

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019



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Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively as at June 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for three-month and six-month periods ended June 30, 2019, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the six-month period ended June 30, 2019, and the condensed notes to interim financial statements ("Interim financial information"). 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. 25.3, the Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the Company 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 there is any necessary adjustment to the consolidated and separate interim financial information for the three-month and six-month periods ended June 30, 2019 as a result from the above matter.

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, August 13, 2019

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
Assets					
Current assets					
		28,017	54,526	23,241	46,638
Cash and cash equivalents					
Current investment	5	2,992	124,333	547	334
Trade and other current receivables - net	6	200,649	97,784	200,207	96,788
Short-term loans to related party	4	-	-	10,000	-
Inventories - net	7	220,539	217,577	220,539	217,577
Oil supplies	8	922	1,571	-	-
Total current assets		453,119	495,791	454,534	361,337
Non-current assets					
Investments in subsidiaries - net	9	-	-	372,313	378,763
Pledged deposits at financial institutions	10	24,017	24,017	23,617	23,617
Property, plant, vessel and equipment - net	11	1,504,876	1,435,469	1,305,361	1,238,901
Intangible assets - net	12	428	292	401	292
Deferred tax assets - net	20	1,885	1,936	1,885	1,936
Deposit for purchase of assets		17,403	5,142	17,403	5,142
Other non-current assets		7,696	11,810	7,180	11,284
Total non-current assets		1,556,305	1,478,666	1,728,160	1,659,935
Total assets		2,009,424	1,974,457	2,182,694	2,021,272

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
		"UNAUDITED"	"AUDITED"	"UNAUDITED"	"AUDITED"
Notes		"REVIEWED"		"REVIEWED"	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts loans from financial institutions	13	469	-	-	-
Trade and other current payables	4, 14	170,527	126,401	168,625	123,780
Short-term loans from related party	4	50,000	-	310,000	140,000
Total current liabilities		220,996	126,401	478,625	263,780
Non-current liabilities					
Non-current provisions for employee benefits	15	9,189	8,269	8,450	7,588
Total non-current liabilities		9,189	8,269	8,450	7,588
Total liabilities		230,185	134,670	487,075	271,368
Shareholders' equity					
Authorized share capital					
Common share 5,424,000,000 shares, at Baht 0.25 par value			1,356,000		1,356,000
Common share 5,232,291,928 shares, at Baht 0.25 par value	16	1,308,073		1,308,073	
Issued and paid - up share capital					
Common share 5,232,291,928 shares, at Baht 0.25 par value	16	1,308,073	1,308,073	1,308,073	1,308,073
Premium on common stocks	16	605,114	605,114	605,114	605,114
Retained earnings (deficits)					
Appropriated					
Legal reserve	19	8,226	8,226	8,226	8,226
Unappropriated					
		(139,831)	(79,283)	(228,969)	(174,684)
Other components of shareholders' equity		(2,343)	(2,343)	3,175	3,175
Total Shareholders' Equity		1,779,239	1,839,787	1,695,619	1,749,904
Total liabilities and shareholders' equity		2,009,424	1,974,457	2,182,694	2,021,272

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
4, 22, 23, 24					
Revenues					
Revenues from sale of goods		446,307	352,852	446,307	352,852
Revenues from production contract		-	13,572	-	13,572
Revenues from vessel operating		3,526	13,683	-	-
Other incomes		729	2,117	438	1,098
Total Revenues		450,562	382,224	446,745	367,522
Expenses					
Cost of sales		(432,329)	(336,713)	(432,329)	(336,713)
Cost of production contract		-	(10,252)	-	(10,252)
Cost of vessel operating		(7,388)	(13,581)	-	-
Selling expenses		(6,456)	(1,627)	(6,343)	(1,096)
Administrative expenses		(21,178)	(20,962)	(18,638)	(16,810)
Finance costs		(104)	(80)	(1,611)	(79)
Total Expenses		(467,455)	(383,215)	(458,921)	(364,950)
Profit (loss) before income tax expenses		(16,893)	(991)	(12,176)	2,572
Tax expense	21	(36)	(1,213)	(36)	(1,213)
Profit (loss) for the periods		(16,929)	(2,204)	(12,212)	1,359
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the periods		(16,929)	(2,204)	(12,212)	1,359
Profit (Loss) attributable to :					
Equity holders of the parent		(16,929)	(2,204)	(12,212)	1,359
Non-controlling interests		-	-	-	-
		(16,929)	(2,204)	(12,212)	1,359
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		(16,929)	(2,204)	(12,212)	1,359
Non-controlling interests		-	-	-	-
		(16,929)	(2,204)	(12,212)	1,359
Earnings (loss) per share					
Basic earning (loss) per share (Baht)	18	(0.0032)	(0.0005)	(0.0023)	0.0003

