

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
AI ENERGY PUBLIC COMPANY AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2017



## Independent Auditor's Report

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

### Qualified Opinion

I have audited the consolidated and separate financial statements of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, as at December 31, 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Qualified Opinion

As discussed in Note to Financial Statements No. 28.3, 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.

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.

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion is qualified in respect of this matter.



## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters, except with respect to the matter as mentioned in the Basis for qualified opinion paragraph.

### ***Quantity of inventories***

#### *Risk*

As mentioned in Note to Financial Statements No. 9, as at December 31, 2017, the Company has outstanding inventories in amount of Baht 152.58 million. The calculation of the quantities of ending inventories must include the measurement and calculation methods, for which there are many variables. Such calculation is complex.

#### *Auditor's Response*

I gained an understanding of the physical stock-take plan and the variables involved in calculating the quantities of inventories. Further, I tested the calculation of inventory quantities and observed physical stock-takes.

### ***Inventory Valuation***

#### *Risk*

The Company calculated the cost of inventories. This is a complex formula that may cause errors with respect to inventory costing. In addition, inventories are presented at cost or net realizable value, whichever is the lower. Therefore, Management must use significant judgment in determining the appropriate amount of allowance for devaluation of inventories.

#### *Auditor's Response*

I gained an understanding of the Company's inventory costing method and tested the computation of the cost of the outstanding inventories. Then, I performed an analytical review of the unit cost of inventory of the current year as compared to the previous year in order to identify possible irregularities in the costing.

In addition, I assessed and considered the appropriateness of the assumptions used by Management for its determination of the allowance for devaluation of inventories and tested the calculation for the net realizable value. I then considered the appropriateness of the allowance for inventory devaluation on the outstanding inventory.



### *Allowance for impairment of investments in subsidiaries*

#### *Risk*

As discussed in Note to Financial Statements No. 12, in the separate financial statements the Company has investments in subsidiaries as at December 31, 2017, in the amount of Baht 396.07 million (net from the allowance for impairment of Baht 39 million). Since these subsidiaries incurred operating losses, this is the indicator that the investment may be impaired. Therefore, Management should exercise significant judgment in the determination of the allowance for impairment of the investments.

#### *Auditor's response*

I obtained an understanding of the Company's policy to determine the allowance for impairment of investments in the subsidiaries. I considered the appropriateness of the allowance for impairment of investments by verification of the cash flows projection according to the liquidation basis, including the assessment of significant assumptions made by Management.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd.

Bangkok, February 27, 2018



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
	Cash and cash equivalents	59,674,062	227,100,189	51,658,193	200,901,951
	Current investment	170,417,556	441,341	469,305	441,341
	Trade and other receivables - net	110,808,135	142,088,081	110,343,293	138,654,933
	Current portion of receivables under finance lease contracts	8,618,160	9,479,048	-	-
	Inventories - net	152,579,391	307,894,327	152,579,391	307,894,327
	Oil supplies	1,980,082	2,289,365	-	-
	Non-current assets held for sale - net	-	218,922,872	-	-
	<b>Total current assets</b>	<b>504,077,386</b>	<b>908,215,223</b>	<b>315,050,182</b>	<b>647,892,552</b>
<b>Non-current assets</b>					
	Investments in subsidiaries - net	-	-	396,073,140	420,073,140
	Pledged deposits at financial institutions	23,016,896	6,869,001	22,616,896	4,369,000
	Receivables under finance lease contracts - net	-	8,618,160	-	-
	Property, plant, vessel and equipment - net	1,263,193,113	1,136,423,174	1,035,298,180	896,534,163
	Intangible assets - net	238,023	187,366	238,023	187,366
	Deferred tax assets	5,631,267	8,057,258	5,631,267	8,057,258
	Deposit for purchase of assets	21,527,151	-	21,527,151	-
	Other non-current assets	13,333,074	13,744,654	12,807,307	13,700,455
	<b>Total non-current assets</b>	<b>1,326,939,524</b>	<b>1,173,899,613</b>	<b>1,494,191,964</b>	<b>1,342,921,382</b>
	<b>Total assets</b>	<b>1,831,016,910</b>	<b>2,082,114,836</b>	<b>1,809,242,146</b>	<b>1,990,813,934</b>

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.....Director  
(Thanit Thareratanavibool)



.....Director  
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2017

		Unit : Baht				
		Consolidated financial statements		Separate financial statements		
Notes		2017	2016	2017	2016	
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from						
	financial institutions	16	-	128,000,000	-	128,000,000
	Trade and other payables	4, 17	80,358,071	57,671,780	75,024,571	53,609,178
	Short-term loans from subsidiary	4	-	-	100,000,000	-
	Cash advance receive from disposal of asset	10	-	80,000,000	-	-
	Income tax payables		8,204,477	2,925,190	-	2,925,190
	<b>Total current liabilities</b>		<b>88,562,548</b>	<b>268,596,970</b>	<b>175,024,571</b>	<b>184,534,368</b>
<b>Non-current liabilities</b>						
	Non-current provisions for employee	18	10,223,497	9,006,475	9,821,302	8,441,329
	<b>Total non-current liabilities</b>		<b>10,223,497</b>	<b>9,006,475</b>	<b>9,821,302</b>	<b>8,441,329</b>
	<b>Total liabilities</b>		<b>98,786,045</b>	<b>277,603,445</b>	<b>184,845,873</b>	<b>192,975,697</b>
<b>Shareholders' equity</b>						
<b>Authorized share capital</b>						
	Common share 5,424,000,000 shares, at Baht 0.25 par value		1,356,000,000	1,356,000,000	1,356,000,000	1,356,000,000
<b>Issued and paid - up share capital</b>						
	Common share 4,520,000,000 shares, at Baht 0.25 par value		1,130,000,000	1,130,000,000	1,130,000,000	1,130,000,000
	Premium on common stocks		605,113,717	605,113,717	605,113,717	605,113,717
<b>Retained earnings (deficits)</b>						
<b>Appropriated</b>						
	Legal reserve	21	8,226,574	8,226,574	8,226,574	8,226,574
	Unappropriated		(6,962,695)	65,317,831	(120,145,362)	53,296,602
	Other components of shareholders' equity		(4,146,731)	(4,146,731)	1,201,344	1,201,344
	<b>Total Shareholders' Equity</b>		<b>1,732,230,865</b>	<b>1,804,511,391</b>	<b>1,624,396,273</b>	<b>1,797,838,237</b>
	<b>Total liabilities and shareholders' equity</b>		<b>1,831,016,910</b>	<b>2,082,114,836</b>	<b>1,809,242,146</b>	<b>1,990,813,934</b>

.....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 YEAR ENDED DECEMBER 31, 2017

