

AI ENERGY 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, 2017

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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors and Shareholders of AI Energy Public Company Limited:

I have reviewed the accompanying consolidated and separate statements of financial position as at June 30, 2017, of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively and consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month period ended June 30, 2017, and the related consolidated and separate statements of changes in shareholders' equity, and statements of cash flows for the six-month period ended June 30, 2017, 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 of Conclusion on Interim Financial Information 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

As discussed in Note to Financial Statements No. 25.3, the Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the Company auditor's disclaimer of opinion in the Company's financial statements for the year 2014. Management provided a clarification of the facts to the SEC. The Company also sent a letter to request a status update with respect to this matter. The SEC replied by a letter, dated February 28, 2017, that the outcome has not been finalized.

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



Qualified Conclusion

Except for the possible effect on the interim financial information due to the matters described in the Basis for Qualified Conclusion Paragraph described in the Basis for Qualified Conclusion Paragraph, 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".



Vichai Ruchitanont
Certified Public Accountant
Registration Number 4054
ANS Audit Co., Ltd
Bangkok, August 11, 2017

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2017

Unit : Thousands Baht

	Notes	Consolidated financial statements		Separate financial statements	
		June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
		"REVIEWED"		"REVIEWED"	
Assets					
Current assets					
Cash and cash equivalents		379,761	227,100	187,774	200,902
Current investment	5	441	441	441	441
Trade and other receivables - net	6	143,264	142,088	141,835	138,655
Current portion of receivables under finance lease contracts	7	9,941	9,479	-	-
Inventories - net	8	179,013	307,894	179,013	307,894
Oil supplies	9	3,183	2,290	-	-
Non-current assets held for sale - net	10	218,923	218,923	-	-
Total current assets		934,526	908,215	509,063	647,892
Non-current assets					
Investments in subsidiaries - net	11	-	-	420,073	420,073
Pledged deposits at financial institution	12	6,869	6,869	4,369	4,369
Receivables under finance lease contracts - net	7	3,529	8,618	-	-
Property, plant, vessel and equipment - net	13	1,120,118	1,136,423	890,406	896,534
Intangible assets - net	14	287	188	287	188
Deferred tax assets	20	8,296	8,057	8,296	8,057
Other non-current assets		46,680	13,744	46,132	13,700
Total non-current assets		1,185,779	1,173,899	1,369,563	1,342,921
Total assets		2,120,305	2,082,114	1,878,626	1,990,813

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2017

Unit : Thousands Baht

	Notes	Consolidated financial statements		Separate financial statements	
		June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	70.585	128.000	70.585	128.000
Trade and other payables	4, 16	145.073	57.672	139.084	53.609
Cash advance receive from disposal of asset	10	240.000	80.000	-	-
Income tax payables		-	2.925	-	2.925
Total current liabilities		455.658	268.597	209.669	184.534
Non-current liabilities					
Employee benefit obligations	17	9.499	9.006	8.887	8.441
Total non-current liabilities		9.499	9.006	8.887	8.441
Total liabilities		465.157	277.603	218.556	192.975
Shareholders' equity					
Authorized share capital					
Common share 5,424,000,000 shares, at Baht 0.25 par value	18	1,356.000	1,356.000	1,356.000	1,356.000
Issued and paid - up share capital					
Common share 4,520,000,000 shares, at Baht 0.25 par value	18	1,130.000	1,130.000	1,130.000	1,130.000
Premium on common stocks		605.114	605.114	605.114	605.114
Retained earnings (deficits)					
Appropriated					
Legal reserve	19	8.226	8.226	8.226	8.226
Unappropriated		(84.045)	65.318	(84.472)	53.296
Other components of shareholders' equity		(4.147)	(4.147)	1.202	1.202
Total Shareholders' Equity		1,655.148	1,804.511	1,660.070	1,797.838
Total liabilities and shareholders' equity		2,120.305	2,082.114	1,878.626	1,990.813