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes				
	4, 22, 23, 24				
Revenues					
Revenues from sale of goods		858,820	764,577	858,820	764,577
Revenues from production contract		5,065	30,223	5,065	30,223
Revenues from vessel operating		9,967	27,366	-	-
Other incomes		1,465	4,570	870	2,004
Total Revenues		875,317	826,736	864,755	796,804
Expenses					
Cost of sales		(869,113)	(739,056)	(869,113)	(739,056)
Cost of production contract		(3,716)	(22,399)	(3,716)	(22,399)
Cost of vessel operating		(15,247)	(27,285)	-	-
Selling expenses		(10,890)	(3,438)	(10,559)	(2,454)
Administrative expenses		(36,744)	(40,559)	(32,667)	(32,184)
Finance costs		(104)	(80)	(2,934)	(79)
Total Expenses		(935,814)	(832,817)	(918,989)	(796,172)
Profit (loss) before income tax expenses		(60,497)	(6,081)	(54,234)	632
Tax expense	21	(51)	(2,340)	(51)	(2,340)
Loss for the periods		(60,548)	(8,421)	(54,285)	(1,708)
Other comprehensive income (loss) :					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains	15	-	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 income (loss) for the periods		(60,548)	(6,617)	(54,285)	266
Loss attributable to :					
Equity holders of the parent		(60,548)	(8,421)	(54,285)	(1,708)
Non-controlling interests		-	-	-	-
		(60,548)	(8,421)	(54,285)	(1,708)
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		(60,548)	(6,617)	(54,285)	266
Non-controlling interests		-	-	-	-
		(60,548)	(6,617)	(54,285)	266
Loss per share					
Basic loss per share (Baht)	18	(0.0116)	(0.0018)	(0.0104)	(0.0004)

.....Director
(Thanit Thararatnavibool)

.....Director
(Pimwan Thararatnavibool)



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"
"REVIEWED"

Unit : Thousands Baht										
Consolidated financial statements										
Shareholders' equity of the parent										
Note	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (deficits)		Other components of equity		Difference on business combination		Total equity of the parent	Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	Actuarial gain	under common control (Note 9)	Total other components of equity	Non-controlling interests		
Balance as at January 1, 2019	1,308,073	605,114	8,226	(79,283)	2,882	(5,225)	(2,343)	-	1,839,787	1,839,787
Changes in shareholders' equity for the period :										
Total comprehensive loss for the period	-	-	-	(60,548)	-	-	-	-	(60,548)	(60,548)
Balance as at June 30, 2019	1,308,073	605,114	8,226	(139,831)	2,882	(5,225)	(2,343)	-	1,779,239	1,779,239
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
Share capital increased	178,073	-	-	-	-	-	-	-	178,073	178,073
Changes in shareholders' equity for the period :										
Total comprehensive income (loss) for the period	-	-	-	(8,421)	1,804	-	1,804	-	(6,617)	(6,617)
Balance as at June 30, 2018	1,308,073	605,114	8,226	(15,384)	2,882	(5,225)	(2,343)	-	1,903,686	1,903,686

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.....Director
(Thanit Tharatunavibool)

.....Director
(Pimwan Tharatunavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"
"REVIEWED"