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
	3, 4, 24, 25, 26, 27				
<b>Revenues</b>					
Revenues from sale of goods		2,176,304,970	3,416,580,893	2,176,304,970	3,395,669,878
Revenues from production contract		77,025,232	32,577,762	77,025,232	32,577,762
Revenues from vessel operating		32,920,936	29,942,241	-	-
Profit earned from the sale of non-current asset held for sale - net	11	156,569,707	-	-	-
Other incomes		18,236,423	10,873,197	8,323,204	4,429,493
Dividend income	12, 20	-	-	25,300,000	-
<b>Total Revenues</b>		<b>2,461,057,268</b>	<b>3,489,974,093</b>	<b>2,286,953,406</b>	<b>3,432,677,133</b>
<b>Expenses</b>					
Cost of sales		(2,295,830,944)	(3,267,526,196)	(2,295,830,944)	(3,252,371,536)
Cost of production contract		(62,980,818)	(26,851,621)	(62,980,818)	(26,851,621)
Cost of vessel operating		(40,770,961)	(28,981,603)	-	-
Selling expenses		(11,945,601)	(32,322,748)	(10,931,659)	(30,376,898)
Administrative expenses		(90,951,893)	(81,644,436)	(86,501,122)	(77,569,374)
Finance costs		(1,724,877)	(8,012,265)	(1,724,836)	(6,309,286)
<b>Total Expenses</b>		<b>(2,504,205,094)</b>	<b>(3,445,338,869)</b>	<b>(2,457,969,379)</b>	<b>(3,393,478,715)</b>
<b>Profit (loss) before income tax expenses</b>		<b>(43,147,826)</b>	<b>44,635,224</b>	<b>(171,015,973)</b>	<b>39,198,418</b>
Tax expense	23	(29,132,700)	(1,931,296)	(2,425,991)	(1,931,296)
<b>Profit (loss) for the years</b>		<b>(72,280,526)</b>	<b>42,703,928</b>	<b>(173,441,964)</b>	<b>37,267,122</b>
<b>Other comprehensive income (loss) :</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains	18	-	1,378,720	-	1,501,680
Income tax on other comprehensive income relating to items that will not be reclassified	22	-	(300,336)	-	(300,336)
<b>Other comprehensive income for the years net of income tax</b>		<b>-</b>	<b>1,078,384</b>	<b>-</b>	<b>1,201,344</b>
<b>Total comprehensive income (loss) for the years</b>		<b>(72,280,526)</b>	<b>43,782,312</b>	<b>(173,441,964)</b>	<b>38,468,466</b>
<b>Profit (Loss) attributable to :</b>					
Equity holders of the parent		(72,280,526)	42,703,928	(173,441,964)	37,267,122
Non-controlling interests		-	-	-	-
		<b>(72,280,526)</b>	<b>42,703,928</b>	<b>(173,441,964)</b>	<b>37,267,122</b>
<b>Total comprehensive income (loss) attributable to :</b>					
Equity holders of the parent		(72,280,526)	43,782,312	(173,441,964)	38,468,466
Non-controlling interests		-	-	-	-
		<b>(72,280,526)</b>	<b>43,782,312</b>	<b>(173,441,964)</b>	<b>38,468,466</b>
<b>Earnings (loss) per share</b>					
<b>Basic earning (loss) per share</b>					
Basic earnings (loss) attributable per share (Baht)		(0.02)	0.01	(0.04)	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 YEAR ENDED DECEMBER 31, 2017

Unit : Baht

Consolidated financial statements											
Shareholders' equity of the parent											
Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (deficits)		Other comprehensive income			Total other components of equity	Total equity of the parent	Non-controlling interests	Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	Actuarial gain	Difference on business combination under common control (Note 12)	Total other components of equity				
Balance as at January 1, 2017	1,130,000,000	605,113,717	8,226,574	65,317,831	1,078,384	(5,225,115)	(4,146,731)	1,804,511,391	-	1,804,511,391	
Changes in shareholders' equity for the year :											
Total comprehensive loss for the year	-	-	-	(72,280,526)	-	-	-	(72,280,526)	-	(72,280,526)	
Balance as at December 31, 2017	1,130,000,000	605,113,717	8,226,574	(6,962,695)	1,078,384	(5,225,115)	(4,146,731)	1,732,230,865	-	1,732,230,865	
Balance as at January 1, 2016	1,130,000,000	605,113,717	6,361,574	24,478,903	-	(5,225,115)	(5,225,115)	1,760,729,079	-	1,760,729,079	
Changes in shareholders' equity for the year :											
Legal reserve	-	-	1,865,000	(1,865,000)	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	42,703,928	1,078,384	-	1,078,384	43,782,312	-	43,782,312	
Balance as at December 31, 2016	1,130,000,000	605,113,717	8,226,574	65,317,831	1,078,384	(5,225,115)	(4,146,731)	1,804,511,391	-	1,804,511,391	

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.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	Separate financial statements							Total shareholders' equity	
	Notes	Share capital Issued and paid - up	Premium on common stocks	Appropriated		Unappropriated			Actuarial gain
				Legal reserve	Legal reserve	Unappropriated	Unappropriated		
Balance as at January 1, 2017		1,130,000,000	605,113,717	8,226,574	8,226,574	53,296,602	1,201,344	1,797,838,237	
Changes in shareholders' equity for the year :									
Total comprehensive loss for the year		-	-	-	(173,441,964)	-	-	(173,441,964)	
Balance as at December 31, 2017		1,130,000,000	605,113,717	8,226,574	8,226,574	(120,145,362)	1,201,344	1,624,396,273	
Balance as at January 1, 2016		1,130,000,000	605,113,717	6,361,574	17,894,480	-	-	1,759,369,771	
Changes in shareholders' equity for the year :									
Legal reserve		-	-	1,865,000	(1,865,000)	-	-	-	
Total comprehensive income for the year	21	-	-	-	37,267,122	1,201,344	1,201,344	38,468,466	
Balance as at December 31, 2016		1,130,000,000	605,113,717	8,226,574	53,296,602	-	1,201,344	1,797,838,237	



