>26,670</u>	<u>83,401</u>	<u>67,178</u>	<u>85,571</u>
Earnings per share					
		0.015	0.029	0.024	0.030
		<u>2,799,996.084</u>	<u>2,799,996.084</u>	<u>2,799,996.084</u>	<u>2,799,996.084</u>

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
"REVIEWED"

Unit: Thousand Baht

Consolidated financial statements													
Equity attributable to equity holders of the parent													
Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Difference on business combination under common control	Capital surplus from share premium of subsidiary	Gain on disposal of investment in subsidiaries	Surplus from changes of shareholding in subsidiaries	Other comprehensive income		Total other components of shareholders' equity	Total Equity holders of the Company	Non-controlling interests	Total Shareholders' Equity
								Retained earnings (deficits)	Actuarial gains				
Balance as at January 1, 2019	699,999	902,769	70,000	(444,053)	(3,259)	360,580	861,443	13,149	4,494	1,236,407	2,465,122	703,140	3,168,262
Changes in shareholders' equity for the period:	-	-	-	43,344	-	-	-	-	-	-	43,344	(16,674)	26,670
Total comprehensive income (loss) for the period	699,999	902,769	70,000	(400,709)	(3,259)	360,580	861,443	13,149	4,494	1,236,407	2,508,466	686,466	3,194,932
Balance as at March 31, 2019													
Balance as at January 1, 2018	699,999	902,769	70,000	(636,766)	(3,259)	360,580	861,443	-	1,932	1,220,696	2,266,698	698,499	2,965,197
Changes in shareholders' equity for the period:	-	-	-	-	-	-	-	-	-	-	-	(386)	(386)
Change in proportion of shareholders in subsidiary	-	-	-	80,762	-	-	-	-	2,523	2,523	83,285	116	83,401
Total comprehensive income for the period	699,999	902,769	70,000	(546,004)	(3,259)	360,580	861,443	-	4,455	1,223,219	2,349,983	698,229	3,048,212
Balance as at March 31, 2018													

.....Director
(Narong Tharattanasitboon)

.....Director
(Thamit Tharattanasitboon)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

Unit: Thousand Baht

	Separate financial statements						Total Shareholders' Equity
	Retained earnings			Total other components of shareholders' equity			
	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Unappropriated	Other comprehensive income	Actuarial gains	
Balance as at January 1, 2019	699,999	902,769	70,000	416,565	2,263	2,263	2,091,596
Changes in shareholders' equity for the period:							
Total comprehensive income for the period	-	-	-	67,178	-	-	67,178
Balance as at March 31, 2019	699,999	902,769	70,000	483,743	2,263	2,263	2,158,774
Balance as at January 1, 2018	699,999	902,769	70,000	178,963	1,255	1,255	1,852,986
Changes in shareholders' equity for the period:							
Total comprehensive income for the period	-	-	-	84,564	1,007	1,007	85,571
Balance as at March 31, 2018	699,999	902,769	70,000	263,527	2,263	2,263	1,938,558

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.....Director
 (Narong Tharatanavibool)

.....Director
 (Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Operating Activities				
Profit before income tax expenses	31,524	85,829	71,226	89,025
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	34,219	33,433	17,161	16,079
Amortization of computer softwares	225	205	192	176
loss on disposal asset	4	7,614	-	5,741
Unrealized gain on investments in Open-end Fund	(1,493)	(928)	(869)	(408)
Allowance for devaluation of inventories	19,250	1,607	-	-
Reversal Impairment loss on asset	-	(5,874)	-	(5,874)
Share of gain from investment in associate	-	(1,877)	-	-
Non-current provisions for employee benefits	1,336	1,316	812	783
Interest income	(175)	(1,033)	-	-
Gain from operating activities before changes				
in operating assets and liabilities	84,890	120,292	88,522	105,522
Changes in operating assets - (increase) decrease				
Trade and other receivables	(10,128)	(15,568)	45,726	(30,169)
Unbilled receivables	10,135	16,558	-	-
Inventories	(19,708)	(5,196)	(34,550)	(1,143)
Deposit for purchase of assets	(5,586)	16,193	(2,699)	(807)
Other non-current assets	1,637	6,811	1,395	6,496

