

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 PERIOD ENDED MARCH 31, 2020

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 accompanying 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, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the three-month period ended March 31, 2020, and the condensed notes to interim financial statements ("Interim financial information"). 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

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.

Conclusion

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

Emphasis of Matter

1. I draw attention as discussed in Note to Financial Statements No. 25.5, regarding the criminal complaint against former directors and executives of the Subsidiary with the Department of Special Investigation. The Company's and the Subsidiary's management and the independent law firm have the opinion that the case is the criminal complaint against former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way. Presently, the investigation is still under the process.
2. I draw attention as discussed in Note to Financial Statements No. 2. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended March 31, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of this matter.

Other Matter

1. I had reviewed the consolidated of profit or loss and other comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the three-month period ended March 31, 2019, whose report dated on May 14, 2019, which have been presented herein as comparative information, expressed a qualified conclusion on the financial statements from the following matters:
 - 1.1 As discussed in the Note to financial statements No. 25.5. Presently, the Company's and the Subsidiary's management and the independent law firm have the opinion that the case is the criminal complaint against former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way, as described in the emphasis of matter paragraph.
 - 1.2 Investment in the PPC Asian Insulators Company Limited, an associated company, was recorded for under the equity method based on financial statements of the associated company which had not been reviewed by an auditor, which have been presented herein as comparative information. At the end of year 2019, the Company does not have significant influence over the associated company. Therefore, the Company's management has classified the investment in associate as the other long-term investment which is recorded under at cost less allowance for impairment of investment.
2. Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Group for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Group for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated March 27, 2020.

Vichai Ruchitanont
Certified Public Accountant
Registration Number 4054
ANS Audit Co., Ltd
Bangkok, May 14, 2020

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT MARCH 31, 2020

Unit: Thousand Baht

	Notes	Consolidated financial statements		Separate financial statements	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
ASSETS					
Current assets					
Cash and cash equivalents		287,515	145,419	168,475	76,741
Current investments	3.3	-	314,718	-	76,804
Trade and other current receivables - net	4, 5	667,493	555,772	82,317	175,529
Short-term loans to subsidiary	4	-	-	350,000	250,000
Inventories - net	7	464,556	521,641	174,634	203,434
Oil supplies	8	2,917	746	-	-
Other current financial assets	9	384,739	-	157,149	-
Total current assets		1,807,220	1,538,296	932,575	782,508
Non-current assets					
Other non-current financial assets - net	10	-	-	-	-
Investments in subsidiaries	11	-	-	997,612	997,612
Other long-term investment - net	3.3	-	-	-	-
Pledged deposits at financial institution	12	5,769	16,947	-	-
Property, plant, vessel and equipment - net	13	2,006,510	2,022,133	464,202	475,703
Intangible assets - net	14	9,078	9,423	8,492	8,795
Deferred tax assets - net	19	2,209	2,467	5,006	4,963
Deposit for purchase of assets		707	1,877	-	450
Other non-current assets		3,993	7,311	380	380
Total non-current assets		2,028,266	2,060,158	1,475,692	1,487,903
Total assets		3,835,486	3,598,454	2,408,267	2,270,411

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2020

Unit: Thousand Baht

	Notes	Consolidated financial statements		Separate financial statements	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loan					
from financial institutions	15	104,633	53,558	100,000	50,000
Trade and other current payables	16	354,956	378,940	41,754	38,287
Short-term loans from related party	4	40,000	40,000	-	-
Contract liabilities	6	9,284	19,608	-	-
Income tax payable		4,298	2,245	3,664	2,225
Total current liabilities		513,171	494,351	145,418	90,512
Non-current liabilities					
Non-current provisions for employee benefits	17	37,043	36,262	25,325	24,902
Total non-current liabilities		37,043	36,262	25,325	24,902
Total liabilities		550,214	530,613	170,743	115,414
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		(317,944)	(484,648)	562,493	479,966
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		2,591,231	2,424,527	2,237,524	2,154,997
Non-controlling interests		694,041	643,314	-	-
Total shareholders' equity		3,285,272	3,067,841	2,237,524	2,154,997
Total liabilities and shareholders' equity		3,835,486	3,598,454	2,408,267	2,270,411

.....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, 2020

"UNAUDITED"
 "REVIEWED"