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
"REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	4. 22. 24				
Revenues					
		611,816	1,125,479	611,816	1,118,778
		15,994	15,939	15,994	15,939
		11,844	7,930	-	-
		4,265	1,048	745	995
		<u>643,919</u>	<u>1,150,396</u>	<u>628,555</u>	<u>1,135,712</u>
Expenses					
		(641,030)	(1,052,869)	(641,030)	(1,051,155)
		(14,171)	(13,616)	(14,171)	(13,616)
		(16,343)	(6,890)	-	-
		(2,630)	(9,081)	(2,221)	(8,489)
		(19,908)	(16,944)	(14,824)	(14,637)
		(666)	(2,845)	(666)	(2,343)
		<u>(694,748)</u>	<u>(1,102,245)</u>	<u>(672,912)</u>	<u>(1,090,240)</u>
		<u>(50,829)</u>	<u>48,151</u>	<u>(44,357)</u>	<u>45,472</u>
	21	120	(1,150)	120	(326)
		<u>(50,709)</u>	<u>47,001</u>	<u>(44,237)</u>	<u>45,146</u>
Other comprehensive income					
		-	-	-	-
		<u>(50,709)</u>	<u>47,001</u>	<u>(44,237)</u>	<u>45,146</u>
Profit (Loss) attributable to :					
		(50,709)	47,001	(44,237)	45,146
		-	-	-	-
		<u>(50,709)</u>	<u>47,001</u>	<u>(44,237)</u>	<u>45,146</u>
Total comprehensive income (loss) attributable to :					
		(50,709)	47,001	(44,237)	45,146
		-	-	-	-
		<u>(50,709)</u>	<u>47,001</u>	<u>(44,237)</u>	<u>45,146</u>
Earnings (loss) per share					
Basic earning (loss) per share					
		(0.01)	0.01	(0.01)	0.01
		<u>4,520,000,000</u>	<u>4,520,000,000</u>	<u>4,520,000,000</u>	<u>4,520,000,000</u>

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
 "REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
4, 22, 24					
Revenues					
	Revenues from sale of goods	1,089,757	2,255,574	1,089,757	2,242,941
	Revenues from production contract	22,997	24,099	22,997	24,099
	Revenues from vessel operating	24,786	16,224	-	-
	Other incomes	7,829	3,138	1,439	3,070
	Total Revenues	1,145,369	2,299,035	1,114,193	2,270,110
Expenses					
	Cost of sales	(1,195,004)	(2,124,178)	(1,195,004)	(2,124,936)
	Cost of production contract	(22,840)	(20,369)	(22,840)	(20,369)
	Cost of vessel operating	(31,266)	(14,664)	-	-
	Selling expenses	(4,669)	(18,180)	(3,877)	(17,004)
	Administrative expenses	(39,636)	(44,103)	(28,923)	(37,656)
	Finance costs	(1,556)	(5,167)	(1,556)	(4,045)
	Total Expenses	(1,294,971)	(2,226,661)	(1,252,200)	(2,204,010)
	Profit (loss) before income tax expenses	(149,602)	72,374	(138,007)	66,100
	Tax income (Tax expense)	21 239	(1,953)	239	(587)
	Profit (loss) for the periods	(149,363)	70,421	(137,768)	65,513
Other comprehensive income (loss) :					
<i>Items that will not be reclassified to profit or loss</i>					
	Defined benefit plan actuarial gains	17 -	1,321	-	1,502
	Income tax on other comprehensive income relating to items that will not be reclassified	20 -	(300)	-	(300)
	Other comprehensive income for the periods net of income tax	-	1,021	-	1,202
	Total comprehensive income (loss) for the periods	(149,363)	71,442	(137,768)	66,715
Profit (Loss) attributable to :					
	Equity holders of the parent	(149,363)	70,421	(137,768)	65,513
	Non-controlling interests	-	-	-	-
		(149,363)	70,421	(137,768)	65,513
Total comprehensive income (loss) attributable to :					
	Equity holders of the parent	(149,363)	71,442	(137,768)	66,715
	Non-controlling interests	-	-	-	-
		(149,363)	71,442	(137,768)	66,715
Earnings (loss) per share					
Basic earning (loss) per share					
	Basic earnings (loss) attributable per share (Baht)	(0.03)	0.02	(0.03)	0.01
	Weighted average number of common shares (share)	4,520,000,000	4,520,000,000	4,520,000,000	4,520,000,000

.....Director
 (Thanit Thareratanavibool)

