

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
AI ENERGY PUBLIC COMPANY AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2018



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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, 2018, 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, 2018, 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 predecessor auditor's disclaimer of opinion in the Company's financial statements for the year 2014 (Before restated). The former 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 (Before restated), as the Company predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings. Presently, the investigation is still under the process.

I was unable to determine whether any necessary adjustment to the consolidated and separate financial statements for the year 2018 as a result from the above matter.

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.

Emphasis of Matter

I draw an attention to Note to the Financial Statement No 31. The Company had prepared the financial statements for the year ended December 31, 2018 which I had ever expressed a qualified opinion on the financial statements in my report dated February 26, 2019. Later, in March 2019, the Company disclosed an accounting error regarding the understatement of the provision for impairment of investment in the subsidiary. As a result, the Company adjusted the separate financial statements for the year ended December 31, 2018 and reissued the financial statements. Therefore this revised audit report has been issued which I have not changed my opinion from the previous report for the above 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, 2018, the Company has outstanding inventories in amount of Baht 217.58 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 mentioned in Note to Financial Statements No. 11, the Company has investments in subsidiaries as at December 31, 2018 in the separate financial statements in the amount of Baht 378.76 million (net from the allowance for impairment of Baht 56.31 million). Since these subsidiaries incurred operating losses, it 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 and inquired with management 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, including the assessment of significant assumptions made by Management.

Impairment of property, plant and equipment in subsidiary

Risk

As mentioned in Note to Financial Statements No. 13, the subsidiary, AI Ports and Terminals Co., Ltd, has temporarily halted its business. This is an indication of impairment of the property, plant and equipment. The subsidiary has related property, plant and equipment with net booked value as at December 31, 2018 of Baht 176.65 million. The provision for impairment of property, plant and equipment requires significant judgment by Management.



Auditor's response

I obtained an understanding and inquired with management of the Company's policy to determine the allowance for impairment of property, plant and equipment. I also considered the appropriateness of the allowance for impairment of the property by verifying the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets, assessing the competency of the independent appraiser engaged, and evaluating the appropriateness of valuation methodology used by the independent appraiser.

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 26, 2019 except Note to Financial Statements No. 31 which is dated April 5, 2019.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(RESTATED)			
Notes					
Assets					
Current assets					
Cash and cash equivalents	5	54,526,101	59,674,062	46,637,615	51,658,193
Current investment	6	124,332,703	170,417,556	333,663	469,305
Trade and other current receivables - net	7	97,784,175	110,808,135	96,787,927	110,343,293
Current portion of receivables under finance lease contracts	8	-	8,618,160	-	-
Inventories - net	9	217,577,330	152,579,391	217,577,330	152,579,391
Oil supplies	10	1,570,866	1,980,082	-	-
Total current assets		495,791,175	504,077,386	361,336,535	315,050,182
Non-current assets					
Investments in subsidiaries - net	11, 31	-	-	378,763,140	396,073,140
Pledged deposits at financial institutions	12	24,016,896	23,016,896	23,616,896	22,616,896
Property, plant, vessel and equipment - net	13	1,435,468,522	1,263,193,113	1,238,901,230	1,035,298,180
Intangible assets - net	14	292,453	238,023	292,453	238,023
Deferred tax assets - net	22	1,935,790	5,631,267	1,935,790	5,631,267
Deposit for purchase of assets		5,142,000	21,527,151	5,142,000	21,527,151
Other non-current assets		11,810,244	13,333,074	11,284,477	12,807,307
Total non-current assets		1,478,665,905	1,326,939,524	1,659,935,986	1,494,191,964
Total assets		1,974,457,080	1,831,016,910	2,021,272,521	1,809,242,146

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(RESTATED)			
Notes					
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	15	126,401,141	80,358,071	123,780,229	75,024,571
Short-term loans from subsidiary	4	-	-	140,000,000	100,000,000
Income tax payables		-	8,204,477	-	-
Total current liabilities		126,401,141	88,562,548	263,780,229	175,024,571
Non-current liabilities					
Non-current provisions for employee	16	8,269,141	10,223,497	7,588,203	9,821,302
Total non-current liabilities		8,269,141	10,223,497	7,588,203	9,821,302
Total liabilities		134,670,282	98,786,045	271,368,432	184,845,873
Shareholders' equity					
Authorized share capital					
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
Issued and paid - up share capital					
Common share 4,520,000,000 shares, at Baht 0.25 par value		-	1,130,000,000	-	1,130,000,000
Common share 5,232,291,928 shares, at Baht 0.25 par value	17	1,308,072,982	-	1,308,072,982	-
Premium on common stocks	17	605,113,717	605,113,717	605,113,717	605,113,717
Retained earnings (deficits)					
Appropriated					
Legal reserve	21	8,226,574	8,226,574	8,226,574	8,226,574
Unappropriated	31	(79,283,209)	(6,962,695)	(174,684,353)	(120,145,362)
Other components of shareholders' equity		(2,343,266)	(4,146,731)	3,175,169	1,201,344
Total Shareholders' Equity		1,839,786,798	1,732,230,865	1,749,904,089	1,624,396,273
Total liabilities and shareholders' equity		1,974,457,080	1,831,016,910	2,021,272,521	1,809,242,146