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
	3, 4, 22, 23, 24				
Revenues					
		2,044,087	604,359	206,960	191,846
		-	5,065	-	-
		36,484	9,913	-	-
		4,878	6,441	-	-
		3,218	3,313	4,990	2,515
		<u>2,088,667</u>	<u>629,091</u>	<u>211,950</u>	<u>194,361</u>
Expenses					
		(1,776,984)	(541,258)	(108,464)	(104,474)
		-	(3,716)	-	-
		(30,581)	(4,011)	-	-
		(10,345)	(7,859)	-	-
		(11,364)	(5,657)	(1,574)	(1,206)
		(38,706)	(35,066)	(17,470)	(17,455)
	10	-	-	-	-
		<u>(1,867,980)</u>	<u>(597,567)</u>	<u>(127,508)</u>	<u>(123,135)</u>
Profit before finance costs and income tax expenses					
		220,687	31,524	84,442	71,226
		(880)	-	(452)	-
Profit before income tax expenses					
		219,807	31,524	83,990	71,226
	20	(2,376)	(4,854)	(1,463)	(4,048)
Profit for the periods					
		<u>217,431</u>	<u>26,670</u>	<u>82,527</u>	<u>67,178</u>
Other comprehensive income					
		-	-	-	-
Total comprehensive income for the periods					
		<u>217,431</u>	<u>26,670</u>	<u>82,527</u>	<u>67,178</u>
Profit (loss) attributable to :					
		166,704	43,344	82,527	67,178
		50,727	(16,674)	-	-
		<u>217,431</u>	<u>26,670</u>	<u>82,527</u>	<u>67,178</u>
Total comprehensive income (loss) attributable to :					
		166,704	43,344	82,527	67,178
		50,727	(16,674)	-	-
		<u>217,431</u>	<u>26,670</u>	<u>82,527</u>	<u>67,178</u>
Earnings per share					
		0.060	0.015	0.029	0.024
		<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 Tharatanavibool)

.....Director
 (Thanit Tharatanavibool)

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

"UNAUDITED"
"REVIEWED"

Unit: Thousand Baht

Consolidated financial statements

Notes	Equity attributable to equity holders of the parent										Total				
	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	Actuarial gains	Other comprehensive income		Total other components of shareholders' equity			
Balance as at January 1, 2020	699,999	902,769	70,000	(484,648)	(3,259)	360,580	861,443	13,149	4,494	-	1,236,407	2,424,527	643,314	3,067,841	
Changes in shareholders' equity for the period:															
Total comprehensive income for the period	-	-	-	166,704	-	-	-	-	-	-	-	-	166,704	50,727	217,431
Balance as at March 31, 2020	699,999	902,769	70,000	(317,944)	(3,259)	360,580	861,443	13,149	4,494	-	1,236,407	2,591,231	694,041	3,285,272	
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:															
Total comprehensive income (loss) for the period	-	-	-	43,344	-	-	-	-	-	-	-	-	43,344	(16,674)	26,670
Balance as at March 31, 2019	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	

.....Director
(Narong Thairatnavibool)

.....Director
(Thanit Thairatnavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

"UNAUDITED"
"REVIEWED"

		Unit: Thousand Baht						
		Separate financial statements						
Notes	Issued and paid-up share capital	Premiums on share capital	Appropriated to legal reserve	Retained earnings		Total other components of shareholders' equity		Total Shareholders' Equity
				Unappropriated	Appropriated	Other comprehensive income	Actuarial gains	
	699,999	902,769	70,000	479,966	2,263			2,154,997
Balance as at January 1, 2020								
Changes in shareholders' equity for the period:								
Total comprehensive income for the period	-	-	-	82,527	-			82,527
Balance as at March 31, 2020	699,999	902,769	70,000	562,493	2,263			2,237,524
Balance as at January 1, 2019	699,999	902,769	70,000	416,565	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			2,158,774

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<p>.....Director (Narong Thararatnavibool)</p>	<p>.....Director (Thanit Thararatnavibool)</p>
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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

"UNAUDITED"
"REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash Flows from Operating Activities				
Profit for the periods	217,431	26,670	82,527	67,178
Adjustments to reconcile profit to cash provided by (used in)				
operating activities:				
Tax expense	2,376	4,854	1,463	4,048
Depreciation	39,903	34,218	13,920	17,161
Amortization of intangible assets	360	226	303	192
(Gain) loss on disposal asset	1,652	4	(95)	-
Unrealized gain on investments in Open-end Fund	(670)	(1,493)	(211)	(869)
Allowance for devaluation of inventories	3,350	19,250	-	-
Non-current provisions for employee benefits	1,299	1,336	739	812
Interest income	(134)	(175)	(2,805)	-
Interest expenses	880	-	452	-
Gain from operating activities before changes				
in operating assets and liabilities	266,447	84,890	96,293	88,522
Changes in operating assets - (increase) decrease				
Trade and other current receivables	(111,738)	(10,128)	93,212	45,726
Contract assets	-	10,135	-	-
Inventories	51,563	(19,708)	28,800	(34,550)
Deposit for purchase of assets	3,666	(5,586)	450	(2,699)
Other non-current assets	1,322	1,637	-	1,395
Changes in operating liabilities - increase (decrease)				
Trade and other current payables	(40,230)	(45,375)	2,598	(23,190)
Contract liabilities	(10,324)	-	-	-
Retention payables	(88)	(116)	-	-
Cash provided by operating activities	160,618	15,749	221,353	75,204

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

"UNAUDITED"

"REVIEWED"