.....Director
 (Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
 "REVIEWED"

Unit : Thousands Baht

Consolidated financial statements

	Shareholders' equity of the parent										Total shareholders' equity
	Retained earnings (deficits)				Other components of equity		Difference on				
	Share capital issued and paid - up	Premium on common stocks	Appropriated Legal reserve	Unappropriated	Actuarial gain	Unappropriated	business combination under common control	Total other components of equity	Total equity of the parent	Non-controlling interests	
Balance as at January 1, 2017	1,130,000	605,114	8,226	65,318	1,078	(5,225)	(4,147)	1,804,511	-	1,804,511	
Changes in shareholders' equity for the period :											
Total comprehensive loss for the period	-	-	-	(149,363)	-	-	-	(149,363)	-	(149,363)	
Balance as at June 30, 2017	1,130,000	605,114	8,226	(84,045)	1,078	(5,225)	(4,147)	1,655,148	-	1,655,148	
Balance as at January 1, 2016	1,130,000	605,114	6,362	24,478	-	(5,225)	(5,225)	1,760,729	-	1,760,729	
Changes in shareholders' equity for the period :											
Total comprehensive loss for the period	-	-	-	70,421	1,021	-	1,021	71,442	-	71,442	
Balance as at June 30, 2016	1,130,000	605,114	6,362	94,899	1,021	(5,225)	(4,204)	1,832,171	-	1,832,171	

.....Director
 (Thanit Thateratanavibool)

.....Director
 (Pimwan Thateratanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
 "REVIEWED"

		Unit : Thousands Baht					
		Separate financial statements					
		Retained earnings (deficits)			Other components of equity		
					Other comprehensive		
					income		
		Appropriated					Total shareholders'
		Legal reserve			Actuarial gain		equity
Share capital	Premium on	Unappropriated					
Issued and paid - up	common stocks	Legal reserve	Unappropriated	Actuarial gain			
Balance as at January 1, 2017	605,114	8,226	53,296	1,202			1,797,838
Changes in shareholders' equity for the period :	-	-	(137,768)	-			(137,768)
Total comprehensive loss for the period	605,114	8,226	(84,472)	1,202			1,660,070
Balance as at June 30, 2017	605,114	8,226	17,894	-			1,759,370
Balance as at January 1, 2016	-	-	65,513	1,202			66,715
Changes in shareholders' equity for the period :	605,114	6,362	83,407	1,202			1,826,085
Total comprehensive loss for the period	605,114	6,362	83,407	1,202			1,826,085
Balance as at June 30, 2016	605,114	6,362	83,407	1,202			1,826,085

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..... Director
 (Pimwan Tharatanavibool)

..... Director
 (Thanit Tharatanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
 "REVIEWED"

Unit : Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before income tax expense	(149,602)	72,374	(138,007)	66,100
Adjustments to reconcile profit before income (loss) tax expense				
to cash provided by (used in) operating activities:				
Depreciation	38,876	43,321	28,699	26,845
Amortization of computer softwares	44	24	44	24
Loss on write-off of assets	2	-	2	-
Allowance for doubtful accounts	-	10,888	-	10,888
Reversal allowance for doubtful accounts	-	(163)	-	(163)
Reversal for devaluation of inventories	(7,423)	-	(7,423)	-
Estimation of employee benefit obligations	989	1,532	942	1,292
Interest income	(2,162)	(203)	(791)	(203)
Interest expenses	1,556	5,167	1,556	4,045
Unrealized loss on exchange rates	32	47	32	47
Gain (Loss) from operating activities before changes in				
operating assets and liabilities	(117,688)	132,987	(114,946)	108,875
Changes in operating assets - (increase) decrease :				
Trade and other receivables	(1,209)	15,978	(3,213)	13,653
Inventories	135,410	(134,040)	136,304	(134,609)
Other non-current assets	(32,362)	(1,839)	(31,858)	(1,839)
Changes in operating liabilities - increase (decrease)				
Trade and other payables	84,033	72,281	82,105	71,440
Cash provided by operating activities	68,184	85,367	68,392	57,520
Payment for employee benefit obligations	(496)	(1,724)	(496)	(259)
Income tax paid	(3,498)	(2,725)	(3,497)	(731)
Net cash provided by operating activities	64,190	80,918	64,399	56,530