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"
 "REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in operating liabilities - increase (decrease)				
Trade and other payables	(45,375)	250	(23,190)	(14,866)
Advance received and deferred construction revenue	-	(7,062)	-	-
Retention payables	(116)	(3,183)	-	-
Cash provided by operating activities	15,749	129,095	75,204	65,033
Payment for employee benefit obligations	(508)	(923)	(198)	(321)
Income tax paid	(281)	(601)	(42)	(49)
Net cash provided by operating activities	14,960	127,571	74,964	64,663
Cash Flows from Investing Activities				
Interest received	175	776	-	-
Increase in current investments	(691)	(61,048)	(35,090)	(50,000)
Payment for investment in subsidiary	-	(386)	-	(386)
Payment for purchases of assets	(37,570)	(72,432)	(3,804)	(6,478)
Payment for purchases of intangible assets	(54)	(5,388)	-	(5,388)
Proceeds from disposal of assets	-	2,059	-	133
Net cash used in investing activities	(38,140)	(136,419)	(38,894)	(62,119)
Cash Flows from Financing Activities				
Increase in bank overdrafts from financial institutions	307	-	-	-
Net cash provided by financing activities	307	-	-	-
Net increase (decrease) in cash and cash equivalents	(22,873)	(8,848)	36,070	2,544
Cash and cash equivalents at beginning of the periods	125,719	127,687	26,270	55,498
Cash and cash equivalents at end of the periods	102,846	118,839	62,340	58,042
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	46,560	18,000	1,684	1,404

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2019 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

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

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

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

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34, Interim Financial Reporting (revised 2018), including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and the regulations of the Securities and Exchange Commission.

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

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

Other than those specified in the notes to the annual and interim financial statements, all other balances presented in these interim financial statements are prepared under the historical cost basis.

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2018. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

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

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

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiaries (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2018.

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

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

New financial reporting standards

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

During the period, 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 1 January 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 summarised below:

TFRS 15 Revenue from Contracts with Customers

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

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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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.

The financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

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

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

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 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.

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers. However, such change in accounting policy has no material impacts on the financial statements of the Company and its subsidiaries.

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.



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Significant transactions between the Company and related parties for the three-month periods ended March 31, 2019 and 2018 were as follows:

		Unit : Thousand 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	603	40	603
Sales of hybrid clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	961	16,030	961	16,030
Other income - rental and services					
PPC Asian Insulators Co., Ltd.	Mutually agreed	126	140	126	140
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	263	290
AI Energy Public Co., Ltd.	Mutually agreed	-	-	232	252
AI Logistics Co., Ltd.	Mutually agreed	-	-	131	188
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	48	50
Purchases of scrap clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	958	5,090	958	5,090

Management's remuneration

Management's remuneration for the three-month periods ended March 31, 2019 and 2018 consisted of:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Short-term employee benefits		11,129	11,074	6,225	5,877
Long-term post-employment benefits		236	294	87	110
Total management's remuneration		11,365	11,368	6,312	5,987

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivable				
PPC Asian Insulators Co., Ltd.	-	10,161	-	10,161
Other current receivable				
PPC Asian Insulators Co., Ltd.	88	95	88	95
AI Engineering Services Co., Ltd.	-	-	10	7
AI Logistics Co., Ltd.	-	-	2	1
Trade payable				
PPC Asian Insulators Co., Ltd.	-	9,337	-	9,337

5. CURRENT INVESTMENTS

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investment in Open-end Fund-Debt securities	558,705	557,352	285,250	250,160
Add Unrealized gains on changes in fair value of investments	5,296	4,632	1,866	997
Investment in Open-end Fund-Fair value	564,001	561,984	287,116	251,157
Fixed deposits	484	317	-	-
Total current investments	564,485	562,301	287,116	251,157

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 Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