.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax expense	(43,147,826)	44,635,224	(171,015,973)	39,198,418
Adjustments to reconcile profit before income (loss) tax expense to cash provided by (used in) operating activities:				
Depreciation	74,126,784	85,430,699	57,987,341	55,003,889
Amortization of computer softwares	102,916	56,062	102,916	56,062
Allowance for doubtful accounts	-	7,079,719	-	7,079,719
(Reversal) Allowance for devaluation of inventories	(8,736,322)	17,361,987	(8,736,322)	17,361,987
(Gain) Loss on write-off of assets	(149,727,505)	(3,415,655)	7,318,818	1,972,992
Unrealized (gain) loss on exchange rates	(5,109,833)	48,278	(5,109,833)	48,278
Dividend income	-	-	(25,300,000)	-
Loss on impairment of investment in subsidiary	-	-	24,000,000	15,000,000
Non-current provisions for employee	1,712,933	2,995,750	1,875,883	2,565,758
Interest income	(3,999,067)	(1,068,584)	(1,271,053)	(699,115)
Interest expenses	1,724,877	8,012,265	1,724,836	6,309,286
Gain (Loss) from operating activities before changes in operating assets and liabilities	(133,053,043)	161,135,745	(118,423,387)	143,897,274
Changes in operating assets - (increase) decrease :				
Trade and other receivables	31,279,946	147,907,819	28,311,638	144,835,233
Inventories	164,360,542	52,946,172	164,051,258	53,095,678
Deposit for purchase of assets	(21,527,151)	-	(21,527,151)	-
Other non-current assets	518,882	109,518	1,000,450	107,649
Changes in operating liabilities - increase (decrease)				
Trade and other payables	4,542,557	(56,207,925)	3,271,661	(55,093,500)
Cash provided by operating activities	46,121,733	305,891,329	56,684,469	286,842,334
Income tax paid	(23,493,065)	(2,775,680)	(4,990,833)	(1,149,504)
Refunded of income tax	1,958,339	-	1,958,339	-
Payment for employee benefit obligations	(495,910)	(7,065,582)	(495,910)	(3,880,522)
Net cash provided by operating activities	24,091,097	296,050,067	53,156,065	281,812,308

.....Director  
 (Thanit Thareratanavibool)



.....Director  
 (Pimwan Thareratanavibool)



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Increase in restricted deposits at financial institution	(16,147,896)	(3,313,200)	(18,247,896)	(813,200)
Interest received	1,922,115	775,137	1,271,053	711,676
Increase in current investments	(169,976,216)	(209,900)	(27,964)	(209,900)
Cash paid from short-term loan from subsidiary	-	-	-	(2,500,000)
Repayment of short-term loan to subsidiary	-	-	-	2,500,000
Dividend income from investments in subsidiary	-	-	25,300,000	-
Payment for purchases of assets	(206,865,960)	(61,597,994)	(202,468,238)	(52,956,757)
Cash advance receive from disposal of land and equipment	-	80,000,000	-	-
Proceeds from receive from disposal of assets	329,130,001	1,976,307	21,352,449	-
Net cash provided by (used in) investing activities	(61,937,956)	17,630,350	(172,820,596)	(53,268,181)
<b>Cash flows from financing activities</b>				
Proceeds of short-term loan from subsidiary	-	-	100,000,000	-
Interest paid	(1,579,268)	(8,037,943)	(1,579,227)	(6,327,868)
Decrease in bank overdraft and short-term loans from financial institutions	(128,000,000)	(196,034,630)	(128,000,000)	(122,000,000)
Net cash used in financing activities	(129,579,268)	(204,072,573)	(29,579,227)	(128,327,868)
Net increase (decrease) in cash and cash equivalents	(167,426,127)	109,607,844	(149,243,758)	100,216,259
Cash and cash equivalents at beginning of the years	227,100,189	117,492,345	200,901,951	100,685,692
Cash and cash equivalents at end of the years	59,674,062	227,100,189	51,658,193	200,901,951
<b>Additional disclosure items to cash flows statements</b>				
Non-cash flows items consist of:				
Assets payable for equipment	17,998,126	7,210,801	17,998,126	7,210,801

.....Director  
 (Thanit Thareratanavibool)



.....Director  
 (Pimwan Thareratanavibool)

**AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED DECEMBER 31, 2017**

**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 FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) 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.

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

### Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements relate to AI Energy Public Company Limited and its subsidiaries (together referred to as the “Group”) by shareholding in subsidiaries were as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			2017	2016
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	Thailand	100.00	100.00
AI Ports and Terminals Company Limited	(1) Servicing port (2)Producing and distributing ice cube At present temporarily halted main business operation and in the process of preparing a business plan.	Thailand	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue as consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements, which presented investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.



## New financial reporting standards

### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries 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 January 1, 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 Company and its subsidiaries' financial statements.

### (b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenues and expenses recognition

The Company and subsidiaries recognize revenues from sales and services when the significant risks and rewards of ownership of the goods have passed to the buyer, and services are already rendered to customers.

Subsidiary recognizes revenues from vessel operating on the proportion of time travelled compared with the total time to be taken of that trip.

Subsidiary recognizes revenues from loading of goods, revenue from warehousing and other services when those services are already rendered.

Subsidiary recognizes the income by using the effective interest rate method.

The Company and subsidiaries recognize other revenues and expenses on an accrual basis.

### 3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, bank deposit with an original maturity of three months or less and not subject to withdrawal restrictions.

.....Director  
(Thanit Thareratanavibool)



.....Director  
(Pimwan Thareratanavibool)

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### 3.3 Current investments

Current investments consist of bank deposits over 3 months and up to 1 year.

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of trading securities disposed during the year is calculated by the weighted average method.

### 3.4 Allowance for doubtful accounts

The Company sets up allowance for doubtful accounts based on the estimated collection losses that may be incurred in collection of receivables.

### 3.5 Receivable under finance lease contracts

Receivable under finance lease contracts are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts (If any).

### 3.6 Inventories

Finished goods and raw materials are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

Goods in process are stated at average cost of raw materials plus wages and manufacturing expenses.

The Company set up the allowance for devaluation of inventories for the deteriorated goods and expected to be unsalable.

### 3.7 Oil supplies

Oil supplies stated at cost are calculated by the weighted average method.

### 3.8 Non-current assets held for sale

Non-current assets held for sale are stated at book value or net fair value, whichever is the lower. The Company set up the provision for diminution in non-current assets held for sale by estimating from the realizable sale value.

### 3.9 Investments in subsidiaries

Investments in subsidiaries mean those companies in which the parent company in the Group, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries are stated by cost method for the separate financial statements.

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.....Director  Director .....

(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)

### 3.10 Property, plant, vessel and equipment

Property, plant, vessel and equipment are stated at cost. Depreciation for land improvement, plant, vessel and equipment is calculated by the straight-line method based on the estimated useful life of following assets:

	<u>Years</u>
Land improvement	5 - 10
Building and improvement	5 - 40
Utility systems	5 - 20
Machinery accessories and tools	5 - 20
Vessel and improvement	3 - 10
Office furniture and equipment	5
Motor vehicles	5 - 20

### 3.11 Borrowing cost

The Company recorded the interest on loan for machinery construction as part of machinery under installation until they are ready for utilization according to its objective.

### 3.12 Intangible assets

Intangible assets are computer softwares which amortized to expense by the straight - line method for 4 - 10 years.

