

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

Member Crowe Horwath International
100/72, 22nd Floor,
100/2 Vongvanij Building B, Rama 9 Rd.,
Huaykwang, Bangkok 10310, Thailand

Telephone: (662) 645 0109
Fax : (662) 645 0110
<http://www.ans.co.th>

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the consolidated and separate statements of financial position as at March 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the three-month period ended March 31, 2018, and the condensed notes to the interim financial statements (Interim financial information) of AI Energy Public Company Limited and its subsidiaries and of AI Energy Public Company Limited, respectively. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

Except as mentioned in the Basis for Qualified Conclusion paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for Qualified Conclusion

As discussed in Note to Financial Statements No. 23.4, 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.



Qualified Conclusion

Except for the possible effect on the interim financial information due to the matters described in the Basis for Qualified Conclusion Paragraph, based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, May 14, 2018

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT March 31, 2018

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
Assets					
Current assets					
		52.293	59.674	23.980	51.658
Cash and cash equivalents					
Current investment	5	171.456	170.418	1.021	470
Trade and other receivables - net	6	83.302	110.808	82.947	110.343
Current portion of receivables under finance lease contracts	7	6.949	8.618	-	-
Inventories - net	8	154.416	152.579	154.416	152.579
Oil supplies	9	1.530	1.980	-	-
Total current assets		469.946	504.077	262.364	315.050
Non-current assets					
Investments in subsidiaries - net	10	-	-	396.073	396.073
Pledged deposits at financial institutions	11	23.017	23.017	22.617	22.617
Property, plant, vessel and equipment - net	12	1,326.088	1,263.193	1,101.145	1,035.298
Intangible assets - net	13	209	238	209	238
Deferred tax assets - net	18	4.011	5.631	4.011	5.631
Deposit for purchase of assets		6.213	21.527	6.213	21.527
Other non-current assets		13.810	13.333	13.285	12.808
Total non-current assets		1,373.348	1,326.939	1,543.553	1,494.192
Total assets		1,843.294	1,831.016	1,805.917	1,809.242

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT March 31, 2018

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	4, 14	99,475	80,359	95,415	75,025
Short-term loans from subsidiary	4	-	-	80,000	100,000
Income tax payables		8,204	8,204	-	-
Total current liabilities		107,679	88,563	175,415	175,025
Non-current liabilities					
Non-current provisions for employee	15	7,798	10,223	7,199	9,821
Total non-current liabilities		7,798	10,223	7,199	9,821
Total liabilities		115,477	98,786	182,614	184,846
Shareholders' equity					
Authorized share capital					
Common share 5,424,000,000 shares, at Baht 0.25 par value		1,356,000	1,356,000	1,356,000	1,356,000
Issued and paid - up share capital					
Common share 4,520,000,000 shares, at Baht 0.25 par value		1,130,000	1,130,000	1,130,000	1,130,000
Premium on common stocks		605,114	605,114	605,114	605,114
Retained earnings (deficits)					
Appropriated					
Legal reserve	17	8,226	8,226	8,226	8,226
Unappropriated					
		(13,180)	(6,963)	(123,212)	(120,145)
Other components of shareholders' equity		(2,343)	(4,147)	3,175	1,201
Total Shareholders' Equity		1,727,817	1,732,230	1,623,303	1,624,396
Total liabilities and shareholders' equity		1,843,294	1,831,016	1,805,917	1,809,242

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

"UNAUDITED"

"REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
4, 20, 21, 22					
Revenues					
	Revenues from sale of goods	411,725	477,941	411,725	477,941
	Revenues from production contract	16,651	7,003	16,651	7,003
	Revenues from vessel operating	13,683	12,942	-	-
	Other incomes	2,453	3,564	906	694
	Total Revenues	444,512	501,450	429,282	485,638
Expenses					
	Cost of sales	(402,343)	(553,974)	(402,343)	(553,974)
	Cost of production contract	(12,147)	(8,669)	(12,147)	(8,669)
	Cost of vessel operating	(13,704)	(14,923)	-	-
	Selling expenses	(1,811)	(2,039)	(1,358)	(1,656)
	Administrative expenses	(19,597)	(19,728)	(15,374)	(14,099)
	Finance costs	-	(890)	-	(890)
	Total Expenses	(449,602)	(600,223)	(431,222)	(579,288)
	Loss before income tax expenses	(5,090)	(98,773)	(1,940)	(93,650)
19	Tax income (Tax expense)	(1,127)	119	(1,127)	119
	Loss for the periods	(6,217)	(98,654)	(3,067)	(93,531)
Other comprehensive income (loss) :					
<i>Items that will not be reclassified to profit or loss</i>					
15	Defined benefit plan actuarial gains	2,297	-	2,467	-
	Income tax on other comprehensive income relating to items that will not be reclassified	(493)	-	(493)	-
	Other comprehensive income for the periods, net of income tax	1,804	-	1,974	-
	Total comprehensive loss for the periods	(4,413)	(98,654)	(1,093)	(93,531)
Loss attributable to :					
	Equity holders of the parent	(6,217)	(98,654)	(3,067)	(93,531)
	Non-controlling interests	-	-	-	-
		(6,217)	(98,654)	(3,067)	(93,531)
Total comprehensive loss attributable to :					
	Equity holders of the parent	(4,413)	(98,654)	(1,093)	(93,531)
	Non-controlling interests	-	-	-	-
		(4,413)	(98,654)	(1,093)	(93,531)
Earnings loss per share					
Basic loss per share					
	Basic loss attributable per share (Baht)	(0.0014)	(0.0218)	(0.0007)	(0.0207)
	Weighted average number of common shares (share)	4,520,000,000	4,520,000,000	4,520,000,000	4,520,000,000

.....Director

(Thanit Thareratanavibool)

.....Director

(Pimwan Thareratanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

Unit : Thousands Baht											
Consolidated financial statements											
	Notes	Shareholders' equity of the parent					Other components of equity				
		Retained earnings (deficits)					Other comprehensive income				
		Share capital Issued and paid - up	Premium on common stocks	Appropriated Legal reserve	Unappropriated	Actuarial gain	Difference on business combination under common control	Total other components of equity	Total equity of the parent	Non-controlling interests	Total shareholders' equity
Balance as at January 1, 2018		1,130,000	605,114	8,226	(6,963)	1,078	(5,225)	(4,147)	1,732,230	-	1,732,230
Changes in shareholders' equity for the period :											
Total comprehensive income (loss) for the period		-	-	-	(6,217)	1,804	-	1,804	(4,413)	-	(4,413)
Balance as at March 31, 2018		1,130,000	605,114	8,226	(13,180)	2,882	(5,225)	(2,343)	1,727,817	-	1,727,817
Balance as at January 1, 2017		1,130,000	605,114	8,226	65,318	1,078	(5,225)	(4,147)	1,804,511	-	1,804,511
Changes in shareholders' equity for the period :											
Total comprehensive loss for the period		-	-	-	(98,654)	-	-	-	(98,654)	-	(98,654)
Balance as at March 31, 2017		1,130,000	605,114	8,226	(33,336)	1,078	(5,225)	(4,147)	1,705,857	-	1,705,857

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pinwan Tharatanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

"UNAUDITED"
"REVIEWED"

Unit : Thousands Baht									
Separate financial statements									
	Notes	Share capital		Premium on common stocks	Appropriated		Retained earnings (deficits)		Total shareholders' equity
		Issued and paid - up			Legal reserve	Unappropriated	Actuarial gain	Other components of equity	
Balance as at January 1, 2018		1,130,000		605,114	8,226	(120,145)	1,201		1,624,396
Changes in shareholders' equity for the period :									
Total comprehensive income (loss) for the period		-		-	-	(3,067)	1,974		(1,093)
Balance as at March 31, 2018		1,130,000		605,114	8,226	(123,212)	3,175		1,623,303
Balance as at January 1, 2017		1,130,000		605,114	8,226	53,296	1,202		1,797,838
Changes in shareholders' equity for the period :									
Total comprehensive loss for the period		-		-	-	(93,531)	-		(93,531)
Balance as at March 31, 2017		1,130,000		605,114	8,226	(40,235)	1,202		1,704,307

..... Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

"UNAUDITED"
"REVIEWED"

	Unit : Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before income tax expense	(5,090)	(98,773)	(1,940)	(93,650)
Adjustments to reconcile profit before income (loss) tax expense				
to cash provided by (used in) operating activities:				
Depreciation	17,351	19,172	14,393	13,805
Amortization of computer softwares	29	20	29	20
Loss on write-off of assets	1,873	2	1,873	2
(Reversal) Allowance for devaluation of inventories	1,607	(4,785)	1,607	(4,785)
Non-current provisions for employee	474	500	447	483
Interest income	(1,033)	(710)	(56)	(102)
Interest expenses	-	890	-	890
Unrealized loss on exchange rates	-	40	-	40
Gain (Loss) from operating activities before changes in				
operating assets and liabilities	15,211	(83,644)	16,353	(83,297)
Changes in operating assets - (increase) decrease :				
Trade and other receivables	27,508	37,635	27,396	35,379
Inventories	(2,994)	65,680	(3,444)	64,947
Deposit for purchase of assets	15,314	-	15,314	-
Other non-current assets	72	(3,405)	72	(2,901)
Changes in operating liabilities - increase (decrease)				
Trade and other payables	2,949	20,648	4,226	18,817
Cash provided by operating activities	58,060	36,914	59,917	32,945
Income tax paid	(549)	(88)	(549)	(88)
Payment for employee benefit obligations	(602)	-	(602)	-
Net cash provided by operating activities	56,909	36,826	58,766	32,857

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Interest received	776	107	56	102
Increase in current investments	(1,038)	-	(552)	-
Payment for purchases of assets	(65,954)	(24,176)	(65,948)	(24,176)
Cash advance receive from disposal of land and equipment	-	60,000	-	-
Proceeds from receive from disposal of assets	1,926	2,889	-	-
Net cash provided by (used in) investing activities	(64,290)	38,820	(66,444)	(24,074)
Cash flows from financing activities				
Interest paid	-	(890)	-	(890)
Increase in bank overdraft and short-term loans from financial institutions	-	14,745	-	14,745
Payment for short-term loans from subsidiary	-	-	(20,000)	-
Net cash provided by (used in) financing activities	-	13,855	(20,000)	13,855
Net increase (decrease) in cash and cash equivalents	(7,381)	89,501	(27,678)	22,638
Cash and cash equivalents at beginning of the periods	59,674	227,100	51,658	200,902
Cash and cash equivalents at end of the periods	52,293	316,601	23,980	223,540
Additional disclosure items to cash flows statements				
Non-cash flows items consist of:				
Assets payable for equipment	16,165	6,196	16,165	7,211

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

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

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

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

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

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017), Interim Financial Reporting.

The interim financial statements consist of primary financial information (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in shareholders’ equity, and statement of cash flows). The Company has chosen to present the interim financial statements in a format consistent with the annual financial statements, in compliance with Thai Accounting Standard No. 1, Presentation of Financial Statements. The notes to the interim financial statements are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

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

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2017. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2017.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiary (together referred to as the "Group") are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2017.

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

New financial reporting standards

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

During the 1st quarter of 2018, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the 1st quarter of 2018, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after January 1, 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. 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 recognised 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.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2017.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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.