Unit : Thousands Baht									
Separate financial statements									
	Notes	Share capital		Premium on common stocks	Appropriated		Unappropriated	Other components of equity	
		Issued and paid - up			Legal reserve			Other comprehensive income	Total shareholders' equity
Balance as at January 1, 2019		1,308,073		605,114	8,226		(174,684)	3,175	1,749,904
Changes in shareholders' equity for the period :									
Total comprehensive loss for the period		-		-	-		(54,285)	-	(54,285)
Balance as at June 30, 2019		1,308,073		605,114	8,226		(228,969)	3,175	1,695,619
Balance as at January 1, 2018		1,130,000		605,114	8,226		(120,145)	1,201	1,624,396
Share capital increased	16	178,073		-	-		-	-	178,073
Changes in shareholders' equity for the period :									
Total comprehensive income (loss) for the period		-		-	-		(1,708)	1,974	266
Balance as at June 30, 2018		1,308,073		605,114	8,226		(121,853)	3,175	1,802,735

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

Cash flows from operating activities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) before income tax expense	(60,497)	(6,081)	(54,234)	632
Adjustments to reconcile profit (loss) to cash provided by (used in) operating activities:				
Depreciation	37,061	34,947	29,192	29,009
Amortization of computer softwares	67	59	67	59
Loss on write-off of assets	2,237	2,676	2,237	2,676
Unrealized (gain) loss on investments in Open-end Fund	1,183	-	(46)	-
Reversal allowance for devaluation of inventories	(760)	(7,084)	(760)	(7,084)
Loss on impairment of investment in subsidiary	-	-	6,450	-
Non-current provisions for employee benefits	919	895	862	840
Interest income	(267)	(1,947)	(282)	(289)
Interest expenses	104	80	2,934	79
Gain (Loss) from operating activities before changes in operating assets and liabilities	(19,953)	23,545	(13,580)	25,922
Changes in operating assets - (increase) decrease :				
Trade and other current receivables	(77,153)	24,290	(77,654)	23,987
Inventories	(2,202)	(10,293)	(2,202)	(10,293)
Oil supplies	648	1,547	-	-
Deposit for purchase of assets	(12,261)	(1,766)	(12,261)	(1,766)
Other non-current assets	490	2,664	480	2,664
Changes in operating liabilities - increase :				
Trade and other payables	29,436	11,745	30,130	13,394
Cash provided by (used in) operating activities	(80,995)	51,732	(75,087)	53,908
Income tax paid	(249)	(9,203)	(278)	(999)
Refunded of income tax	3,902	-	3,902	-
Payment for employee benefit obligations	-	(972)	-	(972)
Net cash provided by (used in) operating activities	(77,342)	41,557	(71,463)	51,937

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

Cash flows from investing activities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest received	242	1,572	257	289
(Increase) decrease in current investments	120,158	(96,372)	(168)	(552)
Cash paid from short-term loan to related party	-	-	(10,000)	-
Payment for purchases of assets	(119,803)	(103,356)	(108,988)	(103,349)
Payment for purchases of intangible assets	(204)	-	(176)	-
Proceeds from receive from disposal of assets	75	-	75	-
Proceeds from receive from receivables under finance lease contracts	-	2,889	-	-
Net cash provided by (used in) investing activities	468	(195,267)	(119,000)	(103,612)

Cash flows from financing activities

Interest paid	(104)	(80)	(2,934)	(79)
Increase in bank overdraft from financial institutions	469	-	-	-
Proceeds of short-term loan from related party	50,000	-	230,000	-
Payment for short-term loans from related party	-	-	(60,000)	(100,000)
Cash received from increase in share capital	-	178,073	-	178,073
Net cash provided by financing activities	50,365	177,993	167,066	77,994
Net increase (decrease) in cash and cash equivalents	(26,509)	24,283	(23,397)	26,319
Cash and cash equivalents at beginning of the periods	54,526	59,674	46,638	51,658
Cash and cash equivalents at end of the periods	28,017	83,957	23,241	77,977

Additional disclosure items to cash flows statements

Non-cash flows items consist of:

Assets payable for equipment	14,714	19,567	14,714	19,567
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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019 (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 61.77% 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 2018), 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, 2018. 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, 2018.

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, 2018.

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

The financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are 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 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

(b) **Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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, 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers. However, such change in accounting policy has no material impacts on the financial statements of the Company and its subsidiaries.

