

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF  
INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 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 June 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019, and the related consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the six-month period ended June 30, 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. 27.5, the subsidiary, AI Energy Public Company Limited, received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary 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 and six-month periods ended June 30, 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 June 30, 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 June 30, 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 and six-month periods ended June 30, 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 Financial Information**

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

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

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



Vichai Ruchitanont  
Certified Public Accountant  
Registration Number 4054

ANS Audit Co., Ltd  
Bangkok, August 13, 2019

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
<b>ASSETS</b>					
Current assets					
		49,560	125,719	11,943	26,270
	5	171,918	562,301	646	251,157
	4, 6	257,944	234,149	56,754	135,448
	4	-	-	50,000	-
	7	-	10,136	-	-
	8	568,203	445,295	347,664	227,718
	9	922	1,571	-	-
		1,048,547	1,379,171	467,007	640,593
Non-current assets					
	10	-	-	-	-
	11	-	-	997,612	997,612
	12	24,017	24,017	-	-
	13	2,009,918	1,959,631	504,889	523,991
	14	5,409	5,662	4,955	5,341
	21	7,670	8,890	6,052	7,144
		17,697	6,537	294	1,395
		9,415	13,555	315	315
		2,074,126	2,018,292	1,514,117	1,535,798
<b>Total assets</b>		<b>3,122,673</b>	<b>3,397,463</b>	<b>1,981,124</b>	<b>2,176,391</b>

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities					
Bank overdrafts from financial institutions	15	469	-	-	-
Trade and other current payables	4, 16	230,081	200,272	57,352	65,566
Short-term loans from subsidiary	4	-	-	50,000	-
Income tax payable		3,068	1,800	2,998	1,800
Total current liabilities		233,618	202,072	110,350	67,366
Non-current liabilities					
Non-current provisions for employee benefits	17	34,315	27,129	23,483	17,429
Total non-current liabilities		34,315	27,129	23,483	17,429
Total liabilities		267,933	229,201	133,833	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	20	70,000	70,000	70,000	70,000
Unappropriated		(734,429)	(444,053)	172,260	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		2,174,746	2,465,122	1,847,291	2,091,596
Non-controlling interests		679,994	703,140	-	-
Total shareholders' equity		2,854,740	3,168,262	1,847,291	2,091,596
<b>Total liabilities and shareholders' equity</b>		<b>3,122,673</b>	<b>3,397,463</b>	<b>1,981,124</b>	<b>2,176,391</b>

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

"UNAUDITED"  
"REVIEWED"

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.....Director  
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
3, 4, 24, 25, 26					
<b>Revenues</b>					
Revenue from sales of goods		1,131,433	1,192,397	272,613	427,823
Revenue from production contract		5,065	30,223	-	-
Revenue from construction contract		9,913	39,617	-	-
Revenue from vessel operating		9,967	27,366	-	-
Other incomes		6,443	14,563	4,956	5,519
Dividend income	11	-	-	10,000	10,000
Total revenues		1,162,821	1,304,166	287,569	443,342
<b>Expenses</b>					
Cost of sales		(1,021,766)	(958,200)	(152,653)	(219,144)
Cost of production contract		(3,716)	(22,399)	-	-
Cost of construction contract		(4,011)	(36,724)	-	-
Cost of vessel operating		(15,247)	(27,285)	-	-
Selling expenses		(13,990)	(5,981)	(3,078)	(2,535)
Administrative expenses		(76,943)	(77,985)	(35,821)	(33,365)
Finance costs		(26)	(80)	(78)	-
Share of loss from investment in associates	10	-	(795)	-	-
Total expenses		(1,135,699)	(1,129,449)	(191,630)	(255,044)
<b>Profit before income tax expenses</b>		27,122	174,717	95,939	188,298
Tax expense	22	(4,646)	(9,570)	(4,246)	(6,547)
<b>Profit for the periods</b>		22,476	165,147	91,693	181,751
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Defined benefit plan actuarial gains	17	-	4,107	-	1,258
Income tax on other comprehensive income relating to items that will not be reclassified		-	(855)	-	(251)
<b>Other comprehensive income for the periods, net of income tax</b>		-	3,252	-	1,007
<b>Total comprehensive income for the periods</b>		22,476	168,399	91,693	182,758
<b>Profit (loss) attributable to:</b>					
Equity holders of the parent		45,622	166,637	91,693	181,751
Non-controlling interests		(23,146)	(1,490)	-	-
		22,476	165,147	91,693	181,751
<b>Total comprehensive income (loss) attributable to:</b>					
Equity holders of the parent		45,622	169,199	91,693	182,758
Non-controlling interests		(23,146)	(800)	-	-
		22,476	168,399	91,693	182,758
<b>Earnings per share</b>					
Basic earnings per share of the Company (Baht)		0.016	0.060	0.033	0.065
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 SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"  
"REVIEWED"