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(RESTATE)			
Notes					
4, 24, 25, 26, 27					
Revenues					
		1,459,232,647	2,176,304,970	1,459,232,647	2,176,304,970
		49,455,738	77,025,232	49,455,738	77,025,232
		54,109,552	32,920,936	-	-
		-	156,569,707	-	-
		8,119,742	18,236,423	3,635,434	8,323,204
	11	-	-	-	25,300,000
Total Revenues		1,570,917,679	2,461,057,268	1,512,323,819	2,286,953,406
Expenses					
		(1,444,400,472)	(2,295,830,944)	(1,444,400,472)	(2,295,830,944)
		(36,368,777)	(62,980,818)	(36,368,777)	(62,980,818)
		(53,665,288)	(40,770,961)	-	-
		(8,332,120)	(11,945,601)	(6,567,663)	(10,931,659)
	31	(79,867,772)	(90,951,893)	(75,886,927)	(86,501,122)
	13	(17,400,000)	-	-	-
		(1,743)	(1,724,877)	(436,950)	(1,724,836)
Total Expenses		(1,640,036,172)	(2,504,205,094)	(1,563,660,789)	(2,457,969,379)
Loss before income tax expenses		(69,118,493)	(43,147,826)	(51,336,970)	(171,015,973)
Tax expense	23	(3,202,021)	(29,132,700)	(3,202,021)	(2,425,991)
Loss for the years		(72,320,514)	(72,280,526)	(54,538,991)	(173,441,964)
Other comprehensive income (loss) :					
<i>Items that will not be reclassified to profit or loss</i>					
	16	2,296,921	-	2,467,281	-
	22	(493,456)	-	(493,456)	-
Other comprehensive income for the years		1,803,465	-	1,973,825	-
net of income tax		(70,517,049)	(72,280,526)	(52,565,166)	(173,441,964)
Total comprehensive loss for the years		(70,517,049)	(72,280,526)	(52,565,166)	(173,441,964)
Loss attributable to :					
		(72,320,514)	(72,280,526)	(54,538,991)	(173,441,964)
		-	-	-	-
		(72,320,514)	(72,280,526)	(54,538,991)	(173,441,964)
Total comprehensive loss attributable to :					
		(70,517,049)	(72,280,526)	(52,565,166)	(173,441,964)
		-	-	-	-
		(70,517,049)	(72,280,526)	(52,565,166)	(173,441,964)
Loss per share					
	19	(0.015)	(0.016)	(0.011)	(0.038)

.....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, 2018

Unit : Baht										
Consolidated financial statements										
Shareholders' equity of the parent										
Retained earnings (deficits)			Other components of equity			Difference on				
			Other comprehensive income			business combination				
						under common control				
						(Note 11)				
						Total other components of equity				
						Total equity of the parent				
						Non-controlling interests				
						Total shareholders' equity				
Notes	Share capital Issued and paid - up	Premium on common stocks	Appropriated Legal reserve	Unappropriated	Actuarial gain					
Balance as at January 1, 2018	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
Share capital increased	178,072,982	-	-	-	-	-	-	178,072,982	-	178,072,982
Changes in shareholders' equity for the year :										
Total comprehensive income (loss) for the year	-	-	-	(72,320,514)	1,803,465	-	1,803,465	(70,517,049)	-	(70,517,049)
Balance as at December 31, 2018	1,308,072,982	605,113,717	8,226,574	(79,283,209)	2,881,849	(5,225,115)	(2,343,266)	1,839,786,798	-	1,839,786,798
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

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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, 2018

Unit : Baht

	Separate financial statements						
		Retained earnings (deficits)			Other components of equity		

.....Director
(Thanit Thararatnavibool)

