

บริษัท เอเชีย นินซูเลเตอร์ จำกัด (มหาชน)

Asian Insulators Public Company Limited.

No. AI101/2561

February 27, 2018

Subject: Management's Discussion and Analysis for Year 2017

To : President

The Stock Exchange of Thailand

Asian Insulators Public Company Limited (AI) would like to clarify for year 2017 operating results based on the consolidated financial statement. The main items were as followed.

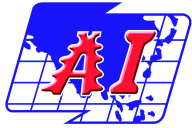
Unit : Million Baht	2017	2016	% Increased (Decreased)
Total Revenues	3,458.23	4,672.15	25.98
Total Expenses	3,194.58	4,339.68	(26.38)
Finance Costs	1.58	8.01	(80.27)
Profit before Income Tax Expenses	262.07	324.76	80.67
Tax Expenses	37.50	13.62	175.33
Net Profit (Loss)	224.57	311.14	(27.82)
Net Profit (Loss) Equity holders of the parent	255.68	293.85	(12.99)

The Net Profit for year 2017 was 255.68 million Baht; while in 2016 Net Profit was 293.85 million Baht.

The net profit was decreased 38.17million Baht; or decreased 12.99 %. The main reasons were as follows:

Operating results (Consolidated) :

- The Company realized 838.02 million Baht for revenue from selling Porcelain Insulators and Raw materials in year 2017 which compared to revenue of year 2016 was 756.31 million Baht; increased by 10.81% or 81.71 million Baht. While the cost of goods sold was 463.37 million Baht in year 2017; compared to cost of goods sold was 440.29 million Baht in year 2016, decreased by 5.24 % or 23.08 million Baht. The gross profit margin was 374.65 million Baht. The main reasons from increasing demand for goods from customers.
- The Company realized 151.85 million Baht for revenue from the Engineering Construction in year 2017 which compared to revenue of year 2016 was 423.00 million Baht; decreased 271.15 million Baht, or 64.10% while the cost of construction was 135.55 million Baht in year 2017; compared to cost of construction in year 2016 was 381.56 million Baht; decreased by 246.01 million Baht, or 64.47 %. The gross profit margin was 16.30 million Baht. The main reasons from delays in construction tenders.



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- The Company realized the revenue for 2,286.25 million Baht from selling Biodiesel (B100), vegetable oil and it's by products business in year 2017 which compared to revenue from selling Biodiesel (B100), vegetable oil and it's by products in year 2016 was 3,478.89 million Baht; decreased 1,192.64 million Baht or 34.28 %. While the cost of goods sold was 2,399.58 million Baht in year 2017; compared to cost of goods sold in year 2016 was 3,323.36 million Baht; decreased 923.78 million Baht or 27.80%. The main reason was stock lost in crude palm oil. The gross loss margin was 113.33 million Baht.
- Selling & administration expenses was 192.41 million Baht, decreased 1.79 % in year 2017 compared to year 2016 which was 195.92 million Baht, decreased 3.51 million Baht.

Balance Sheet (Consolidated) :

- Total assets as December 31, 2017 was 3,183.66 million Baht which was decreased by 341.48 million Baht or 9.69 % compared to December 31, 2016 which was 3,525.14 million Baht. The reason was from the decrease of trade receivables, inventory and Non-current assets held for sale.
- Total liabilities as December 31, 2017 was 218.46 million Baht which was decreased by 174.04 million Baht or 44.34 % compared to December 31, 2016 which was 392.50 million Baht. The reason was from payback the short-term loans.
- Total Shareholders' Equity as December 31, 2017 was 2,965.20 million Baht which was decreased by 167.44 million Baht or 5.34 % compared to December 31, 2016 was 3,132.64 million Baht. The reason was from dividend payout to shareholders.

Liquidity (Consolidated) :

- Liquidity ratio as December 31, 2017 was 6.74 time which increased by 1.84 time compared to the liquidity ratio at the December 31, 2016, which was 4.90 time.
- Debt to equity ratio as December 31, 2017 was 0.07 times which decreased by 0.06 time compared to the December 31, 2016 which was 0.13 time.

Please be informed accordingly.

Yours sincerely,



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(Thanit Thareratanavibool)

Director and Chief Executive Officer

Company Secretary

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