.....Director
 (Thanit Thareratanavibool)

.....Director
 (Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

"UNAUDITED"
 "REVIEWED"

Unit : Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Interest received	1,011	215	791	215
Payment for purchases of assets	(19,400)	(27,224)	(19,400)	(22,762)
Proceeds from receive from disposal receivables under finance lease contracts	5,778	-	-	-
Cash advance receive from disposal receivables under finance lease contracts	160,000	-	-	-
Net cash provided by (used in) investing activities	147,389	(27,009)	(18,609)	(22,547)
Cash flows from financing activities				
Interest paid	(1,503)	(5,274)	(1,503)	(4,149)
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions	(57,415)	31,965	(57,415)	50,000
Net cash provided by (used in) financing activities	(58,918)	26,691	(58,918)	45,851
Net increase (decrease) in cash and cash equivalents	152,661	80,600	(13,128)	79,834
Cash and cash equivalents at beginning of the periods	227,100	117,492	200,902	100,686
Cash and cash equivalents at end of the periods	379,761	198,092	187,774	180,520

Additional disclosure items to cash flows statements

Non-cash flows items consist of:

Assets payable for equipment	3,318	3,368	3,318	2,648
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.....Director
 (Thanit Thareratanavibool)

.....Director
 (Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2017 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

AI Energy Public Company Limited (“the Company”) was registered as a company under the Civil and Commercial Code of Thailand on October 4, 2006, and was registered as a public company limited with the Ministry of Commerce on May 9, 2013. The Company was listed on the Market for Alternative Investment (MAI) on January 6, 2014.

The Company’s main businesses are producing and distributing energy product (bio-diesel), vegetable /animal oil and fats.

The Company’s registered office is located at 55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.

The Company is a subsidiary of Asian Insulators Public Company Limited which holds 59.59% of the Company's share capital.

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 2016), 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.

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, 2016. 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, 2016.

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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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, 2016.

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

New financial reporting standards

During the period, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and that of its subsidiary.

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, 2016.

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 agreed prices on market value or, where no market value exists, at contractually agreed prices.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Significant transactions between the Company and related parties for the three-month and six-month periods ended June 30, 2017 and 2016 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
Purchase of goods				
Samart Palm Oil Company Limited	-	4,465	-	4,465
Samart Palm Industry Company Limited	7,665	16,726	7,665	16,726
Rental and Service				
AI Ports and Terminals Company Limited	-	-	-	12,600
Transportation expenses				
AI Logistics Company Limited	-	-	-	5,267
AI Ports and Terminals Company Limited	-	-	-	117
Administrative expenses				
Asian Insulators Public Company Limited	573	444	317	235

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the six-month periods				
Sales of finished goods				
Asian Insulators Public Company Limited	-	94	-	94
Purchase of goods				
Samart Palm Company Limited	-	3,426	-	3,426
Samart Palm Oil Company Limited	-	10,293	-	10,293
Samart Palm Industry Company Limited	15,982	26,326	15,982	26,326
Rental and Service				
AI Ports and Terminals Company Limited	-	-	-	25,200
Transportation expenses				
AI Logistics Company Limited	-	-	-	13,318
AI Ports and Terminals Company Limited	-	-	-	296
Administrative expenses				
Asian Insulators Public Company Limited	1,069	918	600	477

Directors and management's remuneration

Directors and management's remuneration for the three-month and six-month periods ended June 30, 2017 and 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
Short-term employee benefits	4,392	4,302	3,659	3,439
Long-term post-employment benefits	83	275	61	253
Total directors and management's remuneration	4,475	4,577	3,720	3,692
For the six-month periods				
Short-term employee benefits	8,082	8,317	6,616	6,599
Long-term post-employment benefits	165	592	121	506
Total directors and management's remuneration	8,247	8,909	6,737	7,105

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Significant balances with related parties as at June 30, 2017 and December 31, 2016 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Smart Palm Industry Company Limited	1,808	-	1,808	-
Other payables				
Asian Insulators Public Company Limited	-	2	-	-

5. CURRENT INVESTMENT

Current investment as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2017	2016
Fixed deposits	441	441
Total current investment	441	441