### 3.13 Income tax

#### Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

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.....Director  
(Thanit Thareratanavibool)



.....Director  
(Pimwan Thareratanavibool)

### Income tax expenses

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

### 3.14 Non-current provisions for employee benefit

#### Short-term employee benefits

The Company and subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

#### Long-term employee benefits

##### Defined contribution plan

The Company and subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. The provident fund is contributed by payments from employees and the Company and subsidiaries. Contributions to the provident fund are recorded to expense in the statements of comprehensive income in the incurred period.

##### Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

### 3.15 Basic earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of issued common shares during the year.

### 3.16 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

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(Thanit Thareratanavibool)



.....Director  
(Pimwan Thareratanavibool)

### 3.17 Significant accounting judgments and estimates

#### *Allowance for doubtful accounts*

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### *Allowance for diminution in inventory value*

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

#### *Impairment of investments*

Management assesses the impairment of investments in subsidiary companies by considering the operating result and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

#### *Allowances for impairment of assets*

The Company and subsidiaries consider an asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of the recoverable amount requires judgment. An impairment loss is recognized as an expense in the statement of income.

#### *Property, plant and equipment*

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review

#### *Leases*

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

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*Post-employment benefits under defined benefit plans*

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

*Provisions*

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

*Deferred tax assets*

The Company and subsidiaries recognized deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**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.

Details of the related parties are as follows;

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.....Director  
(Thanit Thareratanavibool)



.....Director  
(Pimwan Thareratanavibool)

NAME	NATURE OF BUSINESS	NATURE OF RELATIONSHIP
<b>Parent Company</b>		
Asian Insulators Public Company Limited	Producing and selling porcelain insulators.	59.59 % holding of interest and directorship with the Company.
<b>Subsidiaries of the Company</b>		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00 % holding of interest
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube At present temporarily halted main business operation and in the process of preparing a business plan.	100.00 % holding of interest
<b>Subsidiary of the Parent Company</b>		
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	Subsidiary of Asian Insulators Public Company Limited
<b>Related companies</b>		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	Associate of Asian Insulators Public Company Limited
Samart Palm Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Oil Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

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.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2017 and 2016 were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
Pricing policies		2017	2016	2017	2016
<b>Sale of finished goods</b>					
Asian Insulators Public Company Limited	Market value	-	216,355	-	216,355
<b>Other incomes</b>					
AI Ports and Terminals Company Limited	3% P.A.	-	-	-	163,274
<b>Dividend income</b>					
AI Ports and Terminals Company Limited	As declared	-	-	25,300,000	-
<b>Purchase of goods</b>					
Samart Palm Company Limited	Market value	-	3,426,310	-	3,426,310
Samart Palm Oil Company Limited	Market value	-	21,077,881	-	21,077,881
Samart Palm Industry Company Limited	Market value	19,919,742	45,892,519	19,919,742	45,892,519
<b>Rental and Service</b>					
AI Ports and Terminals Company Limited	Mutually agreed	-	-	-	29,400,000
<b>Transportation expenses</b>					
AI Logistics Company Limited	Mutually agreed	-	-	-	13,318,476
AI Ports and Terminals Company Limited	Mutually agreed	-	-	-	296,042
<b>Interest paid</b>					
AI Ports and Terminals Company Limited	2.84% P.A.	-	-	140,055	-
<b>Administrative expenses</b>					
Asian Insulators Public Company Limited	Mutually agreed	2,044,900	1,877,187	1,181,685	975,741

#### Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2017 and 2016 consisted of:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Short-term employee benefits		17,276,072	17,274,211	14,374,233	13,863,667
Long-term post-employment benefits		312,662	1,102,758	241,733	975,857
Total directors and management's remuneration		17,588,734	18,376,969	14,615,966	14,839,524



.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Significant transactions between with related parties as at December 31, 2017 and 2016 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Other payables</b>				
Asian Insulators Public Company Limited	1,128	1,990	-	-
<b>Loans from related parties</b>				
AI Ports and Terminals Company Limited	-	-	100,000,000	-

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash in hand	145,000	395,000	50,000	300,000
Deposit at bank - savings	58,462,726	225,687,412	50,601,857	199,620,831
- current	120,000	93,357	60,000	56,700
Fixed deposits due within 3 months	946,336	924,420	946,336	924,420
<b>Total cash and cash equivalents</b>	<b>59,674,062</b>	<b>227,100,189</b>	<b>51,658,193</b>	<b>200,901,951</b>

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.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)



## 6. CURRENT INVESTMENT

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Open-end Fund-Debt securities - at cost	169,000,000	-	-	-
<u>Add unrealized gain on investment revaluation</u>	<u>948,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
Open-end Fund-Debt securities - net	169,948,251	-	-	-
Fixed deposits	469,305	441,341	469,305	441,341
Total current investment	<u>170,417,556</u>	<u>441,341</u>	<u>469,305</u>	<u>441,341</u>

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.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

## 7. TRADE AND OTHER RECEIVABLES – NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivable - others	116,663,182	130,350,785	116,663,182	129,410,235
Post date cheques	-	13,032,549	-	13,032,549
Total trade receivables	116,663,182	143,383,334	116,663,182	142,442,784
<u>Less</u> Allowance for doubtful accounts	(8,327,831)	(8,327,831)	(8,327,831)	(8,327,831)
Total trade receivables - net	108,335,351	135,055,503	108,335,351	134,114,953
Other receivables				
Prepaid interest	-	125,605	-	125,605
Advance deposit	-	2,225,280	-	2,225,280
Prepaid insurance	1,112,337	2,707,498	1,112,337	1,309,560
Prepaid expenses	317,590	571,624	-	-
Revenue Department receivable	7,660	815,948	-	-
Undue input tax	298,702	310,697	298,702	296,405
Others	1,042,845	582,276	903,253	889,480
Total other receivables	2,779,134	7,338,928	2,314,292	4,846,330
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	(306,350)	(306,350)
Total other receivables - net	2,472,784	7,032,578	2,007,942	4,539,980
Total trade and other receivables - net	110,808,135	142,088,081	110,343,293	138,654,933

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Director

(Thanit Thareratanavibool)

Director

(Pimwan Thareratanavibool)

As at December 31, 2017 and 2016, aging analysis for trade accounts receivable consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Others</b>				
Current	105,168,945	133,014,096	105,168,945	132,073,546
Overdue				
Within 3 months	3,166,406	2,041,407	3,166,406	2,041,407
Over 12 months	8,327,831	8,327,831	8,327,831	8,327,831
Total	116,663,182	143,383,334	116,663,182	142,442,784
<u>Less</u> Allowance for doubtful accounts	(8,327,831)	(8,327,831)	(8,327,831)	(8,327,831)
Total trade receivables - net	108,335,351	135,055,503	108,335,351	134,114,953

#### 8. RECEIVABLES UNDER FINANCE LEASE CONTRACTS - NET

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

	Unit : Baht	
	Consolidated financial statements	
	2017	2016
Due within one year		
Value of minimum lease payment receivable	9,630,000	11,556,000
Deferred revenue - finance lease	(1,011,840)	(2,076,952)
Present value of minimum lease payment receivable	8,618,160	9,479,048
Due over one year but with five years		
Value of minimum lease payment receivable	-	9,630,000
Deferred revenue - finance lease	-	(1,011,840)
Present value of minimum lease payment receivable	-	8,618,160

As at December 31, 2017 and 2016, AI Logistics Company Limited ("the subsidiary") had receivable under finance lease contracts for hire-purchase of Vessel with a local 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 (In 2016) and interest income from finance lease contract had been recorded in the other income).