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 and six-month periods ended June 30, 2019 and 2018 were as follows:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Pricing policies		2019	2018	2019	2018
<u>For the three-month periods</u>					
Purchase of goods					
Samart Palm Industry Company Limited	Market value	2,016	-	2,016	-
Interest paid					
Asian Insulators Public Company Limited	2.84% P.A.	78	-	78	-
AI Ports and Terminals Company Limited	2.84% P.A.	-	-	1,532	-
Interest receive					
AI Logistics Company Limited	2.84% P.A.	-	-	25	-
Administrative expenses					
Asian Insulators Public Company Limited	Mutually agreed	480	532	271	258
<u>For the six-month periods</u>					
Purchase of goods					
Samart Palm Industry Company Limited	Market value	2,016	-	2,016	-
Interest paid					
Asian Insulators Public Company Limited	2.84% P.A.	78	-	78	-
AI Ports and Terminals Company Limited	2.84% P.A.	-	-	2,856	-
Interest receive					
AI Logistics Company Limited	2.84% P.A.	-	-	25	-
Administrative expenses					
Asian Insulators Public Company Limited	Mutually agreed	892	924	503	510



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the three-month periods				
Short-term employee benefits	4,234	4,201	3,716	3,696
Long-term post-employment benefits	106	87	87	68
Total directors and management's remuneration	4,340	4,288	3,803	3,764
For the six-month periods				
Short-term employee benefits	8,295	8,635	7,260	7,624
Long-term post-employment benefits	212	234	174	197
Total directors and management's remuneration	8,507	8,869	7,434	7,821

Significant balances with related parties as at June 30, 2019 and December 31, 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Assets				
Short-term loan to related party				
AI Logistics Company Limited	-	-	10,000	-
Liabilities				
Trade payables				
Samart Palm Industry Company Limited	1,059	-	1,059	-
Short-term loan from related party				
AI Ports and Terminals Company Limited	-	-	260,000	140,000
Asian Insulators Public Company Limited	50,000	-	50,000	-

As at June 30, 2019, the Company has short-term loan to related party, AI Logistics Company Limited ("the subsidiary"). The subsidiary issued promissory notes in the amount of Baht 10 million with an interest rate of 2.84% per annum, due on August 31, 2019.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

As at June 30, 2019 and December 31, 2018, the Company has short-term loan from related party, AI Ports and Terminals Company Limited (“the subsidiary”) and Asian Insulators Public Company Limited (“the parent”). The Company issued promissory notes in the total amount of Baht 310 million and Baht 140 million, respectively, with an interest rate of 2.84% per annum, due on September 30, 2019.

5. CURRENT INVESTMENT

Current investment as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Investment in open-end Fund-Debt securities	2,482	122,761	63	17
<u>Add</u> unrealized gain on investment revaluation	26	1,255	-	-
Open-end Fund-Debt securities - net	2,508	124,016	63	17
Fixed deposits	484	317	484	317
Total current investment	2,992	124,333	547	334

Investment in open-end Fund-Debt securities of the Company and subsidiaries are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trusts has been determined by using the net asset value.

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

6. TRADE AND OTHER CURRENT RECEIVABLES – NET

Trade and other current receivables as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivable - others	172,488	106,547	172,488	105,934
Total trade receivables	172,488	106,547	172,488	105,934
<u>Less</u> Allowance for doubtful accounts	(3,222)	(11,110)	(3,222)	(11,110)
Total trade receivables - net	169,266	95,437	169,266	94,824
Other current receivables				
Prepaid insurance	3,470	1,453	3,340	1,211
Prepaid expenses	491	413	352	339
Revenue Department receivable	167	52	-	-
Undue input tax	641	241	620	238
Insurance claim receivable	25,740	-	25,740	-
Others	1,180	494	1,195	482
Total other current receivables	31,689	2,653	31,247	2,270
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Total other current receivables - net	31,383	2,347	30,941	1,964
Total trade and other current receivables - net	200,649	97,784	200,207	96,788