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivable - others	138,735	130,350	138,389	129,410
Post date cheques	9,220	13,032	9,220	13,032
Total trade receivables	147,955	143,382	147,609	142,442
<u>Less</u> Allowance for doubtful accounts	(8,327)	(8,327)	(8,327)	(8,327)
Total trade receivables - net	139,628	135,055	139,282	134,115
Other receivables				
Prepaid interest	1,855	126	1,855	126
Advance deposit	369	2,225	369	2,225
Prepaid insurance	386	2,707	-	1,310
Revenue Department receivable	323	816	-	-
Undue input tax	5	311	-	296
Others	1,004	1,154	635	889
Total other receivables	3,942	7,339	2,859	4,846
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Total other receivables - net	3,636	7,033	2,553	4,540
Total trade and other receivables - net	143,264	142,088	141,835	138,655

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

As at June 30, 2017 and December 31, 2016, outstanding balances of trade receivable aged by number of months were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Others				
Current	138,773	133,014	138,773	132,073
Overdue				
Within 3 months	855	2,041	509	2,042
Over 12 months	8,327	8,327	8,327	8,327
Total	147,955	143,382	147,609	142,442
<u>Less</u> Allowance for doubtful accounts	(8,327)	(8,327)	(8,327)	(8,327)
Total trade receivables - net	139,628	135,055	139,282	134,115

7. RECEIVABLES UNDER FINANCE LEASE CONTRACTS - NET

Receivables under finance lease contracts as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2017	2016
Due within one year		
Value of minimum lease payment receivable	11,556	11,556
Deferred revenue - finance lease	(1,615)	(2,077)
Present value of minimum lease payment receivable	9,941	9,479
Due over one year but with five years		
Value of minimum lease payment receivable	3,851	9,630
Deferred revenue - finance lease	(322)	(1,012)
Present value of minimum lease payment receivable	3,529	8,618

As at June 30, 2017 and December 31, 2016, AI Logistics Company Limited (“the subsidiary”) had receivable under finance lease contracts for hire-purchase Vessel with the company. These agreements are repayable in 24 equal monthly installments up to the year 2018. The ownership of assets purchased under hire-purchase agreements will be transferred to the subsidiary when last installment is paid. (Profit on sales of assets under finance lease contract and interest income from finance lease contract had been recorded in the other income)

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

8. INVENTORIES - NET

Inventories as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2017	2016
Raw materials and chemicals	85,402	129,883
Work in process	46,509	103,883
Finished goods	51,812	82,496
Supplies	5,229	8,994
Total inventories	188,952	325,256
<u>Less</u> Allowance for devaluation of inventories	(9,939)	(17,362)
Total inventories - net	179,013	307,894

9. OIL SUPPLIES

Oil supplies as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2017	2016
Bunker oil	2,651	1,797
Lubricants	532	493
Total oil supplies	3,183	2,290

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

10. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements			
	2016	Transfers in	Transfers out	2017
Non-current assets held for sale	267,936	-	-	267,936
<u>Less</u> Accumulated depreciation	(49,013)	-	-	(49,013)
Non-current assets held for sale - net	218,923	-	-	218,923

On November 3, 2016, AI Ports and Terminals Company Limited (“the subsidiary”) made contracts for sale of land, buildings and machineries with a company for the selling amount of Bath 390 million. The subsidiary will receive monthly installment from July 2016 to June 2017. The transfer of ownership will take place once the full amount is paid. As at June 30, 2017, the subsidiary had received the amount of Baht 240 million which is shown under current liabilities.

The subsidiary also made a rental agreement of land, buildings and machineries with a company for the period of 9 months from November 21, 2016 to June 20, 2017 for rental fee of Bath 0.50 million per month.