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payment for employee benefit obligations	(518)	(508)	(316)	(198)
Refund of income tax	2,066	-	-	-
Income tax paid	(228)	(281)	(66)	(42)
Net cash provided by operating activities	161,938	14,960	220,971	74,964
Cash Flows from Investing Activities				
Decrease in restricted deposits at financial institution	11,178	-	-	-
Interest received	134	175	2,805	-
Increase in current investments	-	(691)	-	(35,090)
Increase in other current financial assets	(69,351)	-	(80,134)	-
Cash paid from short-term loans to subsidiary	-	-	(200,000)	-
Proceeds from repayment of short-term loans to subsidiary	-	-	100,000	-
Payment for purchases of assets	(12,315)	(37,570)	(1,750)	(3,804)
Payment for purchases of intangible assets	(15)	(54)	-	-
Proceeds from disposal of assets	331	-	294	-
Net cash used in investing activities	(70,038)	(38,140)	(178,785)	(38,894)
Cash Flows from Financing Activities				
Increase in bank overdrafts from financial institutions	1,076	307	-	-
Interest paid	(880)	-	(452)	-
Proceeds from short-term loan from financial institutions	100,000	-	100,000	-
Repayment for short-term loan from financial institutions	(50,000)	-	(50,000)	-
Net cash provided by financing activities	50,196	307	49,548	-
Net increase (decrease) in cash and cash equivalents	142,096	(22,873)	91,734	36,070
Cash and cash equivalents at beginning of the periods	145,419	125,719	76,741	26,270
Cash and cash equivalents at end of the periods	287,515	102,846	168,475	62,340
Supplemental disclosures of cash flows information				
Non-cash transactions consisted of:				
Assets payable for plant and equipment	15,022	46,560	1,942	1,684

.....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, 2020 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

1.1. Corporate 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.

1.2. Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates.

Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

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 2019), 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.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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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, 2019. 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, 2019.

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 subsidiary (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, 2019.

There is no 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 that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarized below:

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Financial reporting standards related to financial instruments

A 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.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement of current investments which comprise of investments in equity instruments of non-listed companies that the Group is to measure investments in equity instruments of non-listed companies at fair value and classify the investments as financial assets at fair value through profit or loss or through other comprehensive income. The Group's management assessed and considered that the cost of such investments has represented the fair value of investments in equity instruments of non-listed companies, and bank deposits over 3 months and up to 1 year that the Group is to measure the value by amortized cost. Therefore, the fair value measurement of the investments does not have any impact on the adjustment of retained earnings as at January 1, 2020.
- Recognition of credit losses - The Group is to recognize an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Group apply simplified approach to consider impairment of trade receivables. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

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 recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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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 Group's management has considered that the recognition of assets and liabilities for leases not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of equity instruments using Level 2 or Level 3 inputs.

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, 2019, except the adoption of new financial reporting standards which are effective on January 1, 2020 as follows:

3.1 Financial reporting standards related to financial instruments

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The Group can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.

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(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

- Financial liabilities are classified and measured at amortised cost. The Group has elected to measure liabilities at fair value through profit or loss when stipulated conditions are met.
- Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

The impairment requirements

The accounting for expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group applies general approach for credit-impaired consideration. Except for trade receivables, they are permitted to measure by simplified approach for credit-impaired consideration.

3.2 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.

Where the Group is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

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(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

3.3 Impacts on the financial information

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognized as an adjustment since January 1, 2020, and the comparative information was not restated.

The reclassifications in the statement of financial position as at January 1, 2020 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements			
	the impact of			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Current investments	314,718	(314,718)	-	-
Other current financial assets	-	314,718	-	314,718
Non-current assets				
Other long-term investment - net	-	-	-	-
Other non-current financial assets - net	-	-	-	-
Total assets	314,718	-	-	314,718

	Unit: Thousand Baht			
	Separate financial statements			
	the impact of			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Current investments	76,804	(76,804)	-	-
Other current financial assets	-	76,804	-	76,804
Non-current assets				
Other long-term investment - net	-	-	-	-
Other non-current financial assets - net	-	-	-	-
Total assets	76,804	-	-	76,804

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(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

3.3.1 Financial instruments

The classification and measurement basis

The classification and measurement basis, and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020 and with the carrying amounts under the former basis, are as follows:

Unit : Thousand Baht

Consolidated financial statements as at January 1, 2020				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets				
Cash and cash equivalents	145,419	-	145,419	145,419
Current investment	314,718	308,553	6,165	314,718
Trade and other receivables - net	555,772	-	555,772	555,772
Other long-term investment - net	-	-	-	-
Pledged deposits at financial institutions	16,947	-	16,947	16,947
Total financial assets	1,032,856	308,553	724,303	1,032,856
Financial liabilities				
Bank overdrafts and short-term loan				
from financial institutions	53,558	-	53,558	53,558
Trade and other current payables	378,940	-	378,940	378,940
Short-term loans from related parties	40,000	-	40,000	40,000
Total financial liabilities	472,498	-	472,498	472,498

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit : Thousand Baht

Separate financial statements as at January 1, 2020

Carrying amounts	under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets				
Cash and cash equivalents	76,741	-	76,741	76,741
Current investment	76,804	76,804	-	76,804
Trade and other receivables - net	175,529	-	175,529	175,529
Short-term loans to subsidiary	250,000	-	250,000	250,000
Other long-term investment - net	-	-	-	-
Total financial assets	579,074	76,804	502,270	579,074
Financial liabilities				
Bank overdrafts and short-term loan				
from financial institutions	50,000	-	50,000	50,000
Trade and other current payables	38,287	-	38,287	38,287
Total financial liabilities	88,287	-	88,287	88,287

Financial assets classified and measured at fair value through other comprehensive income or loss - None

Financial liabilities reclassified and measured at fair value through profit or loss – None

Financial assets and liabilities measured at amortised cost which are approximate their fair value.