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

## 9. INVENTORIES – NET

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

	Unit : Baht	
	Consolidated/Separate financial statements	
	2017	2016
Raw materials and chemicals	50,611,514	129,883,651
Work in process	54,887,149	103,883,108
Finished goods	50,168,698	82,495,812
Supplies	5,537,695	8,993,743
Total inventories	161,205,056	325,256,314
<u>Less</u> Allowance for devaluation of inventories	(8,625,665)	(17,361,987)
Total inventories - net	152,579,391	307,894,327

## 10. OIL SUPPLIES

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

	Unit : Baht	
	Consolidated financial statements	
	2017	2016
Bunker oil	1,558,302	1,796,230
Lubricants	421,780	493,135
Total oil supplies	1,980,082	2,289,365

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(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)

Director

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## 11. NON-CURRENT ASSETS HELD FOR SALE – NET

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

	Unit: Baht			
	Consolidated financial statements			
	2016	Transfers in (Note 14)	Disposals	2017
Non-current assets held for sale	267,935,900	24,352,168	(292,288,068)	-
<u>Less</u> Accumulated depreciation	(49,013,028)	(10,553,396)	59,566,424	-
Allowance for impairment of asset	-	(340,828)	340,828	-
Non-current assets held for sale - net	218,922,872	13,457,944	(232,380,816)	-

	Unit: Baht			
	Separate financial statements			
	2016	Transfers in (Note 14)	Disposals	2017
Non-current assets held for sale	-	24,352,168	(24,352,168)	-
<u>Less</u> Accumulated depreciation	-	(10,553,396)	10,553,396	-
Allowance for impairment of asset	-	(340,828)	340,828	-
Non-current assets held for sale - net	-	13,457,944	(13,457,944)	-

On November 3, 2016, AI Ports and Terminals Company Limited (“the subsidiary”) entered into contracts for sale of land, buildings and machineries with a company for the selling amount of Baht 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.

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

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

In October, 2017, the Company entered into contracts for sale motor vehicles with a company for the selling amount of Baht 14.40 million, the Company received all payments and transferred of ownership to the buyer.

The consolidate and separate financial statement of the Company for the years ended December 31, 2017 incurred profit earned from the sale of non-current asset held for sale totaling Baht 156.57 million.



.....Director

(Thanit Thareratanavibool)

.....Director

(Pimwan Thareratanavibool)

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## 12. INVESTMENTS IN SUBSIDIARIES-NET

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

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Baht			
		2017	2016	2017	2016	Cost Method		Dividend income	
						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	82,677,860	82,677,860	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube At present temporarily halted main business operation and in the process of preparing a business plan.	100.00	100.00	460	460	352,395,280	352,395,280	25,300,000	-
<b>Total</b>						<u>435,073,140</u>	<u>435,073,140</u>	<u>25,300,000</u>	<u>-</u>
						<u>(39,000,000)</u>	<u>(15,000,000)</u>		
						<u>396,073,140</u>	<u>420,073,140</u>		



.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

The Ordinary General Shareholders' Meeting of AI Logistics Company Limited held on April 9, 2013, approved to increase registered share capital from Baht 160,000,000 (16,000,000 shares at Baht 10 par value) to Baht 209,000,000 (20,900,000 shares at Baht 10 par value), which was registered the increased share capital with the Ministry of Commerce on April 10, 2013.

The Ordinary General Shareholders' Meeting of AI Ports and Terminals Company Limited held on April 9, 2013, approved to increase registered share capital from Baht 255,000,000 (25,500,000 shares at Baht 10 par value) to Baht 460,000,000 (46,000,000 shares at Baht 10 par value), which was registered the increased share capital with the Ministry of Commerce on April 10, 2013.

On April 10, 2013, the Company has invested in AI Logistics Company Limited, the common stock of 20.90 million shares amount of Baht 82.68 million, and AI Ports and Terminals Company Limited, the common stock of 46 million shares amount of Baht 352.39 million, to be 100% in shareholding proportion of two companies, total amount of Baht 435.07 million. The book value of net assets as at the date of investing total amount of Baht 429.85 million, part of the purchase price over the book value of net assets of Baht 5.22 million, was presented under shareholders' equity in the consolidated financial statements under the caption "Difference on business combination under common control". The purchase of share from Asian Insulators Public Company Limited, the parent company of the group companies, which is the existing shareholders in AI Logistics Company Limited of 98.42% and AI Ports and Terminals Company Limited of 99.45%. This purchase is considered as a business combination under common control.

### 13. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The Company has pledged fixed deposits at bank as collateral for the issuance of bank guarantee (Note 28.1).



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

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

Property, Plant, Vessel and Equipment as at December 31, 2017 and 2016 consisted of:

		Consolidated financial statements									
		Unit : Baht									
		Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<b>Cost</b>											
As at December 31, 2016		174,556,021	32,201,159	422,567,749	45,750,316	746,844,560	119,768,027	8,358,807	74,717,533	20,366,171	1,645,130,343
Purchases during the year		-	390,001	1,151,300	400,000	8,618,106	4,397,722	192,165	-	214,671,053	229,820,347
Transfers in (out) during the year (Note 11)		-	-	285,000	3,600,000	23,768,305	-	46,000	(24,352,168)	(27,699,305)	(24,352,168)
Disposals/ written-off during the year		-	-	(1,496,670)	-	(8,535,135)	-	(340,498)	(16,919,529)	-	(27,291,832)
As at December 31, 2017		174,556,021	32,591,160	422,507,379	49,750,316	770,695,836	124,165,749	8,256,474	33,445,836	207,337,919	1,823,306,690
<b>Accumulated depreciation</b>											
As at December 31, 2016		-	4,308,781	111,692,445	16,475,044	245,860,981	96,749,848	5,914,803	27,705,267	-	508,707,169
Depreciation for the year		-	2,837,526	12,639,104	4,759,191	44,264,600	5,856,373	1,011,919	2,758,071	-	74,126,784
Depreciation transfers out (Note 11)		-	-	-	-	-	-	-	(10,553,396)	-	(10,553,396)
Written-off during the year		-	-	(600,553)	-	(5,287,717)	-	(337,162)	(5,941,548)	-	(12,166,980)
As at December 31, 2017		-	7,146,307	123,730,996	21,234,235	284,837,864	102,606,221	6,589,560	13,968,394	-	560,113,577
<b>Allowances for impairment</b>											
As at December 31, 2016		-	-	-	-	-	-	-	-	-	-
Increases during the year		-	-	-	-	-	-	-	(340,828)	-	(340,828)
Transfers out during the year (Note 11)		-	-	-	-	-	-	-	340,828	-	340,828
As at December 31, 2017		-	-	-	-	-	-	-	-	-	-
<b>Net book value</b>											
As at December 31, 2016		174,556,021	27,892,378	310,875,304	29,275,272	500,983,579	23,018,179	2,444,004	47,012,266	20,366,171	1,136,423,174
As at December 31, 2017		174,556,021	25,444,853	298,776,383	28,516,081	485,857,972	21,559,528	1,666,914	19,477,442	207,337,919	1,263,193,113