.....Director
(Pinwan Thararatnavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018 (RESTATED)	2017
Cash flows from operating activities				
Loss before income tax expense	(69,118,493)	(43,147,826)	(51,336,970)	(171,015,973)
Adjustments to reconcile loss to cash provided by (used in) operating activities:				
Depreciation	74,262,426	74,126,784	60,265,285	57,987,341
Amortization of computer softwares	126,770	102,916	126,770	102,916
Reversal allowance for devaluation of inventories	(5,875,665)	(8,736,322)	(5,875,665)	(8,736,322)
Allowance for doubtful accounts	2,782,107	-	2,782,107	-
(Gain) Loss on write-off of assets	2,755,919	(149,727,505)	2,755,919	7,318,818
Loss on impairment of property, plant and equipment	17,400,000	-	-	-
Unrealized gain on exchange rates	-	(5,109,833)	-	(5,109,833)
Dividend income	-	-	-	(25,300,000)
Loss on impairment of investment in subsidiary	-	-	17,310,000	24,000,000
Non-current provisions for employee	1,694,783	1,712,933	1,586,400	1,875,883
Interest income	(3,063,215)	(3,999,067)	(387,317)	(1,271,053)
Interest expenses	1,743	1,724,877	436,950	1,724,836
Gain (Loss) from operating activities before changes in operating assets and liabilities	20,966,375	(133,053,043)	27,663,479	(118,423,387)
Changes in operating assets - (increase) decrease :				
Trade and other current receivables	10,241,852	31,279,946	10,773,261	28,311,638
Inventories	(59,122,275)	164,051,259	(59,122,275)	164,051,258
Oil supplies	409,216	309,283	-	-
Deposit for purchase of assets	16,385,151	(21,527,151)	16,385,151	(21,527,151)
Other non-current assets	3,146,345	518,882	3,146,345	1,000,450
Changes in operating liabilities - increase				
Trade and other payables	38,502,330	4,542,557	41,214,917	3,271,661
Cash provided by operating activities	30,528,994	46,121,733	40,060,878	56,684,469
Income tax paid	(9,827,991)	(23,493,065)	(1,623,514)	(4,990,833)
Refunded of income tax	-	1,958,339	-	1,958,339
Payment for employee benefit obligations	(1,352,219)	(495,910)	(1,352,219)	(495,910)
Net cash provided by operating activities	19,348,784	24,091,097	37,085,145	53,156,065

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
			(RESTATED)	
Cash flows from investing activities				
Increase in restricted deposits at financial institution	(1,000,000)	(16,147,896)	(1,000,000)	(18,247,896)
Interest received	2,051,376	1,922,115	387,317	1,271,053
Increase (decrease) in current investments	46,084,854	(169,976,216)	135,642	(27,964)
Dividend income from investments in subsidiary	-	-	-	25,300,000
Payment for purchases of assets	(259,966,314)	(206,712,387)	(259,896,814)	(202,314,665)
Payment for purchases of intangible assets	(181,200)	(153,573)	(181,200)	(153,573)
Proceeds from receive from disposal of assets	10,443,300	329,130,001	813,300	21,352,449
Net cash used in investing activities	(202,567,984)	(61,937,956)	(259,741,755)	(172,820,596)
Cash flows from financing activities				
Interest paid	(1,743)	(1,579,268)	(436,950)	(1,579,227)
Interest in bank overdraft and short-term loans				
from financial institutions	-	(128,000,000)	-	(128,000,000)
Proceeds of short-term loan from subsidiary	-	-	160,000,000	100,000,000
Payment for short-term loans from subsidiary	-	-	(120,000,000)	-
Cash received from increase in share capital	178,072,982	-	178,072,982	-
Net cash provided by (use in) financing activities	178,071,239	(129,579,268)	217,636,032	(29,579,227)
Net decrease in cash and cash equivalents	(5,147,961)	(167,426,127)	(5,020,578)	(149,243,758)
Cash and cash equivalents at beginning of the years	59,674,062	227,100,189	51,658,193	200,901,951
Cash and cash equivalents at end of the years	54,526,101	59,674,062	46,637,615	51,658,193
Additional disclosure items to cash flows statements				
Non-cash flows items consist of:				
Assets payable for equipment	7,540,739	17,998,126	7,540,739	17,998,126

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2018

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 61.77% and 59.59% of the Company's share capital as at December 31, 2018 and 2017, respectively.

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
(Thanit Thareratanavibool)

.....Director
(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	
			2018	2017
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	Servicing port (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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

New financial reporting standards

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

During the year 2018, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance 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 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 for fiscal years beginning on or after January 1, 2019

During the year 2018, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

The management of the Company and its subsidiaries has made an assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(c) Financial reporting standards related to the set of financial instruments that will become effective for fiscal years beginning on or after January 1, 2020

During the year 2018, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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.

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 Trade and other accounts receivable

Trade and other accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

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 supply is valued at the lower of cost by the weighted average method and net realisable value and is charged to vessel operating costs whenever consumed.

3.8 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

3.9 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

* Building and improvement included Port and Storage tanks farm

** Machinery accessories and tools included Refinery plants

3.10 Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Computer softwares are amortized to expense by the straight - line method for 5 years.

3.12 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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.

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.

3.13 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.

3.14 Basic loss per share

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

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

3.15 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.

3.16 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.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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.

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.

3.17 Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

At the end of each reporting period, the Company and subsidiaries determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

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;

NAME	NATURE OF BUSINESS	NATURE OF RELATIONSHIP
Parent Company		
Asian Insulators Public Company Limited	Producing and selling porcelain insulators.	61.77 % holding of interest and directorship with the Company.
Subsidiaries of the Company		
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	Servicing port (At present temporarily halted main business operation and in the process of preparing a business plan.)	100.00 % holding of interest
Subsidiary of the Parent Company		
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
Related companies		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	Associate of Asian Insulators Public Company Limited
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

Significant transactions between the Company and related parties for the years ended December 31, 2018 and 2017 were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing policies	2018	2017	2018	2017
Dividend income					
AI Ports and Terminals Company Limited	As declared	-	-	-	25,300,000
Purchase of goods					
Samart Palm Industry Company Limited	Market value	-	19,919,742	-	19,919,742
Interest paid*					
AI Ports and Terminals Company Limited	2.84% P.A.	-	-	1,805,151	140,055
Administrative expenses					
Asian Insulators Public Company Limited	Mutually agreed	1,742,078	2,044,900	974,094	1,181,685

*Interest have been capitalized as part of cost of construction in process for the year ended December 31, 2018 and 2017 totaling to Baht 1.37 million and Baht 0.14 million, respectively (Note 13).

Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2018 and 2017 consisted of:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Short-term employee benefits		16,934,786	17,276,072	14,621,925	14,374,233
Long-term post-employment benefits		407,284	312,662	333,750	241,733
Total directors and management's remuneration		17,342,070	17,588,734	14,955,675	14,615,966

Significant balances with related parties as at December 31, 2018 and 2017 were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Loans from related parties					
AI Ports and Terminals Company Limited		-	-	140,000,000	100,000,000

As at December 31, 2017, the Company has short-term loan from the subsidiary company, AI Ports and Terminals Company Limited. The company issued promissory notes in the amount of Baht 140 million and Baht 100 million, respectively, with an interest rate of 2.84% per annum, due on March 31, 2019 and June 30, 2018, respectively.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash in hand	145,000	145,000	50,000	50,000
Deposit at bank - savings	53,322,452	58,462,726	45,559,177	50,601,857
- current	90,211	120,000	60,000	60,000
Fixed deposits due within 3 months	968,438	946,336	968,438	946,336
Total cash and cash equivalents	54,526,101	59,674,062	46,637,615	51,658,193

6. CURRENT INVESTMENT

Current investment as at December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Open-end Fund-Debt securities - at cost	122,761,082	169,000,000	17,002	-
Add unrealized gain on investment revaluation	1,254,999	948,251	39	-
Open-end Fund-Debt securities - net	124,016,081	169,948,251	17,041	-
Fixed deposits	316,622	469,305	316,622	469,305
Total current investment	124,332,703	170,417,556	333,663	469,305

7. TRADE AND OTHER CURRENT RECEIVABLES – NET

Trade and other current receivables as at December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Trade receivable - others	106,547,248	116,663,182	105,933,836	116,663,182
Total trade receivables	106,547,248	116,663,182	105,933,836	116,663,182
<u>Less</u> Allowance for doubtful accounts	(11,109,938)	(8,327,831)	(11,109,938)	(8,327,831)
Total trade receivables - net	95,437,310	108,335,351	94,823,898	108,335,351
Other current receivables				
Prepaid insurance	1,452,812	1,112,337	1,210,733	1,112,337
Prepaid expenses	413,519	745,686	339,120	428,096
Revenue Department receivable	51,857	7,660	-	-
Undue input tax	241,458	298,702	238,087	298,702
Others	493,569	614,749	482,439	475,157
Total other current receivables	2,653,215	2,779,134	2,270,379	2,314,292
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	(306,350)	(306,350)
Total other current receivables - net	2,346,865	2,472,784	1,964,029	2,007,942
Total trade and other current receivables - net	97,784,175	110,808,135	96,787,927	110,343,293

As at December 31, 2018 and 2017 outstanding balances of trade receivables aged by number of months were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Others				
Current	92,596,198	105,168,945	91,982,786	105,168,945
Overdue				
Within 3 months	2,841,112	3,166,406	2,841,112	3,166,406
Over 3 months to 12 months	2,782,107	-	2,782,107	-
Over 12 months	8,327,831	8,327,831	8,327,831	8,327,831
Total	106,547,248	116,663,182	105,933,836	116,663,182
<u>Less</u> Allowance for doubtful accounts	(11,109,938)	(8,327,831)	(11,109,938)	(8,327,831)
Total trade receivables - net	95,437,310	108,335,351	94,823,898	108,335,351

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

8. RECEIVABLES UNDER FINANCE LEASE CONTRACTS - NET

Receivables under finance lease contracts as at December 31, 2018 and 2017 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Due within one year		
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, 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. The ownership of assets purchased under hire-purchase agreements had been transferred in November 2018. (interest income from finance lease contract had been recorded in the other income)

9. INVENTORIES – NET

Inventories as at December 31, 2018 and 2017 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2018	2017
Raw materials and chemicals	92,897,916	50,611,514
Work in process	69,203,722	54,887,149
Finished goods	49,990,116	50,168,698
Supplies	8,235,576	5,537,695
Total inventories	220,327,330	161,205,056
<u>Less</u> Allowance for devaluation of inventories	(2,750,000)	(8,625,665)
Total inventories - net	217,577,330	152,579,391

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

10. OIL SUPPLIES

Oil supplies as at December 31, 2018 and 2017 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Bunker oil	1,337,967	1,558,302
Lubricants	232,899	421,780
Total oil supplies	1,570,866	1,980,082



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

11. INVESTMENTS IN SUBSIDIARIES-NET

Investments in subsidiaries as at December 31, 2018 and 2017 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Cost Method		Dividend income	
		2018	2017	2018	2017	2018	2017	2018	2017
		Unit : Baht							
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	Servicing port (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
Total						435,073,140	435,073,140	-	25,300,000
Less Allowance for impairment of investments						(56,310,000)	(39,000,000)		
Total investments in subsidiaries - net						378,763,140	396,073,140		

The Company records the allowance for impairment of investments by using the cash flows projection which is the fair value measurement hierarchy in Level 3.