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..... Director
(Narong Tharatanavibool)

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(Thanit Tharatanavibool)

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 is former associated company, are conducted at agreed prices on the basis determined by both parties.

Significant transactions between the Company and related parties for the three-month periods ended March 31, 2020 and 2019 were as follows:

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing Policy	2020	2019	2020	2019
Sales of products and raw materials					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	40	-	40
Sales of hybrid clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	961	-	961
Other income - rental and services					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	126	-	126
AI Engineering Services Co., Ltd.	Mutually agreed	-	-	288	263
AI Energy Public Co., Ltd.	Mutually agreed	-	-	454	232
AI Logistics Co., Ltd.	Mutually agreed	-	-	257	131
AI Ports and Terminals Co., Ltd.	Mutually agreed	-	-	44	48
Other income - interest receive					
AI Energy Public Co., Ltd.	3.65% - 3.75% P.A.	-	-	2,805	-
Purchase of raw material					
Samart Palm Industry Co., Ltd.	Market Price	5,415	-	-	-
Repurchases of scrap clay					
PPC Asian Insulators Co., Ltd.	Mutually agreed	-	958	-	958
Finance costs - interest paid					
Director	3.75% P.A.	374	-	-	-

..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

Management's remuneration

Management's remuneration for the three-month periods ended March 31, 2020 and 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	11,171	11,129	5,964	6,225
Long-term post-employment benefits	261	236	89	87
Total management's remuneration	11,432	11,365	6,053	6,312

Significant balances with related parties as at March 31, 2020 and December 31, 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
ASSETS				
Other current receivable				
AI Engineering Services Co., Ltd.	-	-	12	15
AI Logistics Co., Ltd.	-	-	2	1
Short-term loan to subsidiary				
AI Energy Public Co., Ltd.	-	-	350,000	250,000
LIABILITIES				
Short-term loans from related party				
Director	40,000	40,000	-	-

As at March 31, 2020 and December 31, 2019 the Company has short-term loan to subsidiary, AI Energy Public Co., Ltd. The subsidiary issued promissory notes in the amount of Baht 350 million and 250 million, respectively, with an interest rate of 3.65% - 3.75% per annum, due on May 22, 2020.

As at March 31, 2020 and December 31, 2019 the subsidiary, AI Energy Public Co., Ltd, has short-term loan from related party, a director. The subsidiary issued promissory notes in the total amount of Baht 40 million with an interest rate of 3.75% per annum, due on June 30, 2020.

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5. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at March 31, 2020 and December 31, 2019 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivables - state enterprises	87,530	144,553	58,767	144,553
Trade receivables - others	557,734	397,479	12,066	28,560
Total trade receivables	645,264	542,032	70,833	173,113
Less Allowance for doubtful accounts	(2,782)	(3,222)	-	-
Total trade receivables - net	642,482	538,810	70,833	173,113
Other current receivables				
Other receivables - related parties	-	-	14	16
Other receivables - other	5,566	306	5,168	-
Prepaid insurance	2,813	3,539	1,459	1,175
Prepaid expense	2,785	1,317	2,177	559
Deposit for inventories	7,310	7,824	2,489	506
Revenue Department receivable	2,328	96	-	-
Undue input tax	755	751	114	134
Retention	3,149	3,149	-	-
Others	611	286	63	26
Total other current receivables	25,317	17,268	11,484	2,416
Less Allowance for doubtful accounts	(306)	(306)	-	-
Total other current receivables - net	25,011	16,962	11,484	2,416
Total trade and other current receivables - net	667,493	555,772	82,317	175,529

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As at March 31, 2020 and December 31, 2019, outstanding balances of trade receivables aged by number of months were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
State enterprises				
Current	87,530	137,125	58,767	137,125
Overdue				
Within 3 months	-	7,428	-	7,428
Total	87,530	144,553	58,767	144,553
Others				
Current	520,521	340,802	7,443	13,391
Overdue				
Within 3 months	7,151	22,939	4,623	15,169
Over 3 months to 6 months	-	30,516	-	-
Over 6 months to 12 months	27,280	-	-	-
Over 12 months	2,782	3,222	-	-
Total	557,734	397,479	12,066	28,560
Total trade receivables	645,264	542,032	70,833	173,113
<u>Less</u> Allowance for doubtful accounts	(2,782)	(3,222)	-	-
Total trade receivables - net	642,482	538,810	70,833	173,113