The subsidiary received all payments and transferred of ownership to the buyer in July 2017.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

11. INVESTMENTS IN SUBSIDIARIES-NET

Investments in subsidiaries as at June 30, 2017 and December 31, 2016 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Thousand Baht Cost Method	
		2017	2016	2017	2016	2017	2016
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	82,678	82,678
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable oil and other fuel oil	100.00	100.00	460	460	352,395	352,395
	<u>Less Allowance for impairment of investments</u>						(15,000)
	Total investments in subsidiaries - net						<u>420,073</u>
							<u>420,073</u>

12. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

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

.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

13. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, Plant, Vessel and Equipment as at June 30, 2017 were as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2017	1,136,423	896,534
Additions/Transfers in during the period (Cost)	42,307	42,307
Disposals/Transfers out during the period (Book value)	(19,736)	(19,736)
Depreciation charge for the period	(38,876)	(28,699)
Book value as at June 30, 2017	1,120,118	890,406

Depreciations in the statements of profit or loss for the three-month and six-month periods ended June 30, 2017 and 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
Cost of sales and services	16,170	20,781	13,864	12,565
Selling and administrative expenses	3,534	1,101	1,030	1,034
	19,704	21,882	14,894	13,599
For the six-month periods				
Cost of sales and services	31,841	41,118	26,643	24,776
Selling and administrative expenses	7,035	2,203	2,056	2,069
	38,876	43,321	28,699	26,845

The gross carrying amounts of assets were fully depreciated but these items are still in active use by the Company and subsidiaries as at June 30, 2017 and December 31, 2016, in the consolidate financial statement totaling approximately Baht 141.70 million and Baht 35.65 million respectively, and in the separate financial statements totaling approximately Baht 24.30 million and Baht 22.97 million, respectively.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

14. INTANGIBLE ASSETS - NET

Intangible assets as at June 30, 2017 and December 31, 2016 consisted of:

	Unit: Thousands Baht
	Consolidated/Separate financial statements
Book value as at January 1, 2017	188
Additions/Transfers in during the period (Cost)	143
Amortization for the period	(44)
Book value as at June 30, 2017	287

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

Bank overdrafts and short-term loans from financial institutions as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Promissory notes	37,000	128,000	37,000	128,000
Trust receipt	33,585	-	33,585	-
Total	70,585	128,000	70,585	128,000
	Credit facilities (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	15,000	15,000	15,000	15,000
Promissory notes	900,000	900,000	900,000	900,000
Letter of credit and trust receipt	270,000	270,000	270,000	270,000
Total	1,185,000	1,185,000	1,185,000	1,185,000

.....Director
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.....Director
(Pimwan Thareratanavibool)

16. TRADE AND OTHER PAYABLES

Trade and other payables as at June 30, 2017 and December 31, 2016 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related parties	1,808	-	1,808	-
Trade payables - others	114,084	27,274	109,294	24,496
Total trade payables	115,892	27,274	111,102	24,496
Other payables				
Advances received for goods	125	125	125	125
Accrued bonus	3,343	-	3,000	-
Retention	1,246	1,073	1,246	1,073
Revenue Department payable	10,493	11,012	10,345	10,843
Electricity payable	3,885	2,622	3,884	2,621
Accrued expenses	3,707	5,388	3,030	4,353
Payables for purchase of assets	3,318	7,211	3,318	7,211
Others payables	3,064	2,967	3,034	2,887
Total other payables	29,181	30,398	27,982	29,113
Total trade and other payables	145,073	57,672	139,084	53,609

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.....Director
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.....Director
(Pimwan Thareratanavibool)

17. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation for the six-month periods ended June 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Employee benefit at beginning of periods	9,006	14,455	8,441	11,258
Included in profit or loss:				
Current service cost	895	1,398	853	1,185
Interest cost	94	134	89	107
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	(2,946)	-	(2,468)
Experience adjustments	-	1,625	-	966
Benefit paid during the periods	(496)	(1,723)	(496)	(259)
Employee benefit obligations at end of periods	9,499	12,943	8,887	10,789

Employee benefit expenses in profit or loss for the three-month and six-month periods ended June 30, 2017 and 2016 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
<u>For the three-month periods</u>				
Cost of sales	276	342	276	252
Selling expenses	67	87	67	87
Administrative expenses	146	331	116	301
Total employee benefit expenses	489	760	459	640
<u>For the six-month periods</u>				
Cost of sales	574	629	574	518
Selling expenses	136	173	136	173
Administrative expenses	279	730	232	601
Total employee benefit expenses	989	1,532	942	1,292