6. TRADE AND OTHER CURRENT RECEIVABLES - NET

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivable - related parties	-	10,161	-	10,161
Trade receivable - state enterprises	90,395	117,589	68,942	117,589
Trade receivables - others	149,739	110,129	15,891	3,582
Total trade receivables	240,134	237,879	84,833	131,332
Less Allowance for doubtful accounts	(3,222)	(11,110)	-	-
Total trade receivables - net	236,912	226,769	84,833	131,332
Other current receivables				
Other receivables - related parties	88	95	100	103
Prepaid insurance	2,187	2,631	1,499	1,178
Prepaid expense	3,589	1,440	2,984	596
Deposit for inventories	158	1,917	158	1,917
Revenue Department receivable	860	719	148	322
Advance payment to subcontractors	-	249	-	-
Others	549	635	-	-
Total other current receivables	7,431	7,686	4,889	4,116
Less Allowance for doubtful accounts	(306)	(306)	-	-
Total other current receivables - net	7,125	7,380	4,889	4,116
Total trade and other current receivables - net	244,037	234,149	89,722	135,448

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related parties				
Current	-	3,759	-	3,759
Overdue				
Within 3 months	-	6,402	-	6,402
Total	-	10,161	-	10,161
State enterprises				
Current	90,395	117,589	68,942	117,589
Total	90,395	117,589	68,942	117,589
Others				
Current	140,120	96,128	9,493	3,532
Overdue				
Within 3 months	6,398	2,891	6,398	50
Over 6 months to 12 months	2,782	2,782	-	-
Over 12 months	439	8,328	-	-
Total	149,739	110,129	15,891	3,582
Total trade receivables	240,134	237,879	84,833	131,332
Less Allowance for doubtful accounts	(3,222)	(11,110)	-	-
Total trade receivables - net	236,912	226,769	84,833	131,332

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..... Director
(Narong Thararatnavibool)

..... Director
(Thanit Thararatnavibool)

7. UNBILLED RECEIVABLES

Unbilled receivables as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2019	2018
Unbilled receivables		
Contract value	-	135,757
Recognition of income by the percentage of completion	-	126,693
Less Value of billing construction	-	(116,557)
Total	-	10,136

8. INVENTORIES - NET

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw materials	205,023	226,290	146,674	133,392
Work in process	146,159	106,907	43,896	37,703
Finished goods	108,732	102,494	72,546	52,504
Supplies	9,964	8,941	1,567	706
Goods in transit	2,309	8,137	2,309	8,137
Total	472,187	452,769	266,992	232,442
Less Allowance for devaluation of inventories	(26,724)	(7,474)	(4,724)	(4,724)
Total inventories - net	445,463	445,295	262,268	227,718

9. OIL SUPPLIES

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

	Unit : Thousand Baht	
	Consolidated financial statements	
	2019	2018
Bunker oil	1,527	1,338
Lubricants	334	233
Total oil supplies	1,861	1,571

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

10. INVESTMENTS IN ASSOCIATED COMPANY - NET

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

Company	Nature of business	Percentage of investment (%)		Unit: Thousand Baht		Unit : Thousand Baht			
		2019	2018	2019	2018	Consolidated financial statements		Separate financial statements	
				Issued share capital		Equity method	2019	2018	2019
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramic	25.10	25.10	263,000	263,000	-	-	66,000	66,000
	Less Provision for diminution in investment					-	-	(66,000)	(66,000)
	Total investments in associate - net					-	-	-	-

The consolidated and separate financial statements for the three-month periods ended March 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 reviewed by an auditor. The carrying value of the investment in the consolidated financial statements as at March 31, 2019 and December 31, 2018, amounted to Baht 0.00 million and Baht 0.00 million, respectively, representing 0.00% and 0.00% of total assets in the consolidated financial statements.

The equity of net gain of the associated company in the consolidated financial statements for the three-month periods ended March 31, 2019 and 2018 amounted to Baht 0.00 million and Baht 1.88 million, respectively, representing 0.00% and 2.34% of consolidated net profit, respectively.

As at March 31, 2019, 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 Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2019 and December 31, 2018, consisted of:

Company	Nature of business	Unit : Thousand Baht				
		Percentage of investment (%)		Separate financial statements		
		2019	2018	Issued share capital	Cost method	
		2019	2018	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	100.00	100.00	200,000	197,386	197,386
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	61.77	1,130,000	1,130,000	800,226
Subsidiaries held by AI Energy Public Company Limited						
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209,000	209,000	-
AI Ports and Terminals Company Limited	Servicing port (At present temporarily halted main business operation and in the process of preping a business plan.)	100.00	100.00	460,000	460,000	-
Total investments in subsidiaries						
				997,612	997,612	

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(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

12. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The subsidiary has pledged fixed deposit at bank as collateral for the issuance of bank guarantee (Note 25.1).

13. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

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

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2018	3,346,373	1,263,242
Purchases during period	82,446	3,805
Disposal /written off during period	(103)	-
As at March 31, 2019	3,428,716	1,267,047
Accumulated Depreciation		
As at December 31, 2018	(1,367,265)	(737,174)
Depreciation for the period	(34,218)	(17,161)
Depreciation - disposals for the period	99	-
As at March 31, 2019	(1,401,384)	(754,335)
Allowances for impairment of assets		
As at December 31, 2018	(19,477)	(2,077)
Allowances for impairment for the period	-	-
As at March 31, 2019	(19,477)	(2,077)
Book value		
As at December 31, 2018	1,959,631	523,991
As at March 31, 2019	2,007,855	510,635

Depreciations in the statements of profit or loss for the three-month periods ended March 31, 2019 and 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sale and service	29,627	28,185	15,367	14,255
Selling and administrative expenses	4,591	5,248	1,794	1,824
	34,218	33,433	17,161	16,079

..... Director
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(Thanit Thareratanavibool)

As at March 31, 2019 and December 31, 2018 interest incurred on loans used for a Purify Glycerin project of AI Energy Public Company Limited, totaling to Baht 1.37 million, have been capitalized as part of cost of construction in process.

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at March 31, 2019 and December 31, 2018, in the consolidate financial statement totaling approximately Baht 407.22 million and Baht 394.56 million respectively, and separate financial statements totaling approximately Baht 244.63 million and Baht 243.65 million, respectively.

The subsidiary, AI Ports and Terminals Co., Ltd, due to at present temporarily halted main business. Management has assessed the appropriateness of the valuation of the property, plant and equipment of the subsidiary from 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 March 31, 2019 and December 31, 2018 amount of Baht 192.05 million. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidate statements of financial position as at March 31, 2019 and December 31, 2018.

14. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2018	27,244	26,037
Purchases during period	54	-
As at March 31, 2019	27,298	26,037
Accumulated Depreciation		
As at December 31, 2018	(21,582)	(20,696)
Depreciation for the period	(227)	(192)
As at March 31, 2019	(21,809)	(20,888)
Book value		
As at December 31, 2018	5,662	5,341
As at March 31, 2019	5,489	5,149

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(Narong Thareratanavibool)

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15. TRADE AND OTHER CURRENT PAYABLES

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related parties	-	9,337	-	9,337
Trade payables - others	107,530	127,492	29,398	27,388
Total trade payables	107,530	136,829	29,398	36,725
Other current payables				
Payables for purchase of assets	51,601	8,726	1,684	1,185
Other payables	4,722	3,875	-	-
Advances received for goods	2,628	16,527	687	16,516
Accrued bonus	3,845	97	3,658	-
Electricity payable	4,206	3,938	1,452	1,329
Accrued expenses	6,216	5,815	3,127	2,933
Retention	10,368	9,129	-	-
Revenue Department payables	7,101	13,898	1,077	6,475
Advance received for vessel operating services	-	612	-	-
Others	1,448	826	1,293	403
Total other current payables	92,135	63,443	12,978	28,841
Total trade and other current payables	199,665	200,272	42,376	65,566

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(Narong Thareratanavibool)

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16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the three-month periods ended March 31, 2019 and 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Non-current provisions for employee benefits				
at beginning of periods	27,130	30,497	17,429	18,526
Included in profit or loss:				
Current service cost	1,157	1,145	690	664
Interest cost	178	171	122	117
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	(546)	-	804
Experience adjustments	-	(3,561)	-	(2,062)
Benefit paid during the periods	(508)	(923)	(198)	(321)
Non-current provisions for employee benefits				
at end of periods	<u>27,957</u>	<u>26,783</u>	<u>18,043</u>	<u>17,728</u>

Employee benefit expenses in profit or loss for the three-month periods ended March 31, 2019 and 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of sales	903	901	655	637
Selling expenses	-	1	-	-
Administrative expenses	432	414	157	144
Total employee benefit expenses	<u>1,335</u>	<u>1,316</u>	<u>812</u>	<u>781</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
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Principal actuarial assumptions as at as at March 31, 2019 and December 31, 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 - 2.85	2.16 - 2.85	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	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary
	Tables of 2017	Tables of 2017	Tables of 2017	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 50 years old	0	0	0	0

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(Narong Thareratanavibool)

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17. 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.