.....Director

(Thanit Tharatanavibool)

.....Director

(Pimwan Tharatanavibool)



Unit : Baht

Separate financial statements

	Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<b>Cost</b>									
As at December 31, 2016	157,135,835	32,201,160	172,188,391	45,736,661	704,093,238	7,489,472	72,593,991	20,366,171	1,211,804,919
Purchases during the year	-	390,000	1,151,300	400,000	8,618,106	192,165	-	214,671,053	225,422,624
Transfers in (out) during the year (Note 11)	-	-	285,000	3,600,000	23,768,305	46,000	(24,352,168)	(27,699,305)	(24,352,168)
Disposals/ written-off during the year	-	-	(1,496,670)	-	(8,540,153)	(340,498)	(14,827,986)	-	(25,205,307)
As at December 31, 2017	157,135,835	32,591,160	172,128,021	49,736,661	727,939,496	7,387,139	33,413,837	207,337,919	1,387,670,068
<b>Accumulated depreciation</b>									
As at December 31, 2016	-	4,308,781	47,422,767	16,464,122	215,972,004	5,157,891	25,945,191	-	315,270,756
Depreciation for the year	-	2,837,525	6,625,290	4,756,460	40,157,764	963,338	2,646,964	-	57,987,341
Depreciation transfers out during the year (Note 11)	-	-	-	-	-	-	(10,553,396)	-	(10,553,396)
Written-off during the year	-	-	(600,553)	-	(5,292,735)	(337,162)	(4,102,363)	-	(10,332,813)
As at December 31, 2017	-	7,146,306	53,447,504	21,220,582	250,837,033	5,784,067	13,936,396	-	352,371,888
<b>Allowances for impairment</b>									
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Increases during the year	-	-	-	-	-	-	(340,828)	-	(340,828)
Transfers out during the year (Note 11)	-	-	-	-	-	-	340,828	-	340,828
As at December 31, 2017	-	-	-	-	-	-	-	-	-
<b>Net book value</b>									
As at December 31, 2016	157,135,835	27,892,379	124,765,624	29,272,539	488,121,234	2,331,581	46,648,800	20,366,171	896,534,163
As at December 31, 2017	157,135,835	25,444,854	118,680,517	28,516,079	477,102,463	1,603,072	19,477,441	207,337,919	1,035,298,180



.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

Depreciations in the statements of profit or loss for the years ended December 31, 2017 and 2016 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sales and services	60,082,669	78,134,806	53,904,887	50,857,179
Selling and administrative expenses	14,044,115	7,295,893	4,082,454	4,146,710
	<u>74,126,784</u>	<u>85,430,699</u>	<u>57,987,341</u>	<u>55,003,889</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 December 31, 2017 and 2016, in the consolidate financial statement totaling approximately Baht 148.03 million and Baht 35.65 million respectively, and in the separate financial statements totaling approximately Baht 30.32 million and Baht 22.97 million, respectively.

#### 15. INTANGIBLE ASSETS - NET

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

	Unit : Baht	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
As at December 31, 2016	532,728	453,281
Purchases during the year	153,573	153,573
As at December 31, 2017	<u>686,301</u>	<u>606,854</u>
<b>Accumulative amortization</b>		
As at December 31, 2016	(345,362)	(265,915)
Amortization for the year	(102,916)	(102,916)
As at December 31, 2017	<u>(448,278)</u>	<u>(368,831)</u>
<b>Book value</b>		
As at December 31, 2016	187,366	187,366
As at December 31, 2017	<u>238,023</u>	<u>238,023</u>

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..... Director  
(Thanit Thareratanavibool)

..... Director  
(Pimwan Thareratanavibool)

## 16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Promissory notes	-	128,000,000	-	128,000,000

Credit facilities (Unit : Baht) - no collateral

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	15,000,000	15,000,000	15,000,000	15,000,000
Promissory notes	900,000,000	900,000,000	900,000,000	900,000,000
Letter of credit and trust receipt	270,000,000	270,000,000	270,000,000	270,000,000
<b>Total</b>	<b>1,185,000,000</b>	<b>1,185,000,000</b>	<b>1,185,000,000</b>	<b>1,185,000,000</b>



(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)

.....Director

## 17. TRADE AND OTHER PAYABLES

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related parties	225	-	-	-
Trade payables - others	38,793,131	27,274,061	34,687,779	24,495,681
Total trade payables	38,793,356	27,274,061	34,687,779	24,495,681
Other payables				
Others payables	4,405,592	2,966,291	4,405,592	2,886,544
Advances received for goods	3,534	125,400	3,534	125,400
Accrued bonus	11,931	-	11,931	-
Retention	1,031,843	1,073,197	1,031,843	1,073,197
Revenue Department payable	7,129,451	11,012,355	7,074,539	10,843,300
Electricity payable	2,999,083	2,622,050	2,999,083	2,620,923
Accrued expenses	7,385,539	5,387,625	6,215,823	4,353,332
Payables for purchase of assets	17,998,126	7,210,801	17,998,126	7,210,801
Others	599,616	-	596,321	-
Total other payables	41,564,715	30,397,719	40,336,792	29,113,497
Total trade and other payables	80,358,071	57,671,780	75,024,571	53,609,178

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(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)



## 18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefit for the years ended December 31, 2017 and 2016 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
<b>Non-current provisions for employee benefit at beginning of year</b>	9,006,475	14,455,027	8,441,329	11,257,773
Included in profit or loss:				
Current service cost	1,523,658	2,744,481	1,696,635	2,353,611
Interest cost	189,274	251,269	179,248	212,147
Included in other comprehensive income:				
Actuarial gains (loss) arising from				
Financial assumptions changes	-	(2,946,460)	-	(2,467,548)
Experience adjustments	-	1,567,740	-	965,868
Benefit paid during the year	(495,910)	(7,065,582)	(495,910)	(3,880,522)
<b>Non-current provisions for employee benefit at end of year</b>	<b>10,223,497</b>	<b>9,006,475</b>	<b>9,821,302</b>	<b>8,441,329</b>