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.....Director
(Thanit Tharatanavibool)

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.....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.

12. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

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



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

13. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, Plant, Vessel and Equipment as at December 31, 2018 and 2017 consisted of:

	Unit : Baht										
	Consolidated financial statements										
	As at December 31, 2018										
		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
Cost											
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
Purchases during the year	-		3,100,000	3,400,990	350,000	7,247,517	-	238,202	-	253,170,344	267,507,053
Transfers in (out) during the year	-		-	2,135,714	176,249	1,435,762	-	-	-	(3,747,725)	-
Disposals/ written-off during the year	-		-	(956,996)	-	(5,988,497)	-	(26,674)	(3,500,000)	-	(10,472,167)
As at December 31, 2018	174,556,021		35,691,160	427,087,087	50,276,565	773,390,618	124,165,749	8,468,002	29,945,836	456,760,538	2,080,341,576
Accumulated depreciation											
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
Depreciation for the year	-		2,947,446	14,921,415	4,980,436	46,536,516	1,829,821	946,837	2,099,955	-	74,262,426
Written-off during the year	-		-	(478,530)	-	(3,354,270)	-	(26,650)	(3,043,499)	-	(6,902,949)
As at December 31, 2018	-		10,093,753	138,173,881	26,214,671	328,020,110	104,436,042	7,509,747	13,024,850	-	627,473,054
Net book value											
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
As at December 31, 2018	174,556,021		25,597,407	288,913,206	24,061,894	445,370,508	19,729,707	958,255	16,920,986	456,760,538	1,452,868,522
Less allowances for impairment											17,400,000
As at December 31, 2018 - net											1,435,468,522

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

Separate financial statements										
As at December 31, 2018										
		Land	Building and improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total	
Cost										
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
Purchases during the year		-	3,100,000	3,400,990	350,000	7,241,017	175,202	-	253,170,344	267,437,553
Transfers in (out) during the year		-	-	2,135,714	176,249	1,435,762	-	-	(3,747,725)	-
Disposals/ written-off during the year		-	-	(956,996)	-	(5,988,497)	(26,674)	(3,500,000)	-	(10,472,167)
As at December 31, 2018		157,135,835	35,691,160	176,707,729	50,262,910	730,627,778	7,535,667	29,913,837	456,760,538	1,644,635,454
Accumulated depreciation										
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
Depreciation for the year		-	2,947,447	6,889,807	4,980,436	42,447,235	900,405	2,099,955	-	60,265,285
Written-off during the year		-	-	(478,530)	-	(3,354,270)	(26,650)	(3,043,499)	-	(6,902,949)
As at December 31, 2018		-	10,093,753	59,858,781	26,201,018	289,929,998	6,657,822	12,992,852	-	405,734,224
Net book value										
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
As at December 31, 2018		157,135,835	25,597,407	116,848,948	24,061,892	440,697,780	877,845	16,920,985	456,760,538	1,238,901,230

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

Consolidated financial statements									
As at December 31, 2017									
	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
Cost									Total
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
Purchases during the year	-	390,001	1,151,300	400,000	8,618,106	4,397,722	192,165	-	214,671,053
Transfers in (out) during the year	-	-	285,000	3,600,000	23,768,305	-	46,000	(24,352,168)	(24,352,168)
Disposals/ written-off during the year	-	-	(1,496,670)	-	(8,535,135)	-	(340,498)	(16,919,529)	-
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
Accumulated depreciation									1,823,306,690
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	-
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	-
Depreciation transfers out	-	-	-	-	-	-	-	(10,553,396)	-
Written-off during the year	-	-	(600,553)	-	(5,287,717)	-	(337,162)	(5,941,548)	-
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	-
Allowances for impairment									560,113,577
As at December 31, 2016	-	-	-	-	-	-	-	-	-
Increases during the year	-	-	-	-	-	-	-	(340,828)	-
Transfers out during the year	-	-	-	-	-	-	-	340,828	-
As at December 31, 2017	-	-	-	-	-	-	-	-	-
Net book value									
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
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

As at December 31, 2017

	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
Cost									
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	-	-	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
Accumulated depreciation									
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	-	-	-	-	-	-	(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
Allowances for impairment									
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Increases during the year	-	-	-	-	-	-	(340,828)	-	(340,828)
Transfers out during the year	-	-	-	-	-	-	340,828	-	340,828
As at December 31, 2017	-	-	-	-	-	-	-	-	-
Net book value									
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 Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Depreciations in the statements of profit or loss for the years ended December 31, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sales and services	57,911,483	60,082,669	55,774,231	53,904,887
Selling and administrative expenses	16,350,943	14,044,115	4,491,054	4,082,454
	<u>74,262,426</u>	<u>74,126,784</u>	<u>60,265,285</u>	<u>57,987,341</u>

As at December 31, 2018 and 2017 interest incurred on loans used for a Purify Glycerin project of Company totaling to Baht 1.37 million and Baht 1.67 million, respectively, have been capitalized as part of cost of construction in process.