6. CONTRACT LIABILITIES

Contract liabilities as at March 31, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2020	2019
Contract liabilities		
Contract value	35,547	143,921
Value of billing construction	30,038	40,875
<u>Less</u> Recognition of income by the percentage of completion	(20,754)	(21,267)
Total	9,284	19,608

..... Director
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(Thanit Thareratanavibool)

7. INVENTORIES - NET

Inventories as at March 31, 2020 and December 31, 2019 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw materials and chemicals	159,708	247,561	92,452	131,195
Work in process	203,092	190,720	32,192	33,945
Finished goods	135,230	113,448	47,241	35,196
Supplies	12,665	12,242	1,538	1,428
Goods in transit	1,211	1,670	1,211	1,670
Total	511,906	565,641	174,634	203,434
<u>Less</u> Allowance for devaluation of inventories	(47,350)	(44,000)	-	-
Total inventories - net	464,556	521,641	174,634	203,434

8. OIL SUPPLIES

Oil supplies as at March 31, 2020 and December 31, 2019 consisted of:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2020	2019
Bunker oil	2,723	625
Lubricants	194	121
Total oil supplies	2,917	746

9. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at March 31, 2020 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Investment in Open-end Fund-Debt securities	381,693	156,853
<u>Add</u> Unrealized gains on changes in fair value of investments	2,698	296
Investment in Open-end Fund-Fair value	384,391	157,149
Fixed deposits	348	-
Total current investments	384,739	157,149

..... Director
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(Thanit Thareratanavibool)

10. OTHER NON-CURRENT FINANCIAL ASSETS – NET

Other non-current financial assets as at March 31, 2020 consisted of:

	Unit: Thousand Baht
	Consolidated/Separate
	financial statements
	Investments
<u>Other long-term investment</u>	
PPC Asian Insulators Company Limited	66,000
<u>Less</u> Provision for diminution in investment	(66,000)
Other non-current financial assets – net	-

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

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

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11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2020 and December 31, 2019, consisted of:

Company	Nature of business	Percentage of investment (%)		Unit : Million Baht		Unit: Thousand Baht	
		2020	2019	2020	2019	2020	2019
		Investment		Issued share capital		Separate financial statements	
						Cost method	
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	197,386
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 passenger, merchandise, parcel and other materials	100.00	100.00	209	209	-	-
AI Ports and Terminals Company Limited	Servicing port and rental of tank farms. (AI present temporarily halted main business operation and in the process of preparing a business plan.)	100.00	100.00	460	460	-	-
Total investments in subsidiaries						997,612	997,612

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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, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2019	3,521,778	1,270,676
Purchases during period	26,692	2,619
Transfers in during period	32,938	1,642
Disposal /written off during period	(5,621)	(1,815)
Transfer out during period	(32,938)	(1,642)
As at March 31, 2020	3,542,849	1,271,480
Accumulated Depreciation		
As at December 31, 2019	(1,480,625)	(794,973)
Depreciation for the period	(39,903)	(13,920)
Depreciation - disposals for/written off the period	3,209	1,615
As at March 31, 2020	(1,517,319)	(807,278)
Allowances for impairment of assets		
As at December 31, 2019	(19,020)	-
Allowances for impairment for the period	-	-
As at March 31, 2020	(19,020)	-
Book value		
As at December 31, 2019	2,022,133	475,703
As at March 31, 2020	2,006,510	464,202

..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

Depreciations in the statements of profit or loss for the three-month periods ended March 31, 2020 and 2019 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sale and service	36,721	29,627	12,660	15,367
Selling and administrative expenses	3,182	4,591	1,260	1,794
	<u>39,903</u>	<u>34,218</u>	<u>13,920</u>	<u>17,161</u>

The gross carrying amounts of assets were fully depreciated but these items are still in active use by the Company and subsidiaries as at March 31, 2020 and December 31, 2019, in the consolidate financial statement totaling approximately Baht 390.84 million and Baht 385.54 million, respectively, and in the separate financial statements totaling approximately Baht 231.88 million and Baht 236.64 million, respectively.

In 2018, the subsidiary, AI Ports and Terminals Co., Ltd, due to at present temporarily halted main business. Management has assessed the appropriateness of the valuation of the property, plant and equipment of the subsidiary in the consolidate financial statement from temporarily halted by using the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets. According to the appraisal report, the appraisal value amounted Baht 176.65 million. The property, plant and equipment appraisal above is the fair value measurement hierarchy in Level 2. The net book value of property, plant and equipment as at December 31, 2018, amount of Baht 194.05 million. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidated statements of financial position as at December 31, 2018.

In the fourth quarter of year 2019, the subsidiary had begun to earn income from operations with the Company and had stopped in February 2020. Since the subsidiary still has incur loss in the operation, therefore value in use of assets not more than of the net book value. The subsidiary recorded its depreciation in administrative expenses during temporarily halted main business operation.