Significant transactions between the Company and related parties for the three-month periods ended March 31, 2018 and 2017 were as follows:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Pricing policies		2018	2017	2018	2017
Purchase of goods					
Samart Palm Industry Company Limited	Market value	-	8,317	-	8,317
Administrative expenses					
Asian Insulators Public Company Limited	Mutually	392	496	252	283

Directors and management's remuneration

Directors and management's remuneration for the three-month periods ended March 31, 2018 and 2017 consisted of:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Short-term employee benefits		4,434	3,690	3,928	2,957
Long-term post-employment benefits		147	83	129	60
Total directors and management's remuneration		4,581	3,773	4,057	3,017

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

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Loans from related parties					
AI Ports and Terminals Company Limited		-	-	80,000	100,000

As at March 31, 2018 and 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 80 million and Baht 100 million, respectively, with an interest rate of 2.84% per annum, due on June 30, 2018.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

5. CURRENT INVESTMENT

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Open-end Fund-Debt securities - at cost	169,000	169,000	-	-
<u>Add</u> unrealized gain on investment revaluation	1,435	948	-	-
Open-end Fund-Debt securities - net	170,435	169,948	-	-
Fixed deposits	1,021	470	1,021	470
Total current investment	171,456	170,418	1,021	470

6. TRADE AND OTHER RECEIVABLES – NET

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Trade receivable - others	90,274	116,663	90,274	116,663
Total trade receivables	90,274	116,663	90,274	116,663
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	(8,328)	(8,328)
Total trade receivables - net	81,946	108,335	81,946	108,335
Other receivables				
Advance deposit	56	-	56	-
Prepaid insurance	466	1,112	466	1,112
Prepaid expenses	497	746	166	428
Revenue Department receivable	-	8	-	-
Undue input tax	276	299	267	299
Others	367	614	352	475
Total other receivables	1,662	2,779	1,307	2,314
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Total other receivables - net	1,356	2,473	1,001	2,008
Total trade and other receivables - net	83,302	110,808	82,947	110,343

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Others				
Current	78,058	105,169	78,058	105,169
Overdue				
Within 3 months	3,888	3,166	3,888	3,166
Over 12 months	8,328	8,328	8,328	8,328
Total	90,274	116,663	90,274	116,663
<u>Less</u> Allowance for doubtful accounts	(8,328)	(8,328)	(8,328)	(8,328)
Total trade receivables - net	81,946	108,335	81,946	108,335

7. RECEIVABLES UNDER FINANCE LEASE CONTRACTS - NET

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

	Unit : Thousand Baht	
	Consolidated financial statements	
	2018	2017
Due within one year		
Value of minimum lease payment receivable	7,704	9,630
Deferred revenue - finance lease	(755)	(1,012)
Present value of minimum lease payment receivable	6,949	8,618

As at March 31, 2018 and 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 up to the year 2018. The ownership of assets purchased under hire-purchase agreements will be transferred to the subsidiary when last installment is paid. (interest income from finance lease contract had been recorded in the other income)



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

8. INVENTORIES – NET

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

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2018	2017
Raw materials and chemicals	70,258	50,611
Work in process	71,704	54,887
Finished goods	15,614	50,169
Supplies	7,073	5,538
Total inventories	164,649	161,205
<u>Less</u> Allowance for devaluation of inventories	(10,233)	(8,626)
Total inventories - net	154,416	152,579

9. OIL SUPPLIES

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

	Unit : Thousand Baht	
	Consolidated financial statements	
	2018	2017
Bunker oil	1,193	1,558
Lubricants	337	422
Total oil supplies	1,530	1,980

10. INVESTMENTS IN SUBSIDIARIES-NET

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

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Thousand Baht	
		2018	2017	2018	2017	2018	2017
						Cost Method	
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	82,678	82,678
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube At present temporarily halted main business operation and in the process of preparing a business plan.	100.00	100.00	460	460	352,395	352,395
Total						435,073	435,073
Less Allowance for impairment of investments						(39,000)	(39,000)
Total investments in subsidiaries - net						396,073	396,073

11. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The Company has pledged fixed deposits at bank as collateral for the issuance of bank guarantee (Note 23.1).