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, 2018 and 2017, in the consolidate financial statement totaling approximately Baht 148.31 million and Baht 148.03 million, respectively, and in the separate financial statements totaling approximately Baht 30.49 million and Baht 30.32 million, respectively.

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

14. INTANGIBLE ASSETS – NET

Intangible assets as at December 31, 2018 and 2017 consisted of:

	Unit : Baht	
	Consolidated	Separate
	financial statements	financial statements
Cost		
As at December 31, 2017	686,301	606,854
Purchases during the year	181,200	181,200
As at December 31, 2018	<u>867,501</u>	<u>788,054</u>
Accumulative amortization		
As at December 31, 2017	(448,278)	(368,831)
Amortization for the year	(126,770)	(126,770)
As at December 31, 2018	<u>(575,048)</u>	<u>(495,601)</u>
Book value		
As at December 31, 2017	238,023	238,023
As at December 31, 2018	<u>292,453</u>	<u>292,453</u>

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2018 and 2017 consisted of:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Trade payables					
Trade payables - related parties		294	225	-	-
Trade payables - others		95,857,258	38,793,131	94,296,405	34,687,779
Total trade payables		95,857,552	38,793,356	94,296,405	34,687,779
Other current payables					
Others current payables		3,983,947	4,405,592	3,875,367	4,405,592
Retention		7,198,398	1,031,843	7,198,398	1,031,843
Revenue Department payable		5,607,784	7,129,451	5,561,749	7,074,539
Electricity payable		2,609,618	2,999,083	2,608,303	2,999,083
Accrued expenses		2,516,959	7,385,539	2,310,050	6,215,823
Payables for purchase of assets		7,540,739	17,998,126	7,540,739	17,998,126
Unearned revenue for vessel operating		612,138	-	-	-
Others		474,006	615,081	389,218	611,786
Total other current payables		30,543,589	41,564,715	29,483,824	40,336,792
Total trade and other current payables		126,401,141	80,358,071	123,780,229	75,024,571

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Non-current provisions for employee				
benefit at beginning of year	10,223,498	9,006,475	9,821,303	8,441,329
Included in profit or loss:				
Current service cost	1,534,693	1,523,658	1,442,858	1,696,635
Interest cost	160,090	189,274	143,542	179,248
Included in other comprehensive income:				
Actuarial gain arising from				
Financial assumptions changes	(1,376,780)	-	(1,470,859)	-
Experience adjustments	(920,141)	-	(996,422)	-
Benefit paid during the year	(1,352,219)	(495,910)	(1,352,219)	(495,910)
Non-current provisions for employee				
benefit at end of year	8,269,141	10,223,497	7,588,203	9,821,302

Employee benefit expenses in profit or loss for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Cost of sales	1,012,405	1,143,315	1,012,405	1,143,315
Selling expenses	39,185	269,640	39,185	269,640
Administrative expenses	643,193	299,977	534,810	462,928
Total employee benefit expenses	1,694,783	1,712,932	1,586,400	1,875,883

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.

Principal actuarial assumptions as at December 31, 2018 and 2017 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.16 - 2.94	1.77 - 2.35	2.16	2.22
Salary increases rate	0 - 5.00	0 - 5.00	1.5 - 5.00	5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008
Turnover rate Monthly employees				
Under 31 years old	22.00 - 40.00	9.00	22.00 - 40.00	9.00
31 - 40 years old	16.00 - 28.00	12.00	16.00 - 28.00	12.00
41 - 50 years old	5.00	2.00	5.00	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, 2018 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	(697,196)	804,741	(607,863)	699,662
Salary increase rate	813,084	(719,170)	709,139	(628,954)
Turnover rate	(744,155)	450,245	(650,226)	450,245

As at December 31, 2018, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	364,928	364,928
Over 1 and up to 5 years	3,490,703	3,490,703
Over 5 and up to 10 years	12,851,290	12,327,580

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits. The Group has recorded the effect of the change by recognising past service costs as expenses immediately in the income statement of the year 2018.

17. SHARE CAPITAL

Reconciliation of issued and paid-up share capital.

	Number of shares (Thousand shares)	Paid-up share capital (Thousand Baht)	Premium on share capital (Thousand Baht)	Registration date with the Ministry of Commerce
Balance as at January 1, 2018	4,520,000	1,130,000	605,114	
Warrants				
- AIE - W1 No. 1	712,292	178,073	-	June 6, 2018
Balance as at December 31, 2018	5,232,292	1,308,073	605,114	

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.

