



บริษัท เอเชีย นินซูเลเตอร์ จำกัด (มหาชน)

**Asian Insulators Public Company Limited**

AI 204/2016

March 31, 2016

Subject: Explanation to the Auditor's opinion on the Financial Statement for the year 2015 (Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and with Qualified Opinion on Statement of Financial Position)

To: The President  
The Stock Exchange of Thailand

Reference: Auditor's Report – ANS Audit Co., Ltd.

Asian Insulators Public Company Limited (AI) has submitted its consolidated and separate financial statements for the year 2015 as of 31 December 2015. The external auditor, ANS Auditor Co., Ltd. ("Auditor") has issued a Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and a Qualified Opinion on Statement of Financial Position for the company's consolidated and separate financial statements as of 31 December 2015, which can divide into two opinions as follow;

**1. Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow**

The Auditor was unable certify that the Company's Financial Statement for the year 2014 (Revised version) has been appropriately adjusted and disclosed the changes compared to the Company's previous Financial Statement for the year 2014 or not. There might be essential adjustments which may significant impact on the Financial Statement for the year 2015, or on a comparative statement. So, the Auditor issue disclaimer of opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow due to limited scope by management.

-Since the External Auditor for the year 2014 issued a disclaimer of opinion on the Consolidated and Separate Financial Statement for the year 2014 because an ineffective of internal control regarding to cost of sales and inventories including misappropriation of assets utilization, which lead to an inconsistency in production transaction's information and evidence as well as an inappropriate in controlling raw materials and goods in-out of the factory. The uncertainty in the accuracy and completeness of audit information and evidence has impact on cost of sales and inventories including other related accounts.

-As the Auditor examined on the Company's Consolidated and Separate Financial Statement for the year 2015 as of 31 December 2015, found that the Company had realized higher costs per unit produced during



บริษัท เอเชีย อินซูเลเตอร์ จำกัด (มหาชน)

## Asian Insulators Public Company Limited

1st and 2nd quarter of 2015 (January to June 2015). This is due to a malfunction in the Biodiesel's productivity that lead to an incremental decreased in Biodiesel's production yield. However, the Auditor just received clarification letter on such events from the Company's Audit Committee, Managing Director, Factory Manager, Accounting and Finance Manager, Quality Control Manager, and Logistic Supervisor/Factory Department on 28 March 2016, which the Auditor was unable to investigate and examine on evidences just yet. So the Auditor unable to proof the appropriateness of such clarification.

### 2. Qualified Opinion on Statement of Financial Position

According to the issued in first opinion that the Auditor issued disclaimer of opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow. The Auditor cannot appropriately identify and specify that there may be an adjustment on the Company's Consolidated and Separate Statement of Financial Position for the year 2015, issued a qualified opinion on Statement of Financial Position as a result. This is due to limited scope by management.

However, the Company has successfully prepared its financial statements for the year 2014 (Revised version), which already reviewed by the Company's Audit Committee and ready for an external auditor to perform a Special Audit. Currently, the Company is considering for its potential external auditor to perform a Special Audit on its financial statements for the year 2014 (Revised version), if there is any progress will be informed accordingly.

Please be informed accordingly.



Sincerely Yours,

(Thanit Thareratanavibool)

Director and Chief Executive Officer

Company Secretary

Tel. 0-2517-1451

Fax. 0-2517-1465

Email : [ir@asianinsulators.com](mailto:ir@asianinsulators.com)