Unit: Thousand Baht													
Consolidated financial statements													
Equity attributable to equity holders of the parent													
Retained earnings (deficits)			Other components of shareholders' equity										
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
699,999	902,769	70,000	(444,753)	(3,259)	360,580	861,443	13,149	4,494	1,236,407	2,465,122	703,140		3,168,262
19	-	-	(335,998)	-	-	-	-	-	-	(335,998)	-		(335,998)
	-	-	45,622	-	-	-	-	-	-	45,622	(23,146)		22,476
699,999	902,769	70,000	(734,729)	(3,259)	360,580	861,443	13,149	4,494	1,236,407	2,174,746	679,994		2,854,740
Balance as at January 1, 2019													
Changes in shareholders' equity for the period:													
Dividend paid													
Total comprehensive income (loss) for the period													
Balance as at June 30, 2019													
699,999	902,769	70,000	(626,266)	(3,259)	360,580	861,443	-	1,932	1,220,636	2,266,698	698,499		2,965,197
Balance as at January 1, 2018													
Changes in shareholders' equity for the period:													
Dividend paid													
19	-	-	(139,999)	-	-	-	-	-	-	(139,999)	-		(139,999)
11	-	-	-	-	-	-	13,149	-	13,149	13,149	(13,535)		(386)
18	-	-	-	-	-	-	-	-	-	-	43,403		43,403
	-	-	166,637	-	-	-	-	2,562	2,562	169,199	(800)		168,399
699,999	902,769	70,000	(600,128)	(3,259)	360,580	861,443	13,149	4,494	1,236,407	2,309,047	727,567		3,036,614
Balance as at June 30, 2018													

.....Director  
(Narong Tharientamvibool)

.....Director  
(Thani Tharientamvibool)



"UNAUDITED"

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.....Director  
(Thanit Thareatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash Flows from Operating Activities</b>				
Profit before income tax expenses	27,122	174,717	95,939	188,298
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Depreciation	75,036	68,155	37,958	33,202
Amortization of computer softwares	456	526	386	468
(Gain) loss on disposal asset	2,177	8,341	(19)	5,664
Unrealized (gain) loss on investments in Open-end Fund	1,570	(1)	989	717
Reversal allowance for devaluation of inventories	(760)	(7,084)	-	-
Reversal impairment loss on asset	(2,077)	(5,874)	(2,077)	(5,874)
Share of loss from investment in associate	-	795	-	-
Dividend income	-	-	(10,000)	(10,000)
Non-current provisions for employee benefits	7,693	2,578	6,252	1,566
Interest income	(364)	(2,058)	(174)	(112)
Interest expenses	26	80	78	-
Gain from operating activities before changes				
in operating assets and liabilities	110,879	240,175	129,332	213,929
Changes in operating assets - (increase) decrease				
Trade and other current receivables	1,701	(10,438)	78,694	(33,100)
Unbilled receivables	10,136	32,756	-	-
Inventories	(121,500)	(19,247)	(119,946)	1,334
Deposit for purchase of assets	(10,910)	1,488	1,101	-
Other non-current assets	516	9,541	-	6,496

.....Director  
(Narong Thararatnavibool)

.....Director  
(Thanit Thararatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 current payables	13,893	5,250	(10,668)	(13,239)
Advance received and deferred construction revenue	-	(7,062)	-	-
Retention payables	(1,260)	(2,857)	-	-
Cash provided by operating activities	3,455	249,606	78,513	175,420
Payment for employee benefit obligations	(508)	(1,754)	(198)	(782)
Refund of income tax	3,902	-	-	-
Income tax paid	(2,407)	(12,489)	(1,956)	(2,902)
Net cash provided by operating activities	4,442	235,363	76,359	171,736
<b>Cash Flows from Investing Activities</b>				
Interest received	339	1,683	174	112
(Increase) decrease in current investments	388,813	(11,519)	249,522	90,008
Payment for short-term loans to subsidiary	-	-	(50,000)	-
Dividend income from investments in subsidiary	-	-	10,000	10,000
Payment for investment in subsidiary	-	(135,057)	-	(135,057)
Payment for purchases of assets	(135,170)	(114,886)	(15,365)	(11,530)
Payment for purchases of intangible assets	(204)	(5,413)	-	(5,413)
Proceeds from disposal of assets	971	3,098	854	209
Net cash provided by (used in) investing activities	254,749	(262,094)	195,185	(51,671)
<b>Cash Flows from Financing Activities</b>				
Increase in bank overdrafts from financial institutions	469	-	-	-
Interest paid	(26)	(80)	(78)	-
Proceeds of short-term loan from subsidiary	-	-	50,000	-
Cash received from increase in share capital	-	178,073	-	-
Dividend payment	(335,793)	(139,930)	(335,793)	(139,930)
Net cash provided by (used in) financing activities	(335,350)	38,063	(285,871)	(139,930)
Net increase (decrease) in cash and cash equivalents	(76,159)	11,332	(14,327)	(19,865)
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	49,560	139,019	11,943	35,633
<b>Supplemental disclosures of cash flows information</b>				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	17,144	21,218	2,249	1,651