Employee benefit expenses in profit or loss for the year ended December 31, 2017 and 2016 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Cost of sales	1,143,315	1,317,064	1,143,315	1,023,345
Selling expenses	269,640	340,979	269,640	340,979
Administrative expenses	299,977	1,337,707	462,928	1,201,434
<b>Total employee benefit expenses</b>	<b>1,712,932</b>	<b>2,995,750</b>	<b>1,875,883</b>	<b>2,565,758</b>

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

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



.....  
 (Thanit Thareratanavibool)

..... Director

(Pimwan Thareratanavibool)

Principal actuarial assumptions as at December 31, 2017 and 2016 (represented by the weighted-average) consisted of:

	(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 - 5.00	0 - 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

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2017 are summarised below:

	Unit : Baht			
	Change of the present value of the non-current provisions for employee benefit			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,089,659)	1,270,198	(826,183)	960,982
Salary increase rate	1,365,784	(1,190,339)	1,053,314	(919,958)
Turnover rate	(1,150,030)	817,972	(870,414)	633,648

As at December 31, 2017, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht	
	Consolidated financial statement	Separate financial statement
	Within 1 year	947,488
Over 1 and up to 5 years	4,684,363	3,685,083
Over 5 years	96,834,068	80,256,652



.....  
(Thanit Thareratanavibool)

Director

.....  
(Pimwan Thareratanavibool)

Director

## 19. 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.

## 20. DIVIDEND PAYMENT

The Board of Directors' Meeting No.6/2017 held on December 8, 2017 of AI Ports and Terminals Company Limited, ("the subsidiary") passed a resolution to pay dividends from retained earnings as at September 30, 2017 of Baht 0.55 per share for a total amount of Baht 25.30 million. The dividend was paid on December 14, 2017.

## 21. 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.

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.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

## 22. DEFERRED TAX

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

	Unit : Baht		
	Consolidated/Separate financial statements		
	As at January 1, 2017	Profit (Loss)	As at December 31, 2017
<b>Deferred tax assets</b>			
Allowance for doubtful accounts	149,150	-	149,150
Non-current provision for employee benefits	1,688,266	275,995	1,964,261
Tax loss carries forward	10,510,736	(2,383,462)	8,127,274
<b>Total</b>	<b>12,348,152</b>	<b>(2,107,467)</b>	<b>10,240,685</b>
<b>Deferred tax liabilities</b>			
Depreciation	(4,290,894)	(318,524)	(4,609,418)
<b>Total</b>	<b>(4,290,894)</b>	<b>(318,524)</b>	<b>(4,609,418)</b>
<b>Deferred tax assets - net</b>	<b>8,057,258</b>	<b>(2,425,991)</b>	<b>5,631,267</b>

As at December 31, 2017 and 2016, the Company had deferred tax assets for the carrying forward of unused tax losses of Baht 8.13 million and Baht 10.51 million, respectively. The Company's management believes that it is probable that future taxable profit will be available against the unused tax losses.

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(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)

Director



Unit : Baht

	Consolidated/Separate financial statements			
	As at January 1, 2016	Loss	Other	As at December 31, 2016
			Comprehensive loss	
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	310,892	(161,742)	-	149,150
Allowance on decline in value of inventories	16,256	(16,256)	-	-
Non-current provision for employee benefits	2,251,555	(262,953)	(300,336)	1,688,266
Tax loss carries forward	10,510,736	-	-	10,510,736
<b>Total</b>	<b>13,089,439</b>	<b>(440,951)</b>	<b>(300,336)</b>	<b>12,348,152</b>
<b>Deferred tax liabilities</b>				
Depreciation	(2,800,549)	(1,490,345)	-	(4,290,894)
<b>Total</b>	<b>(2,800,549)</b>	<b>(1,490,345)</b>	<b>-</b>	<b>(4,290,894)</b>
Deferred tax assets - net	10,288,890	(1,931,296)	(300,336)	8,057,258

### 23. INCOME TAX EXPENSE

Income tax expenses for the years ended December 31, 2017 and 2016 were as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Current tax expense</b>				
Current years	(26,706,709)	-	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	(2,425,991)	(1,931,296)	(2,425,991)	(1,931,296)
<b>Total</b>	<b>(29,132,700)</b>	<b>(1,931,296)</b>	<b>(2,425,991)</b>	<b>(1,931,296)</b>



.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Reconciliation of effective tax rate

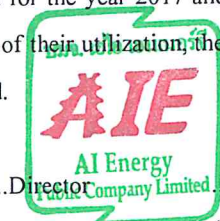
	Consolidated financial statements			
	2017		2016	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit (Loss) before income tax		(43,147,826)		44,635,224
Income tax using the corporate tax rate	20	8,629,565	20	(8,927,045)
Exemption from income tax on profit received from BOI		-		23,619,046
Non-taxable income		1,747,264		-
Double expenses by the Revenue Code		1,362,137		1,325,714
Non-deductible expenses		(1,554,313)		(6,135,814)
Unrecognised tax loss carries forward-brought forward		1,493,542		-
Unrecognised current tax loss carries forward*		(40,810,895)		(11,813,197)
Tax expenses	-68	(29,132,700)	4	(1,931,296)

\* The Company and its subsidiaries had tax losses carried forward for the years 2017 and 2016 amounting to Baht 204.05 million and Baht 59.07 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax loss carried forward.

	Separate financial statements			
	2017		2016	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit (Loss) before income tax		(171,015,973)		39,198,418
Income tax using the corporate tax rate	20	34,203,195	20	(7,839,684)
Exemption from income tax on profit received from BOI		-		23,619,046
Non-taxable income		6,807,264		-
Double expenses by the Revenue Code		77,211		36,953
Non-deductible expenses		(6,199,024)		(9,042,551)
Unrecognised current tax loss carries forward*		(37,314,637)		(8,705,060)
Tax expense	-2	(2,425,991)	5	(1,931,296)

\*The Company had tax loss carried forward for the year 2017 and 2016 amounting to Baht 186.57 million and Baht 43.53 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on this unutilized tax loss carried forward.

.....  
 (Thanit Tharateranavibool)



.....  
 Director (Pimwan Tharateranavibool)

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### 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.