During the second quarter of year 2018, the warrant holders exercised 712.29 million units of AIE-W1 warrants to purchase 712.29 ordinary million shares at Baht 0.25 each in the amount of Baht 178.07 million. The Company recorded as a result of the exercise of such warrants, presenting it under shareholders' equity in the statement of financial position.

19. BASIC LOSS PER SHARE

Basic loss per share for the years ended December 31, 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net loss attributable to shareholders				
of the parent (Baht)	(72,320,514)	(72,280,526)	(54,538,991)	(173,441,964)
Number of ordinary share outstanding				
at beginning of years (Share)	4,520,000,000	4,520,000,000	4,520,000,000	4,520,000,000
Effect of conversion warrants to shares capital (Share)	407,860,309	-	407,860,309	-
Weighted average number of ordinary shares				
outstanding during the years basic (Share)	4,927,860,309	4,520,000,000	4,927,860,309	4,520,000,000
Basic loss per share (Baht)	(0.015)	(0.016)	(0.011)	(0.038)

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.

.....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	Profit	comprehensive	As at December
	1, 2018	(Loss)	loss	31, 2018
Deferred tax assets				
Allowance for doubtful accounts	149,150	556,421	-	705,571
Non-current provision for employee benefits	1,964,261	46,836	(493,456)	1,517,641
Tax loss carries forward	8,127,274	(3,982,103)	-	4,145,171
Total	10,240,685	(3,378,846)	(493,456)	6,368,383
Deferred tax liabilities				
Depreciation	(4,609,418)	176,825	-	(4,432,593)
Total	(4,609,418)	176,825	-	(4,432,593)
Deferred tax assets - net	5,631,267	(3,202,021)	(493,456)	1,935,790

	Unit : Baht		
	Consolidated/Separate financial statements		
	As at January	Profit	As at December
	1, 2017	(Loss)	31, 2017
Deferred tax assets			
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
Total	12,348,152	(2,107,467)	10,240,685
Deferred tax liabilities			
Depreciation	(4,290,894)	(318,524)	(4,609,418)
Total	(4,290,894)	(318,524)	(4,609,418)
Deferred tax assets - net	8,057,258	(2,425,991)	5,631,267

As at December 31, 2018 and 2017 the Company had deferred tax assets for the carrying forward of unused tax losses of Baht 4.15 million and Baht 8.13 million, respectively. The Company's management believes that it is probable that future taxable profit will be available against the unused tax losses.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

23. INCOME TAX EXPENSE

Income tax expenses for the years ended December 31, 2018 and 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current tax expense				
Current years	-	(26,706,709)	-	-
Deferred tax expense				
Movements in temporary differences	3,202,021	(2,425,991)	3,202,021	(2,425,991)
Total	3,202,021	(29,132,700)	3,202,021	(2,425,991)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Loss before income tax expenses		(69,118,493)		(43,147,826)
Income tax using the corporate tax rate	20	13,823,699	20	8,629,565
Non-taxable income		1,220,187		1,747,264
Double expenses by the Revenue Code		418,891		1,362,137
Non-deductible expenses		(5,104,546)		(1,554,313)
Unrecognised tax loss carries forward-brought forward		-		1,493,542
Unrecognised current tax loss carries forward*		(13,560,251)		(40,810,895)
Tax expenses	5	(3,202,020)	68	(29,132,700)

* The Company and its subsidiaries had tax losses for the years 2018 and 2017 amounting to Baht 67.80 million and Baht 204.05 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

	Separate financial statements			
	2018		2017	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Loss before income tax		(51,336,970)		(171,015,973)
Income tax using the corporate tax rate	20	10,267,394	20	34,203,195
Non-taxable income		1,220,187		6,807,264
Double expenses by the Revenue Code		21,300		77,211
Non-deductible expenses		(4,502,048)		(6,199,024)
Unrecognised current tax loss carries forward*		(10,208,854)		(37,314,637)
Tax expense	6	(3,202,021)	2	(2,425,991)

*The Company had tax loss for the year 2018 and 2017 amounting to Baht 51.04 million and Baht 186.57 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.

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, 2018 and 2017 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
(Increase) Decrease in change of				
finished goods and work in progress	(14,137,992)	81,323,074	(14,137,992)	81,323,074
Raw materials and consumables used	1,399,252,013	2,143,750,252	1,368,143,928	2,122,498,633
Employee benefit expenses	73,172,895	77,688,426	62,965,449	68,350,902
Depreciation and amortization expenses	74,548,472	73,760,277	60,392,055	58,090,257
Reversal allowance for devaluation of inventories	(5,875,665)	(8,736,322)	(5,875,665)	(8,736,322)
Allowance for impairment of investments in subsidiary	-	-	17,310,000	24,000,000

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

25. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1977) 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
<p>5. Important privileges which are granted :</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>				

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



.....Director
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(Pimwan Thareratanavibool)