.....Director
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.....Director
(Pimwan Thararatnavibool)

12. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, Plant, Vessel and Equipment as at March 31, 2018 were as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	Separate financial statements
Book value as at January 1, 2018	1,263,193	1,035,298
Additions/Transfers in during the period (Cost)	82,119	82,113
Disposals/Transfers out during the period (Book value)	(1,873)	(1,873)
Depreciation charge for the period	(17,351)	(14,393)
Book value as at March 31, 2018	1,326,088	1,101,145

Depreciations in the statements of profit or loss for the three-month periods ended March 31, 2018 and 2017 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sales and services	13,930	15,671	13,400	12,779
Selling and administrative expenses	3,421	3,501	993	1,026
	17,351	19,172	14,393	13,805

As at March 31, 2018 and December 31, 2017 interest incurred on loans used for a Purify Glycerin project of Company totaling to Baht 2.37 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 March 31, 2018 and December 31, 2017, in the consolidate financial statement totaling approximately Baht 150.07 million and Baht 148.03 million respectively, and in the separate financial statements totaling approximately Baht 32.35 million and Baht 30.32 million, respectively.

13. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2018 were as follows:

	Unit: Thousands Baht
	Consolidated/Separate financial statements
Book value as at January 1, 2018	238
Amortization for the period	(29)
Book value as at March 31, 2018	209

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

14. TRADE AND OTHER PAYABLES

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

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables				
Trade payables - others	59,256	38,793	56,390	34,688
Total trade payables	59,256	38,793	56,390	34,688
Other payables				
Others payables	5,064	4,406	5,064	4,406
Accrued bonus	1,399	12	1,212	12
Retention	1,839	1,032	1,839	1,032
Revenue Department payable	6,851	7,129	6,740	7,074
Electricity payable	2,800	2,999	2,800	2,999
Accrued expenses	5,165	7,386	4,635	6,216
Payables for purchase of assets	16,165	17,998	16,165	17,998
Others	936	604	570	600
Total other payables	40,219	41,566	39,025	40,337
Total trade and other payables	99,475	80,359	95,415	75,025

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.....Director
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.....Director
(Pimwan Thararatnavibool)

15. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movement of the present value of non-current provisions for employee benefits for the three-month periods ended March 31, 2018 and 2017 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Non-current provisions for employee				
benefit at beginning of periods	10,223	9,007	9,821	8,441
Included in profit or loss:				
Current service cost	431	453	408	438
Interest cost	43	47	39	45
Included in other comprehensive income:				
Actuarial gain arising from				
Financial assumptions changes	(1,377)	-	(1,471)	-
Experience adjustments	(920)	-	(996)	-
Benefit paid during the periods	(602)	-	(602)	-
Non-current provisions for employee				
benefit at end of periods	<u>7,798</u>	<u>9,507</u>	<u>7,199</u>	<u>8,924</u>

Employee benefit expenses in profit or loss for the three-month periods ended March 31, 2018 and 2017 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Cost of sales	265	298	265	298
Selling expenses	181	69	181	69
Administrative expenses	28	133	1	116
Total employee benefit expenses	<u>474</u>	<u>500</u>	<u>447</u>	<u>483</u>

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.

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(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Principal actuarial assumptions as at March 31, 2018 and December 31, 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

16. 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.

17. LEGAL RESERVE

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

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(Thanit Thareratanavibool)

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(Pimwan Thareratanavibool)

18. DEFERRED TAX

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

	Unit : Thousand Baht			
	Consolidated/Separate financial statements			
	As at January		comprehensive	As at March
	1, 2018	(Loss)	loss	31, 2018
Deferred tax assets				
Allowance for doubtful accounts	149	-	-	149
Non-current provision for employee benefits	1,964	(31)	(493)	1,440
Tax loss carries forward	8,127	(1,064)	-	7,063
Total	10,240	(1,095)	(493)	8,652
Deferred tax liabilities				
Depreciation	(4,609)	(32)	-	(4,641)
Total	(4,609)	(32)	-	(4,641)
Deferred tax assets - net	5,631	(1,127)	(493)	4,011

As at March 31, 2018 and December 31, 2017 the Company had deferred tax assets for the carrying forward of unused tax losses of Baht 7.06 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.