18. LEGAL RESERVE

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.



..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

19. DEFERRED TAX

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at January 1, 2019	Profit (Loss)	As at March 31, 2019	As at March 31, 2019
Deferred tax assets				
Allowance for doubtful trade accounts receivable	706	-	706	-
Allowance for devaluation of inventories	945	-	945	945
Allowance for impairment of assets	415	-	415	415
Non-current provisions for employee benefits	5,290	160	5,450	3,486
Tax loss carries forward	4,145	-	4,145	-
Revenues treated as revenues under the Revenue Code	2,497	(2,497)	-	2,497
Total	13,998	(2,337)	11,661	(2,375)
Deferred tax liability				
Unrealized gain on investments in Open-end Fund	(675)	(299)	(974)	(199)
Depreciation	(4,433)	(101)	(4,534)	-
Total	(5,108)	(400)	(5,508)	(174)
Deferred tax assets - net	8,890	(2,737)	6,153	(2,549)

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As at March 31, 2019 and December 31, 2018, AI Energy Public Company Limited (“the subsidiary”) had the deferred tax asset for the carry forward of unused tax losses in financial statements Baht 4.15 million. The Company’s management believe that it is probable that future taxable profit will be not available against which the unused tax losses can be utilized.

20. TAX EXPENSE

Tax expense the three-month periods ended March 31, 2019 and 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax expense				
Current periods	(2,117)	(3,297)	(1,499)	(3,296)
Deferred tax expense				
Movement in temporary differences	(2,737)	(2,383)	(2,549)	(1,165)
Total	(4,854)	(5,680)	(4,048)	(4,461)

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.

21. FOREIGN CURRENCY TRANSACTIONS

As at March 31, 2019 and December 31, 2018, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging were as follows:

Particulars	Unit: Thousand							
	Consolidated financial statements				Separate financial statements			
	2019		2018		2019		2018	
	Foreign Currencies	Converted To Baht	Foreign Currencies	Converted To Baht	Foreign Currencies	Converted To Baht	Foreign Currencies	Converted To Baht
Assets								
USD	33.29	1,053.42	50.24	1,621.88	33.15	1,049.12	31.10	1,004.08
Total		1,053.42		1,621.88		1,049.12		1,004.08
Liabilities								
USD	167.86	5,369.58	304.60	9,968.91	164.12	5,248.28	253.74	8,275.52
EUR	59.57	2,148.32	-	-	59.57	2,148.32	-	-
Total		7,517.90		9,968.91		7,396.60		8,275.52

..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

22. PROMOTIONAL PRIVILEGES

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

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



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(Thanit Thareratanavibool)

The Company and subsidiaries have revenue, from sales of goods which are granted the promotional certificates for the three-month periods ended March 31, 2019 and 2018 as follows:

	Unit : Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted Activities	Non-promoted Activities	Total	Promoted Activities	Non-promoted Activities	Total
For the three-month period ended March 31, 2019						
Revenue from sales of goods	317,050	287,309	604,359	159,218	32,628	191,846
Revenue from production contract	-	5,065	5,065	-	-	-
Revenue from construction contract	-	9,913	9,913	-	-	-
Revenue from vessel operating	-	6,441	6,441	-	-	-
Other incomes	-	3,313	3,313	-	2,515	2,515
Total	317,050	312,041	629,091	159,218	35,143	194,361
For the three-month period ended March 31, 2018						
Revenue from sales of goods	552,247	73,317	625,564	154,318	59,520	213,838
Revenue from production contract	-	16,651	16,651	-	-	-
Revenue from construction contract	-	27,386	27,386	-	-	-
Revenue from vessel operating	-	13,682	13,682	-	-	-
Other incomes	-	6,913	6,913	-	4,372	4,372
Total	552,247	137,949	690,196	154,318	63,892	218,210

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..... Director
(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

23. 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 Finansia Asset Management Company Limited to manage such fund.