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

..... Director
(Narong Thareranavibool)

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(Thanit Thareranavibool)

14. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2019	32,136	30,437
Purchases during period	15	-
As at March 31, 2020	32,151	30,437
Accumulated Depreciation		
As at December 31, 2019	(22,713)	(21,642)
Depreciation for the period	(360)	(303)
As at March 31, 2020	(23,073)	(21,945)
Book value		
As at December 31, 2019	9,423	8,795
As at March 31, 2020	9,078	8,492

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(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

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

Bank overdrafts and short-term loan from financial institutions as at March 31, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	4,633	3,558	-	-
Promissory notes	100,000	50,000	100,000	50,000
Total	104,633	53,558	100,000	50,000

	Credit facilities (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	22,000	22,000	12,000	12,000
Promissory notes	270,000	270,000	230,000	230,000
Trust receipts	20,000	20,000	20,000	20,000
Letter of guarantee	1,142,380	1,142,380	585,500	585,500
Total	1,454,380	1,454,380	847,500	847,500

As at March 31, 2020 and December 31, 2019, The Company has short-term loans in the amount of Baht 100 million and Baht 50 million, respectively. The Company issued a promissory note with an interest rate of at 3.65% per annum and 3.75% per annum, respectively, and are repayable in 3 months.

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

..... Director
(Narong Thareratanavibool)

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(Thanit Thareratanavibool)

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at March 31, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - others	233,698	287,933	17,029	15,030
Total trade payables	233,698	287,933	17,029	15,030
Other payables				
Payables for purchase of assets	15,022	9,449	1,942	1,074
Other current payables	11,856	7,616	1,063	1,152
Advances received for goods	8,550	4,251	5,063	1,792
Accrued bonus	5,197	93	4,965	93
Electricity payable	8,189	6,223	1,422	1,170
Accrued expenses	8,376	6,976	3,382	4,152
Retention	13,867	14,603	-	-
Revenue Department payables	46,784	41,150	6,888	13,824
Others	3,417	646	-	-
Total other payables	121,258	91,007	24,725	23,257
Total trade and other payables	354,956	378,940	41,754	38,287

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17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of Non-current provisions for employee benefits for the three-month periods ended March 31, 2020 and 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Non-current provisions for employee benefits				
at beginning of periods	36,262	27,130	24,902	17,429
Included in profit or loss:				
Current service cost	1,099	1,157	601	690
Interest cost	200	178	138	122
Benefit paid during the periods	(518)	(508)	(316)	(198)
Non-current provisions for employee benefits				
at end of periods	<u>37,043</u>	<u>27,957</u>	<u>25,325</u>	<u>18,043</u>

Employee benefit expenses in profit or loss for the three-month periods ended March 31, 2020 and 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sales	948	903	697	655
Selling expenses	45	-	-	-
Administrative expenses	306	432	42	157
Total employee benefit expenses	<u>1,299</u>	<u>1,335</u>	<u>739</u>	<u>812</u>

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

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

..... Director

(Narong Tharatanavibool)

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Principal actuarial assumptions as at March 31, 2020 and December 31, 2019 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2.16 - 2.94	2.16 - 2.94	2.21	2.21
Salary increases rate	1.00 - 5.00	1.00 - 5.00	1.00 - 5.00	1.00 - 5.00
Mortality rate	100% of Thai	100% of Thai	100% of Thai	100% of Thai
	Mortality Ordinary	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 51 years old	0	0	0	0

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.

19. DEFERRED TAX

Deferred tax as at March 31, 2020 and December 31, 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Deferred tax assets	7,888	7,826	5,065	4,980
Deferred tax liability	(5,679)	(5,359)	(59)	(17)
Deferred tax assets - net	2,209	2,467	5,006	4,963

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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,	As at March 31,	As at January 1,	As at March 31,
	2020	2020	2020	2020
	Profit	(Loss)	Profit	(Loss)
Deferred tax assets				
Allowance for doubtful accounts	706	(88)	618	-
Non-current provisions for employee benefits	7,120	150	7,270	85
Total	7,826	62	7,888	85
Deferred tax liability				
Unrealized gain on investments in Open-end Fund	(397)	(133)	(530)	(17)
Depreciation	(4,962)	(187)	(5,149)	-
Total	(5,359)	(320)	(5,679)	(42)
Deferred tax assets - net	2,467	(258)	2,209	43

As at March 31, 2020 and December 31, 2019 the Subsidiaries had tax losses carried forward amounting to Baht 139.34 million and Baht 214.87 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward.

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

20. INCOME TAX EXPENSE

Income tax expense the three-month periods ended March 31, 2020 and 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current tax expense				
Current periods	2,118	2,117	1,506	1,499
Deferred tax expense				
Movement in temporary differences	258	2,737	(43)	2,549
Total	2,376	4,854	1,463	4,048

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, 2020 and December 31, 2019, 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			
	2020		2019		2020		2019	
	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht	Foreign Currencies	Converted to Baht
Assets								
USD	122.83	4,000.00	32.52	974.81	31.11	1,011.63	31.12	932.73
Total		4,000.00		974.81		1,011.63		932.73
Liabilities								
USD	107.39	3,562.70	129.17	3,917.80	37.99	1,247.14	123.26	3,738.60
EUR	32.22	1,169.81	-	-	32.22	1,169.81	-	-
Total		4,732.51		3,917.80		2,416.95		3,738.60

..... Director
(Narong Thareratanavibool)

..... Director
(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.