.....Director  
(Narong Thareratanavibool)

.....Director  
(Thanit Thareratanavibool)

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 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 have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018), Interim Financial Reporting.

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

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

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.

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

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



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 periods**

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 summarized below:

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

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

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

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
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**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 Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

### **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 THE RELATED PARTIES**

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



..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)



Significant transactions between the Company and related parties for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing Policy	2019	2018	2019	2018
<b><u>For the three-month periods</u></b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	448	-	448
AI Engineering Services Co., Ltd.	Market Price	-	-	-	2
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	12,170	-	12,170
<b>Dividend income</b>					
AI Engineering Services Co., Ltd.	As declared	-	-	10,000	10,000
<b>Other income - rental and services</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	111	131	111	131
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	282	292
AI Energy Public Co., Ltd.	Mutually agreed	-	-	271	258
AI Logistics Co., Ltd.	Mutually agreed	-	-	158	127
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	52	49
<b>Interest receive</b>					
AI Energy Public Co., Ltd.	2.84% P.A.	-	-	78	-
<b>Interest paid</b>					
AI Engineering Services Co., Ltd.	2.84% P.A.	-	-	78	-
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	-	76	-	76
Samart Palm Industry Co., Ltd.	Market Price	2,016	-	-	-
<b>Repurchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	5,546	-	5,546

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..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing Policy	2019	2018	2019	2018
<b><u>For the six-month periods</u></b>					
<b>Sales of products and raw materials</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	40	1,051	40	1,051
AI Engineering Services Co., Ltd.	Market Price	-	-	-	2
<b>Sales of hybrid clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	961	28,200	961	28,200
<b>Dividend income</b>					
AI Engineering Services Co., Ltd.	As declared	-	-	10,000	10,000
<b>Other income - rental and services</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	237	271	237	271
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	545	582
AI Energy Public Co., Ltd.	Mutually agreed	-	-	503	510
AI Logistics Co., Ltd.	Mutually agreed	-	-	289	315
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	100	99
<b>Interest receive</b>					
AI Energy Public Co., Ltd.	2.84% P.A.	-	-	78	-
<b>Interest paid</b>					
AI Engineering Services Co., Ltd.	2.84% P.A.	-	-	78	-
<b>Purchase of goods</b>					
PPC Asian Insulators Co., Ltd.	Market Price	-	321	-	321
Samart Palm Industry Co., Ltd.	Market Price	2,016	-	-	-
<b>Repurchases of scrap clay</b>					
PPC Asian Insulators Co., Ltd.	Mutually agreed	958	10,636	958	10,636

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## Management's remuneration

Management's remuneration for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>For the three-month periods</u></b>				
Short-term employee benefits	11,481	11,668	6,403	6,705
Long-term post-employment benefits	235	233	88	110
Total management's remuneration	11,716	11,901	6,491	6,815
<b><u>For the six-month periods</u></b>				
Short-term employee benefits	22,610	22,742	12,628	12,582
Long-term post-employment benefits	471	527	175	220
Total management's remuneration	23,081	23,269	12,803	12,802

Significant balances with related parties as at June 30, 2019 and December 31, 2018 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade receivable</b>				
PPC Asian Insulators Co., Ltd.	-	10,161	-	10,161
<b>Other receivable</b>				
PPC Asian Insulators Co., Ltd.	39	95	39	95
AI Engineering Services Co., Ltd.	-	-	9	7
AI Logistics Co., Ltd.	-	-	1	1
<b>Short-term loan to subsidiary</b>				
AI Energy Public Co., Ltd.	-	-	50,000	-
<b>Trade payable</b>				
PPC Asian Insulators Co., Ltd.	-	9,337	-	9,337
Samart Palm Industry Co., Ltd.	1,059	-	-	-
<b>Short-term loan from subsidiary</b>				
AI Engineering Services Co., Ltd.	-	-	50,000	-

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

As at June 30, 2019, the Company has short-term loan to subsidiary, AI Energy Public Co., Ltd. The subsidiary issued promissory notes in the amount of Baht 50 million with an interest rate of 2.84% per annum, due on September 10, 2019.