The Company and subsidiary' contributions for the employees' provident fund and recorded as expenses in the statements of profit or loss for the three-month periods ended March 31, 2019 and 2018 were as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Asian Insulators Public Company Limited	426	470	426	470
AI Engineering Services Company Limited	53	46	-	-
AI Energy Public Company Limited	383	338	-	-
AI Logistics Company Limited	10	7	-	-
Total	872	861	426	470

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(Thanit Thareratanavibool)

24. SEGMENT INFORMATION

The segmented information for the three-month periods ended March 31, 2019 and 2018 was as follows:

		Unit : Thousand Baht						
		Consolidated financial statements						
		For the three-month period ended March 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	Contract of refine crude palm oil	Vassel operating	Port services	Total
Revenues from sales and services		191,846	9,913	412,513	5,065	6,441	-	625,778
Cost of sales and services		(104,474)	(4,011)	(436,784)	(3,716)	(7,859)	-	(556,844)
Gross profit (loss) by segment		87,372	5,902	(24,271)	1,349	(1,418)	-	68,934
Other income								3,313
Selling expenses								(5,657)
Administrative expenses								(35,066)
Income tax expenses								(4,854)
Profit for the period								26,670
Total comprehensive income for the period								26,670
Equity holders of the parent								43,344
Non-controlling interests								(16,674)
Property, plant, vessel and equipment - net		510,635	162	1,292,409		29,888	174,761	2,007,855

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..... Director
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(Thanit Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the three-month period ended March 31, 2018

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	213,838	27,386	411,725	16,651	13,683	-	683,283
Cost of sales and services	(111,954)	(25,388)	(402,343)	(12,147)	(13,704)	-	(565,536)
Gross profit (loss) by segment	101,884	1,998	9,382	4,504	(21)	-	117,747
Other income							6,913
Selling expenses							(2,994)
Administrative expenses							(37,714)
Share of gain from investments in associate							1,877
Income tax expenses							(5,680)
Loss for the period							80,149
Defined benefit plan actuarial gains - net of income tax							3,252
Total comprehensive income for the period							83,401
Equity holders of the parent							83,285
Non-controlling interests							116
Property, plant, vessel and equipment - net	561,270	11	1,101,145		21,461	203,482	1,887,369

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..... Director
((Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25. COMMITMENT AND CONTINGENT LIABILITIES

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

25.1 Letters of guarantee

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

	Unit : Thousands Baht	
	Consolidated financial statements	
	2019	2018
Guarantee for construction undertaking	235,056	194,455
Guarantee for sale of porcelain insulators and component	174,835	171,641
Guarantee for importation machinery	18,248	18,248
Guarantee for electricity usage	9,994	9,994
Total	438,133	394,338

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

	Contracted Balance (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Capital commitments				
Contracted but not provided for :				
Land improvement	-	2,771	-	-
work in process :				
- building and utility systems	12,916	6,871	1,308	235
- Machinery, accessories and tools	12,929	12,874	2,035	3,504
work in process - Purify Glycerin project	69,140	126,168	-	-

25.3 As at December 31, 2018, AI Engineering Services Company Limited (“the subsidiary”) has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 5.33 million.

25.4 The Company is the guarantor for the repayment of loans from financial institutions for AI Engineering Services Company Limited (“the subsidiary”) amount of Baht 695 million.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25.5 The Company 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 Company predecessor auditor's disclaimer of opinion in the Company'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 Company in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the Company 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. Presently, the investigation is still under the process.

25.6 The Company and subsidiaries had overdrafts and short-term loans credit facilities with four local commercial bank totaling amount of Baht 997 million. The Company and subsidiaries has a commitment under the conditions of this loan agreement.

26. 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.

27. EVENTS AFTER THE REPORTING PERIOD

27.1 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.

27.2 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 of Baht 0.12 per share for a total amount of Baht 336 million from the separate financial statements' retained earnings after deduction of legal reserves and exempt from income tax, according to the BOI Certificate No. 1478 (2)/2553.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

27.3 Amendments to the law relating to the legal severance pay rates.

On 5 April 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 employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 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 will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

28. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on May 14, 2019.



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)