### 24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
(Increase) Decrease in change of				
finished goods and work in progress	81,323,074	(48,398,544)	81,323,074	(48,551,856)
Raw materials and consumables used	2,143,750,252	(3,155,423,292)	2,122,498,633	3,125,250,613
Employee benefit expenses	77,688,426	105,492,314	68,350,902	78,860,238
Depreciation and amortization expenses	73,760,277	85,486,761	58,090,257	55,059,951
(Reversal) Allowance for devaluation of inventories	(8,736,322)	17,361,987	(8,736,322)	17,361,987
Allowance for impairment of investments	-	-	24,000,000	15,000,000

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(Thanit Tharatanavibool)

Director

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(Pimwan Tharatanavibool)

Director

## 25. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1997) as follows:

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
AI Energy Public Co., Ltd.	1992(1)/2553 2777(1)/2556	October 1, 2013 February 3, 2015	Producing biodiesel Producing biodiesel	September 30, 2021 February 2, 2023
AI Ports and Terminals Co., Ltd.	1373(2)/2552 1374(2)/2552	July 1, 2009 August 6, 2009	Ports and terminals service Ports and terminals service	(*) June 30, 2017 (*) August 5, 2017
5. Important privileges which are granted :				
5.1 Exemption from corporate income tax on net profit of promotional operation for 8 years. The promotional certificates No. 1992(1)/2553, 2777(1)/2556, whereby the promotional certificates No. 1373(2)/2552 and 1364(2)/2552 have limited amount for corporate income tax exemption at maximum of Baht 303.49 million and Baht 200.00 million, respectively.				
5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 throughout out the promotional period of all promotional certificates.				
5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption is expired as 5.1 for 5 years especially for promotional certificate No. 1992(1)/2553 and 2777(1)/2556.				
5.4 Allowance for double deduction of annual expenses of public utilities (electricity, water supply and transportation), commencing from the generating revenues date for 10 years of promotional certificate No. 1992(1)/2553 and 2777(1)/2556.				
5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.				

(\*) AI Ports and Terminals Company Limited received a letter from the Board of Investment, dated April 3, 2015, to change the rights and benefits period from 8 years to 7 years due to the company's quality system had been certified but did not cover the operation for cargo vessels as promoted.

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

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



The Company and subsidiaries have revenues from sale of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the years ended December 31, 2017 and 2016, as follows:

Unit : Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
	Activities	Activities	Activities	Activities	Activities	Activities
<b>For the year ended December 31, 2017</b>						
Revenues from sale of goods	2,005,532,910	170,772,060	2,176,304,970	2,005,532,910	170,772,060	2,176,304,970
Revenues from production contract	-	77,025,232	77,025,232	-	77,025,232	77,025,232
Revenues from vessel operating	-	32,920,936	32,920,936	-	-	-
Profit earned from the sale of non-current asset held for sale - net	-	156,569,707	156,569,707	-	-	-
Other incomes	-	18,236,423	18,236,423	-	8,323,204	8,323,204
Dividend income	-	-	-	-	25,300,000	25,300,000
<b>Total</b>	<b>2,005,532,910</b>	<b>455,524,358</b>	<b>2,461,057,268</b>	<b>2,005,532,910</b>	<b>281,420,496</b>	<b>2,286,953,406</b>
<b>For the year ended December 31, 2016</b>						
Revenues from sale of goods	2,525,014,383	891,566,510	3,416,580,893	2,525,014,384	870,655,494	3,395,669,878
Revenues from production contract	-	32,577,762	32,577,762	-	32,577,762	32,577,762
Revenues from vessel operating	-	29,942,241	29,942,241	-	-	-
Other incomes	-	10,873,197	10,873,197	-	4,429,493	4,429,493
<b>Total</b>	<b>2,525,014,383</b>	<b>964,959,710</b>	<b>3,489,974,093</b>	<b>2,525,014,384</b>	<b>907,662,749</b>	<b>3,432,677,133</b>



.....Director  
(Thanit Tharatanavibool)

..... Director  
(Pimwan Tharatanavibool)

**26. PROVIDENT FUND**

The Company and its subsidiary 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’s contributions for the employees’ provident fund and recorded as expenses in the statements of profit or loss for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
AI Energy Public Company Limited	1,295,267	1,336,096	1,295,267	1,336,096
AI Logistic Company Limited	26,316	25,164	-	-
<b>Total</b>	<b>1,321,583</b>	<b>1,361,260</b>	<b>1,295,267</b>	<b>1,336,096</b>



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 (Thanit Thareratanavibool)

..... Director  
 (Pimwan Thareratanavibool)

**27. SEGMENTS INFORMATION**

The segments information for the years ended December 31, 2017 and 2016 was as follows:

Unit : Thousand Baht

Consolidated financial statements						
For the year ended December 31, 2017						
	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	2,176,305	77,025	-	32,921	-	2,286,251
Cost of sales and services	(2,295,831)	(62,980)	-	(40,771)	-	(2,399,582)
Gross profit (loss) by segment	(119,526)	14,045	-	(7,850)	-	(113,331)
Profit earned from the sale of non-current asset held for sale - net						156,570
Other income						18,236
Selling expenses						(11,946)
Administrative expenses						(90,952)
Finance costs						(1,725)
Tax expenses						(29,132)
Loss for the year						(72,280)
Property, plant, vessel and equipment-net	1,035,298		-	21,985	205,910	1,263,193



.....Director (Thanit Thareratanavibool)

.....Director (Pimwan Thareratanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the year ended December 31, 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	3,395,670	32,578	20,911	29,942	-	3,479,101
Cost of sales and services	(3,249,712)	(26,852)	(17,814)	(28,982)	-	(3,323,360)
Gross profit by segment	145,958	5,726	3,097	960	-	155,741
Other income						10,873
Selling expenses						(32,323)
Administrative expenses						(81,644)
Finance costs						(8,012)
Tax expenses						(1,931)
Profit for the year						42,704
Property, plant, vessel and equipment-ncf	896,534	-	-	23,765	216,124	1,136,423

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.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)



## 28. COMMITMENT AND CONTINGENT LIABILITIES

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

28.1 The Group had contingent liabilities on bank guarantees in the amount of Baht 23.02 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.

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

	Contracted Balance	
	Consolidated/Separate financial statements	
	2017	2016
Capital commitments		
Contracted but not provided for		
work in process- building and utility systems (Unit :Baht)	31,011,049	7,797,753
work in process- machinery (Unit :Baht)	67,856,400	2,594,768
work in process- machinery (Unit :Euro)	146,400	-

28.3 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.

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.

28.4 At October 24, 2016, the Company entered into a 5-year contract with a company for production services on edible oil products and granting the use of "Pamola" trademark.



(Thanit Thareratanavibool)

(Pimwan Thareratanavibool)

## 29. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position as follows:

### 29.1 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable consists of:
  - Revenue of the Company and its subsidiaries resulting from sale, production contract, construction contract and vessel operation to few major customers but very high proportion.
  - Revenue of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.
- For the financial assets shown in the statement of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

### 29.2 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

### 29.3 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

### 29.4 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value. Loans carrying interest rates close to the market rate.

## 30. 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.

## 31. APPROVAL OF INTERIM FINANCIAL STATEMENT

These financial statements have been approved to issue by the Company's Board of Directors on February 27, 2018.



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(Thanit Thareratanavibool)

Director

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(Pimwan Thareratanavibool)

Director