As at June 30, 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 50 million with an interest rate of 2.84% per annum, due on September 10, 2019.

## 5. CURRENT INVESTMENTS

Current investments as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Saparate financial statements	
	2019	2018	2019	2018
Investment in Open-end Fund-Debt securities	168,418	557,352	638	250,160
<u>Add Unrealized gains on changes in fair value</u>				
of investments	3,016	4,632	8	997
Investment in Open-end Fund-Fair value	171,434	561,984	646	251,157
Fixed deposits	484	317	-	-
Total current investments	171,918	562,301	646	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.

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## 6. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at June 30, 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	38,931	117,589	38,931	117,589
Trade receivables - others	185,740	110,129	13,252	3,582
Total trade receivables	224,671	237,879	52,183	131,332
Less Allowance for doubtful accounts	(3,222)	(11,110)	-	-
Total trade receivables - net	221,449	226,769	52,183	131,332
Other current receivables				
Other receivables - related parties	39	95	49	103
Prepaid insurance	4,737	2,631	1,267	1,178
Prepaid expense	2,897	1,440	1,874	596
Deposit for inventories	1,243	1,917	1,243	1,917
Revenue Department receivable	175	52	-	-
Undue input tax	782	667	138	322
Advance payment to subcontractors	-	249	-	-
Insurance claim receivable	25,740	-	-	-
Others	1,188	635	-	-
Total other current receivables	36,801	7,686	4,571	4,116
Less Allowance for doubtful accounts	(306)	(306)	-	-
Total other current receivables - net	36,495	7,380	4,571	4,116
Total trade and other current receivables - net	257,944	234,149	56,754	135,448

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



As at June 30, 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
<b>Related parties</b>				
Current	-	3,759	-	3,759
Overdue				
Within 3 months	-	6,402	-	6,402
Total	-	10,161	-	10,161
<b>State enterprises</b>				
Current	38,931	117,589	38,931	117,589
Total	38,931	117,589	38,931	117,589
<b>Others</b>				
Current	165,343	96,128	2,121	3,532
Overdue				
Within 3 months	17,175	2,891	11,131	50
Over 3 months to 12 months	-	2,782	-	-
Over 12 months	3,222	8,328	-	-
Total	185,740	110,129	13,252	3,582
Total trade receivables	224,671	237,879	52,183	131,332
Less Allowance for doubtful accounts	(3,222)	(11,110)	-	-
Total trade receivables - net	221,449	226,769	52,183	131,332

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## 7. UNBILLED RECEIVABLES

Unbilled receivables as at June 30, 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
<u>Less</u> Value of billing construction	-	(116,557)
Total	-	10,136

## 8. INVENTORIES - NET

Inventories as at June 30, 2019 and December 31, 2018 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw materials and chemicals	219,525	226,290	143,024	133,392
Work in process	161,595	106,907	48,530	37,703
Finished goods	180,036	102,494	155,952	52,504
Supplies	10,410	8,941	1,531	706
Goods in transit	3,351	8,137	3,351	8,137
Total inventories	574,917	452,769	352,388	232,442
<u>Less</u> Allowance for devaluation of inventories	(6,714)	(7,474)	(4,724)	(4,724)
Total inventories - net	568,203	445,295	347,664	227,718

## 9. OIL SUPPLIES

Oil supplies as at June 30, 2019 and December 31, 2018 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2019	2018
Bunker oil	665	1,338
Lubricants	257	233
Total oil supplies	922	1,571

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)



## 10.

## INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at June 30, 2019 and December 31, 2018 consisted of:

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

The consolidated and separate financial statements for the six-month periods ended June 30, 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 June 30, 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, representing.

The equity of net loss of the associated company in the consolidated financial statements for the three-month periods ended June 30, 2019 and 2018 amounted to Baht 0.00 million and Baht 2.67 million, respectively, representing 0.00% and 3.14% of consolidated net profit, respectively and the equity of net loss of the associated company in the consolidated financial statements for the six-month periods ended June 30, 2019 and 2018 amounted to Baht 0.00 million and Baht 0.80 million, respectively, representing 0.00% and 0.48% of consolidated net profit, respectively.