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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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, 2017 and December 31, 2016 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.77 - 2.35	1.77 - 2.35	2.22	2.22
Salary increases rate	0.00 - 5.00	0.00 - 5.00	5.00	5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008		100% of Thai Mortality Ordinary Tables of 2008	
Turnover rate				
Under 31 years old	9.00	9.00	9.00	9.00
31 - 40 years old	12.00	12.00	12.00	12.00
41 - 50 years old	2.00	2.00	2.00	2.00
Above 51 years old	0.00	0.00	0.00	0.00

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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

19. LEGAL RESERVE

Legal reserve is set up under the Public Limited Companies Act B.E. 2535. The Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting the accumulated loss brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. DEFERRED TAX

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

	Unit : Thousand Baht		
	Consolidated/Separate financial statements		
	As at January		As at June
	1, 2017	Profit	30, 2017
Deferred tax assets			
Allowance for doubtful accounts	149	-	149
Provision for long-term employee benefits	1,688	89	1,777
Tax loss carries forward	10,511	-	10,511
Total	12,348	89	12,437
Deferred tax liabilities			
Depreciation	(4,291)	150	(4,141)
Total	(4,291)	150	(4,141)
Deferred tax assets - net	8,057	239	8,296

As at June 30, 2017 and December 31, 2016 the Company had the deferred tax asset for the carry forward of unused tax losses in financial statements Baht 10.51 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.

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

21. INCOME TAX EXPENSE

Income tax expense for the three-month and six-month periods ended June 30, 2017 and 2016 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
Current tax expense				
Current periods	-	(824)	-	-
Deferred tax expense				
Movements in temporary differences	120	(326)	120	(326)
Total	120	(1,150)	120	(326)
For the six-month periods				
Current tax expense				
Current periods	-	(1,366)	-	-
Deferred tax expense				
Movements in temporary differences	239	(587)	239	(587)
Total	239	(1,953)	239	(587)

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.

22. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the 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 certificates.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

The Company and subsidiaries have revenues 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, 2017 and 2016 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 June 30, 2017						
Revenues from sales of goods	464,549	147,267	611,816	464,549	147,267	611,816
Revenues from production contract	-	15,994	15,994	-	15,994	15,994
Revenues from vessel operating	-	11,844	11,844	-	-	-
Other incomes	-	4,265	4,265	-	745	745
Total	464,549	179,370	643,919	464,549	164,006	628,555
For the three-month period ended June 30, 2016						
Revenues from sales of goods	800,373	325,106	1,125,479	800,373	318,405	1,118,778
Revenues from production contract	-	15,939	15,939	-	15,939	15,939
Revenues from vessel operating	-	7,930	7,930	-	-	-
Other incomes	-	1,048	1,048	-	995	995
Total	800,373	350,023	1,150,396	800,373	335,339	1,135,712

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.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non - promoted	Total	Promoted	Non - promoted	Total
	Activities	Activities	Activities	Activities	Activities	Activities
Revenues from sales of goods	928,637	161,120	1,089,757	928,637	161,120	1,089,757
Revenues from production contract	-	22,997	22,997	-	22,997	22,997
Revenues from vessel operating	-	24,786	24,786	-	-	-
Other incomes	-	7,829	7,829	-	1,439	1,439
Total	928,637	216,732	1,145,369	928,637	185,556	1,114,193

For the six-month period ended June 30, 2017

Revenues from sales of goods	1,683,311	572,263	2,255,574	1,683,311	559,630	2,242,941
Revenues from production contract	-	24,099	24,099	-	24,099	24,099
Revenues from vessel operating	-	16,224	16,224	-	-	-
Other incomes	-	3,138	3,138	-	3,070	3,070
Total	1,683,311	615,724	2,299,035	1,683,311	586,799	2,270,110

For the six-month period ended June 30, 2016

Revenues from sales of goods	1,683,311	572,263	2,255,574	1,683,311	559,630	2,242,941
Revenues from production contract	-	24,099	24,099	-	24,099	24,099
Revenues from vessel operating	-	16,224	16,224	-	-	-
Other incomes	-	3,138	3,138	-	3,070	3,070
Total	1,683,311	615,724	2,299,035	1,683,311	586,799	2,270,110