19. INCOME TAX EXPENSE

Income tax expenses for the three-month periods ended March 31, 2018 and 2017 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current tax expense				
Current periods	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(1,127)	119	(1,127)	119
Total	(1,127)	119	(1,127)	119

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.

.....Director
(Thanit Thareratanavibool)

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(Pimwan Thareratanavibool)

20. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1977)

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



.....Director
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The Company and subsidiaries have revenues from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month periods ended March 31, 2018 and 2017 was as follows:

Unit : Thousand Baht					
	Consolidated financial statements			Separate financial statements	
	Promoted	Non-promoted		Promoted	Non-promoted
	Activities	Activities	Total	Activities	Activities
For the three-month period ended March 31, 2018					
Revenues from sale of goods	397,929	13,796	411,725	397,929	13,796
Revenues from production contract	-	16,651	16,651	-	16,651
Revenues from vessel operating	-	13,683	13,683	-	-
Other incomes	-	2,453	2,453	-	906
Total	397,929	46,583	444,512	397,929	31,353
For the three-month period ended March 31, 2017					
Revenues from sale of goods	464,088	13,853	477,941	464,088	13,853
Revenues from production contract	-	7,003	7,003	-	7,003
Revenues from vessel operating	-	12,942	12,942	-	-
Other incomes	-	3,564	3,564	-	694
Total	464,088	37,362	501,450	464,088	21,550
					485,638

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

21. PROVIDENT FUND

The Company and subsidiary's contributions for the employees' provident fund and recorded as expenses in the statements of profit or loss for the three-month periods ended March 31, 2018 and 2017 were as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
AI Energy Public Company Limited	338	310	338	310
AI Logistic Company Limited	7	7	-	-
Total	345	317	338	310

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22. SEGMENTS INFORMATION

The segments information for the three-month periods ended March 31, 2018 and 2017 was as follows:

Unit : Thousand Baht					
Consolidated financial statements					
For the three-month period ended March 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	411,725	16,651	13,683	-	442,059
Cost of sales and services	(402,343)	(12,147)	(13,704)	-	(428,194)
Gross profit (loss) by segment	9,382	4,504	(21)	-	13,865
Other income					2,453
Selling expenses					(1,811)
Administrative expenses					(19,597)
Tax expenses					(1,127)
Loss for the period					(6,217)
Property, plant, vessel and equipment-net	1,101,145		21,461	203,482	1,326,088

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(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements					
For the three-month period ended March 31, 2017					
Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Vessel operating	Port services	Total	
477,941	7,003	12,942	-	497,886	
(553,974)	(8,669)	(14,923)	-	(577,566)	
(76,033)	(1,666)	(1,981)	-	(79,680)	
Revenues from sales and services				3,564	
Cost of sales and services				(2,039)	
Gross loss by segment				(19,728)	
Other income				(890)	
Selling expenses				119	
Administrative expenses				(98,654)	
Finance costs					
Tax income					
Loss for the period					
Property, plant, vessel and equipment-net	913,031	20,874	213,648	1,147,553	

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

23. COMMITMENT AND CONTINGENT LIABILITIES

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

23.1 The Group had contingent liabilities on bank guarantees in the amount of Baht 22.62 million and amount of Baht 23.02 million, respectively, issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

23.2 The Company had contingent liabilities from unused letter of credit in the amount of Baht 6.0 million.

23.3 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		
work in process- building and utility systems (Unit :Thousand Baht)	26,589	31,011
work in process- machinery (Unit :Thousand Baht)	33,636	67,856
work in process- machinery (Unit ::Thousand Euro)	146	146

23.4 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.

23.5 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.

23.6 The Company had overdrafts and short-term loans credit facilities with two local commercial bank totaling amount of Baht 511 million. The Company has a commitment under the conditions of this loan agreement.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

24. 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.

25. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on May 14, 2018.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)