As at June 30, 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)

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## INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at June 30, 2019 and December 31, 2018, and dividend income from the investment during for the six-month periods ended June 30, 2019 and 2018, consisted of

Company	Nature of business	Percentage of investment (%)		Unit : Million Baht		Unit: Thousand Baht			
		2019	2018	Issued share capital		Separate financial statements		2019	2018
				2019	2018	Cost method	Dividend		
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	200	197,386	10,000	197,386	10,000
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	61.77	61.77	1,308	1,308	800,226	-	800,226	-
Subsidiaries held by AI Energy Public Company Limited									
AI Logistics Company Limited	Local and overseas logistics for merchandise sea freight services.	100.00	100.00	209	209	-	-	-	-
AI Ports and Terminals Company Limited	Servicing port ( AI present temporarily halted main business operation and in the process of preping a business plan.)	100.00	100.00	460	460	-	-	-	-
Total investments in subsidiaries						997,612	10,000	997,612	10,000

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

..... Director  
(Narong Tharatanavibool)

..... Director  
(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 27.1).

**13. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET**

Property, plant, vessel and equipment as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
As at December 31, 2018	3,346,373	1,263,242
Purchases during period	152,133	17,614
Disposal /written off during period	(55,198)	(12,264)
As at June 30, 2019	3,443,308	1,268,592
<b>Accumulated Depreciation</b>		
As at December 31, 2018	(1,367,265)	(737,174)
Depreciation for the period	(75,036)	(37,958)
Depreciation - disposals for the period	26,311	11,429
As at June 30, 2019	(1,415,990)	(763,703)
<b>Allowances for impairment of assets</b>		
As at December 31, 2018	(19,477)	(2,077)
Reversal of Allowances for impairment for the period	2,077	2,077
As at June 30, 2019	(17,400)	-
<b>Book value</b>		
As at December 31, 2018	1,959,631	523,991
As at June 30, 2019	2,009,918	504,889



Depreciations in the statements of profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of:

Unit: Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>For the three-month periods</u></b>				
Cost of sale and service	34,029	29,423	18,801	15,277
Selling and administrative expenses	6,789	5,299	1,996	1,846
	<u>40,818</u>	<u>34,722</u>	<u>20,797</u>	<u>17,123</u>
<b><u>For the six-month periods</u></b>				
Cost of sale and service	63,656	57,608	34,168	29,532
Selling and administrative expenses	11,380	10,547	3,790	3,670
	<u>75,036</u>	<u>68,155</u>	<u>37,958</u>	<u>33,202</u>

As at June 30, 2019 and 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 equipment were fully depreciated but these items are still in active use by the Group as at June 30, 2019 and December 31, 2018, in the consolidate financial statement totaling approximately Baht 393.71 million and Baht 394.56 million respectively, and separate financial statements totaling approximately Baht 233.70 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 June 30, 2019 and December 31, 2018 amount of Baht 188.40 million and 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 June 30, 2019 and December 31, 2018.

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#### 14. INTANGIBLE ASSETS - NET

Intangible assets as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>At cost</b>		
As at December 31, 2018	27,244	26,037
Purchases during period	203	-
As at June 30, 2019	27,447	26,037
<b>Accumulated Depreciation</b>		
As at December 31, 2018	(21,582)	(20,696)
Depreciation for the period	(456)	(386)
As at June 30, 2019	(22,038)	(21,082)
<b>Book value</b>		
As at December 31, 2018	5,662	5,341
As at June 30, 2019	5,409	4,955

#### 15. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS

Bank overdrafts from financial institutions as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	469	-	-	-
Total	469	-	-	-

	Credit facilities (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	22,000	22,000	12,000	12,000
Promissory notes	470,000	970,000	430,000	430,000
Trust receipts	685,000	685,000	425,000	425,000
Letter of guarantee	549,613	549,613	235,500	235,500
Total	1,726,613	2,226,613	1,102,500	1,102,500

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

## 16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 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	1,059	9,337	-	9,337
Trade payables - others	150,739	127,492	35,815	27,388
Total trade payables	151,798	136,829	35,815	36,725
Other payables				
Payables for purchase of assets	17,144	8,726	2,249	1,185
Other current payables	4,847	3,875	-	-
Advances received for goods	3,702	16,527	3,702	16,516
Accrued bonus	7,309	97	7,309	-
Electricity payable	4,345	3,938	1,503	1,329
Accrued expenses	11,830	5,815	3,562	2,933
Retention	13,171	9,129	-	-
Revenue Department payables	14,527	13,898	2,373	6,475
Unearned revenue for vessel operating	-	612	-	-
Others	1,408	826	839	403
Total other payables	78,283	63,443	21,537	28,841
Total trade and other payables	230,081	200,272	57,352	65,566