The Company and subsidiaries have revenue from sales of goods which are granted the promotional certificates for the three-month and periods ended March 31, 2020 and 2019 was 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, 2020						
Revenue from sales of goods	1,326,768	717,319	2,044,087	193,909	13,051	206,960
Revenue from construction contract	-	36,484	36,484	-	-	-
Revenue from vessel operating	-	4,878	4,878	-	-	-
Other incomes	86	3,132	3,218	86	4,904	4,990
Total	1,326,854	761,813	2,088,667	193,995	17,955	211,950
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	539	2,774	3,313	539	1,976	2,515
Total	317,589	311,502	629,091	159,757	34,604	194,361

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

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 Finansa 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, 2020 and 2019 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Asian Insulators Public Company Limited	475	426	475	426
AI Engineering Services Company Limited	52	53	-	-
AI Energy Public Company Limited	414	383	-	-
AI Logistics Company Limited	7	10	-	-
Total	948	872	475	426

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24. SEGMENT INFORMATION

The segmented information for the three-month periods ended March 31, 2020 and 2019 was as follows:

		Unit: Thousand Baht						
		Consolidated financial statements						
		For the three-month period ended March 31, 2020						
		Group of AI Energy Public Company Limited						
		Sale of biodiesel	Sale of Refine					Total
		and vegetable oil	Glycerine	Vessel operating	Port services			
		and by product						
		Construction	and by product					
		undertaking	and by product					
Sale of porcelain insulators and component		36,484	1,820,907	16,220	4,878	-		2,085,449
Revenues from sales and services								
		(30,581)	(1,640,053)	(25,117)	(10,345)	-		(1,814,560)
Cost of sales and services								
		-	(38,500)	35,150	-	-		(3,350)
Allowance for devaluation of inventories (increase) decrease								
		5,903	142,354	26,253	(5,467)	-		267,539
Gross profit (loss) by segment								
								3,218
Other income								
								(11,364)
Selling expenses								
								(38,706)
Administrative expenses								
								(880)
Finance costs								
								(2,376)
Tax expenses								
								217,431
Profit for the period								166,704
Equity holders of the parent								50,727
Non-controlling interests								
Property, plant, vessel and equipment - net		143	925,963	430,287	24,309	161,606		2,006,510

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..... Director

(Thanit Tharatanavibool)

..... Director

(Narong Tharatanavibool)

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	Vessel 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)	(417,534)	(3,716)	(7,859)	-	(537,594)
Allowance for devaluation of inventories	-	-	(19,250)	-	-	-	(19,250)
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
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

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25. COMMITMENT AND CONTINGENT LIABILITIES

Commitment and contingent liabilities as at March 31, 2020 and December 31, 2019 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	
	2020	2019
Guarantee for construction undertaking	158,869	198,007
Guarantee for sale of porcelain insulators and component	210,500	181,290
Guarantee for importation machinery	-	11,178
Guarantee for electricity usage	7,698	7,698
Total	377,067	398,173

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

	Contracted Balance (Unit : Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Capital commitments				
work in process :				
- building and utility systems	6,288	1,877	-	-
- Machinery, accessories and tools	2,048	4,084	1,416	1,530
work in process - Purify Glycerin project	6,361	14,023	-	-

25.3 AI Engineering Services Company Limited (“the subsidiary”) has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 39.68 million and Baht 59.36 million, respectively.

25.4 The Company had commitments as a guarantee of credit facilities for AI Engineering Services Company Limited (“the subsidiary”) with a commercial bank in the amount of Baht 595 million. The loans credit facilities which has not yet been drawn down are Baht 436 million.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

25.5 On June 20, 2017, the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC) has filed a criminal complaint against two former directors and executives of the AI Energy Public Company Limited (“the subsidiary”) in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the subsidiary predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings. Presently, the investigation is still under the process.

During the year 2019, the Subsidiary requested a legal opinion this case with an independent law firm, whose letter dated November 11, 2019, has an opinion that the case is the criminal complaint against former directors and executives of the Subsidiary which is a personal matter, and the Subsidiary which is a juristic person will not be liable in any way. Therefore, when former directors and executives of the Subsidiary have complaint against it will not have any impact on the Subsidiary.

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

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.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value and fair value of financial assets and financial liabilities as at March 31, 2020 and January 1, 2020 are presented below.