.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

23. PROVIDENT FUND

The Company and subsidiary's 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, 2017 and 2016 were as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
For the three-month periods				
AI Energy Public Company Limited	341	346	341	346
AI Logistic Company Limited	6	7	-	-
Total	347	353	341	346
For the six-month periods				
AI Energy Public Company Limited	651	694	651	694
AI Logistic Company Limited	13	13	-	-
Total	664	707	651	694

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

24. SEGMENTS INFORMATION

The segments information for the three-month and six month periods ended June 30, 2017 and 2016 was as follows:

		Unit : Thousand Baht			
		Consolidated financial statements			
		For the three-month period ended June 30, 2017			
	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Vessel operating services	Port services	Total
Revenues from sales and services	611,816	15,994	11,844	-	639,654
Cost of sales and services	(641,030)	(14,171)	(16,343)	-	(671,544)
Gross profit (loss) by segment	(29,214)	1,823	(4,499)	-	(31,890)
Other income					4,265
Selling expenses					(2,630)
Administrative expenses					(19,908)
Finance costs					(666)
Tax income					120
Loss for the period					(50,709)



.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2017

	Contract of refine crude palm oil	Vessel operating	Port services	Total
Sale of biodiesel and vegetable oil and by product				
	22,997	24,786	-	1,137,540
Revenues from sales and services				
	(22,840)	(31,266)	-	(1,249,110)
Cost of sales and services				
	157	(6,480)	-	(111,570)
Gross profit (loss) by segment				
				7,829
Other income				
Selling expenses				(4,669)
Administrative expenses				(39,636)
Finance costs				(1,556)
Tax income				239
Loss for the period				(149,363)
Property, plant, vessel and equipment - net	890,406	18,567	211,145	1,120,118

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.....Director
(Thanit Thararatnavibool)

..... Director
(Pimwan Thararatnavibool)

Unit : Thousand Baht

Consolidated financial statements

For the three-month period ended June 30, 2016

	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	1,118,777	15,939	6,702	7,930	-	1,149,348
Cost of sales and services	(1,047,344)	(13,616)	(5,525)	(6,890)	-	(1,073,375)
Gross profit by segment	71,433	2,323	1,177	1,040	-	75,973
Other income						1,048
Selling expenses						(9,081)
Administrative expenses						(16,944)
Finance costs						(2,845)
Tax expenses						(1,150)
Profit for the period						47,001

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.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2016

	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	2,242,940	24,099	12,634	16,224	-	2,295,897
Cost of sales and services	(2,112,848)	(20,369)	(11,330)	(14,664)	-	(2,159,211)
Gross profit by segment	130,092	3,730	1,304	1,560	-	136,686
Other income						3,138
Selling expenses						(18,180)
Administrative expenses						(44,103)
Finance costs						(5,167)
Tax expenses						(1,953)
Profit for the period						70,421
Property, plant, vessel and equipment - net	890,431		20,873	40,586	421,504	1,373,394

.....Director
(Thanit Thararatnavibool)

..... Director
(Pimwan Thararatnavibool)

25. COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at June 30, 2017 and December 31, 2016 were as follows:

25.1 The Group had contingent liabilities on bank guarantees in the amount of Baht 6.87 million and Euro 3.51 million in year 2017 and amount of Baht 6.87 million and Euro 4.39 million in year 2016 issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

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

	Unit : Thousand Baht	
	Contracted Balance	
	Consolidated/Separate financial statements	
	2017	2016
Capital commitments		
Contracted but not provided for		
Utility systems	1,985	7,798
Machinery, accessories and tools	19,690	2,595
Total	21,675	10,393

25.3 The Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the Company auditor's disclaimer of opinion in the Company's financial statements for the year 2014. Management provided a clarification of the facts to the SEC. The Company also sent a letter to request a status update with respect to this matter. The SEC replied by a letter, dated February 28, 2017, that the outcome has not been finalized.

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

25.4 At October 24, 2016, the Company made a 5-year contract with a company for manufacturing edible oil products and allowed the use of "Pamola" trademark.

.....Director
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.....Director
(Pimwan Thareratanavibool)

26. CAPITAL MANAGEMENT

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

27. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on August 11, 2017.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)