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

## 17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Non-current provisions for employee benefits</b>				
<b>at beginning of periods</b>	27,130	30,497	17,429	18,526
Included in profit or loss:				
Past service cost	5,030	-	4,630	-
Current service cost	2,241	2,242	1,310	1,328
Interest cost	422	336	312	238
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	(546)	-	804
Experience adjustments	-	(3,561)	-	(2,064)
Benefit paid during the periods	(508)	(1,754)	(198)	(782)
<b>Non-current provisions for employee benefits</b>				
<b>at end of periods</b>	34,315	27,214	23,483	18,050

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Employee benefit expenses in profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>For the three-month periods</u></b>				
Cost of sales	4,249	909	3,999	637
Selling expenses	82	1	-	-
Administrative expenses	2,028	352	1,441	146
<b>Total employee benefit expenses</b>	<b>6,359</b>	<b>1,262</b>	<b>5,440</b>	<b>783</b>
<b><u>For the six-month periods</u></b>				
Cost of sales	5,152	1,810	4,654	1,274
Selling expenses	82	2	-	-
Administrative expenses	2,460	766	1,598	292
<b>Total employee benefit expenses</b>	<b>7,694</b>	<b>2,578</b>	<b>6,252</b>	<b>1,566</b>

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

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

Principal actuarial assumptions as at June 30, 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 - 2.94	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 Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai 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 50 years old	0	0	0	0

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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 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

## 18. WARRANTS

### Warrants AIE-W1

On April 21, 2015, the Annual General Meeting of the Company's shareholders passed a resolution to issue and allocate of stock warrant for rights to purchase ordinary shares of (AIE-W1) for the existing shareholders, not exceeding 904 million units (allocate 1 purchase ordinary share: 1 stock warrant unit). Details of the issue are as follows:

Type	:	In named certificate form and transferable
Price per unit of warrant	:	Baht 0.00
Exercise ratio	:	1 warrant to 5 ordinary shares
Exercise price	:	Baht 0.25 per share
Exercise date	:	The first exercise date is December 30, 2016 and the last exercise date is May 7, 2018
Issuance date of warrants	:	May 8, 2015
Maturity of warrants	:	3 years from the issuance date.

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



## 19. 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 2,780 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.

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 2,780 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 10, 2018.

## 20. LEGAL RESERVE

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



## 21. DEFERRED TAX

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

	Unit: Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	As at January 1, 2019	Profit (Loss)	As at June 30, 2019	As at January 1, 2019	Profit (Loss)	As at June 30, 2019
<b>Deferred tax assets</b>						
Allowance for doubtful trade accounts receivable	706	-	706	-	-	-
Allowance for devaluation of inventories	945	-	945	945	-	945
Allowance for impairment of assets	415	(415)	-	415	(415)	-
Non-current provisions for employee benefits	5,290	1,425	6,715	3,486	1,211	4,697
Tax loss carries forward	4,145	-	4,145	-	-	-
Revenues treated as revenues under the Revenue Code	2,497	(2,085)	412	2,497	(2,085)	412
Total	13,998	(1,075)	12,923	7,343	(1,289)	6,054
<b>Deferred tax liability</b>						
Unrealized gain on investments in Open-end Fund	(675)	78	(597)	(199)	197	(2)
Depreciation	(4,433)	(223)	(4,656)	-	-	-
Total	(5,108)	(145)	(5,253)	(199)	197	(2)
Deferred tax assets - net	8,890	(1,220)	7,670	7,144	(1,092)	6,052

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)



As at June 30, 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.

## 22. INCOME TAX EXPENSE

Income tax expense the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

Unit: Thousand Baht				
Consolidated financial statements		Separate financial statements		
2019	2018	2019	2018	
<b><u>For the three-month periods</u></b>				
<b>Current tax expense</b>				
Current periods	(1,309)	(2,939)	(1,655)	(2,376)
<b>Deferred tax expense</b>				
Movement in temporary differences	1,517	(951)	1,457	290
Total	208	(3,890)	(198)	(2,086)
<b><u>For the six-month periods</u></b>				
<b>Current tax expense</b>				
Current periods	(3,426)	(6,236)	(3,154)	(5,673)
<b>Deferred tax expense</b>				
Movement in temporary differences	(1,220)	(3,334)	(1,092)	(874)
Total	(4,646)	(9,570)	(4,246)	(6,547)