Unit : Thousand Baht				
Consolidated financial statements as at January 1, 2020				
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	145,419	145,419	145,419
Trade and other receivables - net	-	555,772	555,772	555,772
Other current financial assets	308,553	6,165	314,718	314,718
Other non-current financial assets - net	-	-	-	-
Pledged deposits at financial institutions	-	16,947	16,947	16,947
Total financial assets	308,553	724,303	1,032,856	1,032,856
Financial liabilities				
Bank overdrafts and short-term loan				
from financial institutions	-	53,558	53,558	53,558
Trade and other current payables	-	378,940	378,940	378,940
Short-term loans from related parties	-	40,000	40,000	40,000
Total financial liabilities	-	472,498	472,498	472,498

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit : Thousand Baht

Consolidated financial statements as at March 31, 2020

	Carrying value			Fair value
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	287,515	287,515	287,515
Trade and other receivables - net	-	667,493	667,493	667,493
Other current financial assets	384,391	348	384,739	384,739
Other non-current financial assets - net	-	-	-	-
Pledged deposits at financial institutions	-	5,769	5,769	5,769
Total financial assets	384,391	961,125	1,345,516	1,345,516
Financial liabilities				
Bank overdrafts and short-term loan				
from financial institutions	-	104,633	104,633	104,633
Trade and other current payables	-	354,956	354,956	354,956
Short-term loans from related parties	-	40,000	40,000	40,000
Total financial liabilities	-	499,589	499,589	499,589

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit : Thousand Baht

Separate financial statements as at January 1, 2020

	Carrying value			Fair value
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	76,741	76,741	76,741
Trade and other receivables - net	-	175,529	175,529	175,529
Other current financial assets	76,804	-	76,804	76,804
Short-term loans to subsidiary	-	250,000	250,000	250,000
Other non-current financial assets - net	-	-	-	-
Total financial assets	76,804	502,270	579,074	579,074
Financial liabilities				
Bank overdrafts and short-term loan				
from financial institutions	-	50,000	50,000	50,000
Trade and other current payables	-	38,287	38,287	38,287
Total financial liabilities	-	88,287	88,287	88,287

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit : Thousand Baht				
Separate financial statements as at March 31, 2020				
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	168,475	168,475	168,475
Trade and other receivables - net	-	82,317	82,317	82,317
Shot-term loan to subsidiary	-	350,000	350,000	350,000
Other current financial assets	157,149	-	157,149	157,149
Other non-current financial assets - net	-	-	-	-
Total financial assets	157,149	600,792	757,941	757,941
Financial liabilities				
Bank overdrafts and shot-term loan				
from financial institutions	-	100,000	100,000	100,000
Trade and other current payables	-	41,754	41,754	41,754
Total financial liabilities	-	141,754	141,754	141,754

The fair value of financial instruments is estimated on the following criteria.

- Other current financial assets that is investment in open-end Fund-Debt securities of the Group 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.
- Other non-current financial assets that are Other long-term investment are measured at fair value at level 3 by estimating the expected cash flows.

During the current period, there was no transfer within the fair value hierarchy.

28. EVENTS AFTER THE REPORTING PERIOD

28.1 Dividend payment

The Board of Directors' Meeting No. 1/2020 held on April 3, 2020 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 2020 Annual General Shareholders' Meeting held on April 30, 2020, passed a resolution to pay such dividends. The dividend was paid on May 13, 2020.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

On April 24, 2020, the Board of Directors' meeting No. 4/2020 of the Company pass a resolution to approve the distribution of interim dividend payment for the year 2019 instead of the annual dividend payment which was planned to propose to the Annual General Meeting of shareholders of the Company at Baht 0.12 per share, totaling 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 interim dividend was paid on May 22, 2020.

As the pandemic of the Coronavirus Disease 2019 ("COVID-19") in Thailand. The Company's Board of Directors' Meeting No. 3/2563 on April 1, 2020 passed a resolution to postpone the Annual General Shareholders' Meeting of 2020 indefinitely. The Company's Board of Director Meeting No.5/2020 held on May 14, 2020 has resolution to schedule the date of the Annual General Shareholders' Meeting of 2020 on June 18, 2020.

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

The Board of Directors' Meeting AI Energy Public Company Limited ("the subsidiary") No.1/2020 on February 24, 2020, passed a resolution to approve the reduction of legal reserve amounting to Baht 8.23 million and premium on ordinary shares amounting to Baht 315.32 million so as compensation to reduce the deficits in the subsidiary's separate financial statements as at December 31, 2019 amounting to Baht 323.55 million which after such transfer of appropriated legal reserve and share premium to compensate the retained loss as mentioned, the Subsidiary shall not have retained loss remaining and propose for approval to the Subsidiary's Annual General Shareholders' Meeting of 2020, on April 24, 2020.

As the pandemic of the Coronavirus Disease 2019 ("COVID-19") in Thailand. The Subsidiary's Board of Directors' Meeting No. 3/2563 on April 10, 2020 passed a resolution to postpone the Annual General Shareholders' Meeting of 2020 indefinitely. The Subsidiary's Board of Director Meeting No.4/2020 held on May 14, 2020 has resolution to schedule the date of the Annual General Shareholders' Meeting of 2020 on June 18, 2020.

29 APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on May 14, 2020.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)