The Company and subsidiaries have revenues from sale of goods, vessel operating, port and terminal service revenues from overseas which are granted the promotional certificates for the years ended December 31, 2018 and 2017, as follows:

Unit : Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
	Activities	Activities		Activities	Activities	
For the year ended December 31, 2018						
Revenues from sale of goods	1,346,085,622	113,147,025	1,459,232,647	1,346,085,622	113,147,025	1,459,232,647
Revenues from production contract	-	49,455,738	49,455,738	-	49,455,738	49,455,738
Revenues from vessel operating	-	54,109,552	54,109,552	-	-	-
Other incomes	-	8,119,742	8,119,742	-	3,635,434	3,635,434
Total	1,346,085,622	224,832,057	1,570,917,679	1,346,085,622	166,238,197	1,512,323,819
For the year ended December 31, 2017						
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
Total	2,005,532,910	455,524,358	2,461,057,268	2,005,532,910	281,420,496	2,286,953,406

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.....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 Finansia 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, 2018 and 2017 are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
AI Energy Public Company Limited	1,457,438	1,295,267	1,457,438	1,295,267
AI Logistic Company Limited	32,730	26,316	-	-
Total	1,490,168	1,321,583	1,457,438	1,295,267

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27. SEGMENTS INFORMATION

The segments information for the years ended December 31, 2018 and 2017 was as follows:

Unit : Thousand Baht					
Consolidated financial statements					
For the year ended December 31, 2018					
	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Vessel operating	Port services	Total
Revenues from sales and services	1,459,232	49,456	54,110	-	1,562,798
Cost of sales and services	(1,444,400)	(36,369)	(53,665)	-	(1,534,434)
Gross profit by segment	14,832	13,087	445	-	28,364
Other income					8,119
Selling expenses					(8,332)
Administrative expenses					(79,868)
Loss on impairment of property, plant and equipment					(17,400)
Finance costs					(1)
Tax expenses					(3,202)
Loss for the year					(72,320)
Property, plant, vessel and equipment-net	1,238,901		19,912	176,655	1,435,468

.....Director
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(Pimwan Tharatanavibool)

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	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

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.....Director
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.....Director
(Pimwan Tharatanavibool)

28. COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at December 31, 2018 and 2017 were as follows:

28.1 Letters of guarantee

The Group had contingent liabilities on bank guarantees by banks on behalf of the Group were as follows.

	Unit : Baht	
	Consolidated financial statements	
	2018	2017
Guarantee for importation machinery	18,247,896	18,247,896
Guarantee for electricity usage	5,769,000	4,769,000
Total	24,016,896	23,016,896

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

	Contracted Balance	
	Consolidated/Separate financial statements	
	2018	2017
Capital commitments		
Contracted but not provided for		
Land improvement	2,771,300	-
work in process - building and utility systems (Unit :Baht)	4,545,954	6,317,655
work in process - machinery (Unit :Baht)	9,369,990	20,415,600
work in process - Purify Glycerin project (Unit :Baht)	126,167,840	79,054,916
work in process - Purify Glycerin project (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 predecessor auditor's disclaimer of opinion in the Company's financial statements for the year 2014 (Before restated). The former 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 (Before restated), as the Company predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings. Presently, the investigation is still under the process.

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. On May 15, 2018, both parties agreed to terminate the contract since the counterparty can not comply with the conditions stated in the contract.

28.5 The Company had overdrafts and short-term loans credit facilities with one local commercial bank totaling amount of Baht 505 million. The Company has a commitment under the conditions of this loan agreement.

.....Director
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.....Director
(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.



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

31. CORRECTION OF ERROR

The Company had prepared the financial statements for the year ended December 31, 2018 and issued the financial statements on February 26, 2019. Later, in March 2019, the Company disclosed an accounting error regarding the understatement of the provision for impairment of the investment in the subsidiary. As a result, the Company adjusted the separate financial statements for the year ended December 31, 2018 and reissued the financial statements.

The effects on the separate financial statements for the year ended December 31, 2018 are as follow:

	Unit : Baht		
	Separate financial statements		
	Before		After
	restated	Adjustments	restated
Statement of financial position as at December 31, 2018			
Non-current assets			
Investments in subsidiaries - net	384,073,140	(5,310,000)	378,763,140
Shareholders' equity			
Retained deficits increase	(169,374,353)	(5,310,000)	(174,684,353)
Statement of profit or loss for the year ended December 31, 2018			
Expenses			
Administrative expenses	(70,576,927)	(5,310,000)	(75,886,927)
Loss for the years increase	(49,228,991)	(5,310,000)	(54,538,991)
Basic loss per share (Baht)	(0.010)	(0.001)	(0.011)
Statements of cash flows for the year ended December 31, 2018			
Cash flows from operating activities			
Loss before income tax expense	(46,026,970)	(5,310,000)	(51,336,970)
Loss on impairment of investment in subsidiary	12,000,000	5,310,000	17,310,000

32. FINANCIAL STATEMENT APPROVAL

These financial statements have been approved to issue by the Company's Board of Directors on April 5, 2019.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)