### Income tax reduction

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



..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

## 23. FOREIGN CURRENCY TRANSACTIONS

As at June 30, 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:

Unit: Thousand

Particulars	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	31.24	955.24	50.24	1,621.88	31.11	951.07	31.10	1,004.08
Total		955.24		1,621.88		951.07		1,004.08
Liabilities								
USD	145.17	4,487.91	304.60	9,968.91	121.96	3,770.28	253.74	8,275.52
EUR	116.00	4,095.45	-	-	116.00	4,095.45	-	-
Total		8,583.36		9,968.91		7,865.73		8,275.52

## 24. PROMOTIONAL PRIVILEGES

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

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

..... Director  
(Narong Thararatnavibool)

..... Director  
(Thanit Thararatnavibool)

The Company and subsidiaries have revenue, from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month and six-month periods ended June 30, 2019 and 2018 was as follows:

	Unit: Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted		Promoted	Non-promoted	
	Activities	Activities	Total	Activities	Activities	Total
<b>For the three-month period ended June 30, 2019</b>						
Revenue from sales of goods	71,763	455,311	527,074	66,608	14,159	80,767
Revenue from production contract	-	-	-	-	-	-
Revenue from construction contract	-	-	-	-	-	-
Revenue from vessel operating	-	3,526	3,526	-	-	-
Other incomes	-	3,130	3,130	-	2,441	2,441
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>71,763</b>	<b>461,967</b>	<b>533,730</b>	<b>66,608</b>	<b>26,600</b>	<b>93,208</b>
<b>For the three-month period ended June 30, 2018</b>						
Revenue from sales of goods	522,464	44,370	566,834	190,961	23,023	213,984
Revenue from production contract	-	13,572	13,572	-	-	-
Revenue from construction contract	-	12,231	12,231	-	-	-
Revenue from vessel operating	-	13,683	13,683	-	-	-
Other incomes	-	7,650	7,650	-	1,147	1,147
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>522,464</b>	<b>91,506</b>	<b>613,970</b>	<b>190,961</b>	<b>34,170</b>	<b>225,131</b>

..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)



Unit: Thousand Baht						
	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted		Promoted	Non-promoted	
	Activities	Activities	Total	Activities	Activities	Total
<b>For the six-month period ended June 30, 2019</b>						
Revenue from sales of goods	388,813	742,620	1,131,433	225,826	46,787	272,613
Revenue from production contract	-	5,065	5,065	-	-	-
Revenue from construction contract	-	9,913	9,913	-	-	-
Revenue from vessel operating	-	9,967	9,967	-	-	-
Other incomes	-	6,443	6,443	-	4,956	4,956
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>388,813</b>	<b>774,008</b>	<b>1,162,821</b>	<b>225,826</b>	<b>61,743</b>	<b>287,569</b>
<b>For the six-month period ended June 30, 2018</b>						
Revenue from sales of goods	1,074,710	117,687	1,192,397	345,278	82,545	427,823
Revenue from production contract	-	30,223	30,223	-	-	-
Revenue from construction contract	-	39,617	39,617	-	-	-
Revenue from vessel operating	-	27,366	27,366	-	-	-
Other incomes	-	14,563	14,563	-	5,519	5,519
Dividend income	-	-	-	-	10,000	10,000
<b>Total</b>	<b>1,074,710</b>	<b>229,456</b>	<b>1,304,166</b>	<b>345,278</b>	<b>98,064</b>	<b>443,342</b>

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

## 25. 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 and six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>For the three-month periods</u></b>				
Asian Insulators Public Company Limited	429	447	429	447
AI Engineering Services Company Limited	48	47	-	-
AI Energy Public Company Limited	387	376	-	-
AI Logistics Company Limited	11	7	-	-
Total	875	877	429	447
<b><u>For the six-month periods</u></b>				
Asian Insulators Public Company Limited	855	917	855	917
AI Engineering Services Company Limited	101	93	-	-
AI Energy Public Company Limited	770	714	-	-
AI Logistics Company Limited	21	14	-	-
Total	1,747	1,738	855	917

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## 26. SEGMENT INFORMATION

The segmented information for the three-month and six-month periods ended June 30, 2019 and 2018 was as follows:

Unit: Thousand Baht							
Consolidated financial statements							
For the three-month period ended June 30, 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	80,767	-	446,307	-	3,526	-	530,600
Cost of sales and services	(48,179)	-	(432,329)	-	(7,388)	-	(487,896)
Gross profit (loss) by segment	32,588	-	13,978	-	(3,862)	-	42,704
Other income							3,130
Selling expenses							(8,333)
Administrative expenses							(41,877)
Finance costs							(26)
Income tax expenses							208
Loss for the period							(4,194)
Other comprehensive income							-
Total comprehensive loss for the periods							(4,194)
Equity holders of the parent							2,278
Non-controlling interests							(6,472)

..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements						
For the six-month period ended June 30, 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	Vessel operating	Port services
						Total
Revenues from sales and services	272,613	9,913	858,820	5,065	9,967	-
Cost of sales and services	(152,653)	(4,011)	(869,113)	(3,716)	(15,247)	-
Gross profit (loss) by segment	119,960	5,902	(10,293)	1,349	(5,280)	-
Other income						111,638
Selling expenses						6,443
Administrative expenses						(13,990)
Finance costs						(76,943)
Tax expenses						(26)
Profit for the period						(4,646)
Other comprehensive income						22,476
Total comprehensive income for the period						-
Equity holders of the parent						22,476
Non-controlling interests						45,622
Property, plant, vessel and equipment - net	504,889	153	1,305,361		28,518	170,997
						2,009,918

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..... Director  
(Narong Tharatanavibool)

..... Director  
(Thanit Tharatanavibool)

Unit: Thousand Baht

Consolidated financial statements						
For the three-month period ended June 30, 2018						
Group of AI Energy Public Company Limited						
	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refind crude palm oil	Vassel operating	Port services Total
Revenues from sales and services	213,982	12,231	352,852	13,572	13,683	-
Cost of sales and services	(107,190)	(11,336)	(336,713)	(10,251)	(13,580)	-
Gross profit by segment	106,792	895	16,139	3,321	103	-
Other income						7,650
Selling expenses						(2,987)
Administrative expenses						(40,271)
Finance costs						(80)
Share of loss from investments in associate						(2,672)
Tax expenses						(3,890)
Profit for the period						85,000
Other comprehensive income						-
Total comprehensive income for the periods						85,000
Equity holders of the parent						85,916
Non-controlling interests						(916)

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..... Director

(Thanit Tharatanavibool)

..... Director

(Narong Tharatanavibool)



Unit: Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2018

Group of AI Energy Public Company Limited

	Sale of porcelain insulators and component	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of re-find crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	427,820	39,617	764,577	30,223	27,366	-	1,289,603
Cost of sales and services	(219,144)	(36,724)	(739,056)	(22,399)	(27,285)	-	(1,044,608)
Gross profit by segment	208,676	2,893	25,521	7,824	81	-	244,995
Other income							14,563
Selling expenses							(5,981)
Administrative expenses							(77,985)
Finance costs							(80)
Share of loss from investments in associate							(795)
Tax expenses							(9,570)
Profit for the period							165,147
Defined benefit plan actuarial gains - net of income tax							3,252
Total comprehensive income for the period							168,399
Equity holders of the parent							169,199
Non-controlling interests							(800)
Property, plant, vessel and equipment - net	549,199	8	1,126,524		20,925	201,039	1,897,695

..... Director

(Thar-it Tharatanavibool)

..... Director

(Narong Tharatanavibool)

## 27. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at June 30, 2019 and December 31, 2018 were as follows:

### 27.1 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	212,373	194,455
Guarantee for sale of porcelain insulators and component	221,063	171,641
Guarantee for importation machinery	18,248	18,248
Guarantee for electricity usage	9,889	9,994
Total	461,573	394,338

### 27.2 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	4,551	6,871	1,262	235
- Machinery, accessories and tools	31,712	12,874	1,847	3,504
work in process - Purify Glycerin project	27,299	126,168	-	-

27.3 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.

27.4 The Company is the guarantor for the credit facilities from financial institutions for AI Engineering Services Company Limited ("the subsidiary") amount of Baht 595 million.

27.5 AI Energy Public Company Limited ("the subsidiary") received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the subsidiary auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014 (Before restated). Management provided a clarification of the facts to the SEC.

..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the AI Energy Public Company Limited (“the subsidiary”) in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the subsidiary auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

## **28. CAPITAL MANAGEMENT**

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business’s performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest’s confidence.

## **29. APPROVAL OF INTERIM FINANCIAL STATEMENT**

These interim financial statements have been approved to issue by the Company’s Board of Directors on August 13, 2019.



..... Director  
(Narong Thareratanavibool)

..... Director  
(Thanit Thareratanavibool)