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

As at June 30, 2019 and December 31, 2018 outstanding balances of trade receivables aged by number of months were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Others				
Current	163,222	92,596	163,222	91,983
Overdue				
Within 3 months	6,044	2,841	6,044	2,841
Over 3 months to 12 months	-	2,782	-	2,782
Over 12 months	3,222	8,328	3,222	8,328
Total	172,488	106,547	172,488	105,934
<u>Less</u> Allowance for doubtful accounts	(3,222)	(11,110)	(3,222)	(11,110)
Total trade receivables - net	169,266	95,437	169,266	94,824

7. INVENTORIES – NET

Inventories as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2019	2018
Raw materials and chemicals	76,501	92,898
Work in process	113,065	69,204
Finished goods	24,084	49,990
Supplies	8,879	8,235
Total inventories	222,529	220,327
<u>Less</u> Allowance for devaluation of inventories	(1,990)	(2,750)
Total inventories - net	220,539	217,577

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

8. OIL SUPPLIES

Oil supplies as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2019	2018
Bunker oil	665	1,338
Lubricants	257	233
Total oil supplies	922	1,571



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

9. INVESTMENTS IN SUBSIDIARIES-NET

Investments in subsidiaries as at June 30, 2019 and December 31, 2018 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Thousand Baht	
		2019	2018	2019	2018	2019	2018
AI Logistics Company Limited	Local and overseas logistics for merchandise sea freight services.	100.00	100.00	209	209	82,678	82,678
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	352,395
Total						435,073	435,073
Less Allowance for impairment of investments						(62,760)	(56,310)
Total investments in subsidiaries - net						372,313	378,763

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.

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

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

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

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

10. 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 25.1).



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

11. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2018	2,080,342	1,644,635
Purchases during period	134,519	123,703
Written off during period	(42,273)	(42,273)
As at June 30, 2019	2,172,588	1,726,065
Accumulated Depreciation		
As at December 31, 2018	(627,473)	(405,734)
Depreciation for the period	(37,061)	(29,192)
Depreciation - disposals for the period	14,222	14,222
As at June 30, 2019	(650,312)	(420,704)
Allowances for impairment of assets		
As at December 31, 2018	(17,400)	-
Allowances for impairment for the period	-	-
As at June 30, 2019	(17,400)	-
Book value		
As at December 31, 2018	1,435,469	1,238,901
As at June 30, 2019	1,504,876	1,305,361

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Depreciations in the statements of profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the three-month periods				
Cost of sales and services	15,229	14,146	13,862	13,609
Selling and administrative expenses	4,784	3,450	859	1,007
	<u>20,013</u>	<u>17,596</u>	<u>14,721</u>	<u>14,616</u>
For the six-month periods				
Cost of sales and services	29,489	28,076	27,441	27,009
Selling and administrative expenses	7,572	6,871	1,751	2,000
	<u>37,061</u>	<u>34,947</u>	<u>29,192</u>	<u>29,009</u>

As at June 30, 2019 and December 31, 2018 interest incurred on loans used for a Purify Glycerin project of Company totaling to Baht 1.37 million, 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 June 30, 2019 and December 31, 2018, in the consolidated financial statement totaling approximately Baht 158.14 million and Baht 148.31 million, respectively, and in the separate financial statements totaling approximately Baht 39.25 million and Baht 30.49 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 June 30, 2019 and December 31, 2018, amount of Baht 188.40 million and Baht 194.05 million, respectively. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidated statements of financial position as at June 30, 2019 and December 31, 2018.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

12. INTANGIBLE ASSETS – NET

Intangible assets as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2018	867	788
Purchases during period	204	176
As at June 30, 2019	1,071	964
Accumulated amortization		
As at December 31, 2018	(575)	(496)
Amortization for the period	(68)	(67)
As at June 30, 2019	(643)	(563)
Book value		
As at December 31, 2018	292	292
As at June 30, 2019	428	401

13. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS

Bank overdrafts from financial institutions as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	469	-	-	-
Total	469	-	-	-

	Credit facilities (Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank overdrafts	5,000	10,000	-	5,000
Promissory notes	-	500,000	-	500,000
Total	5,000	510,000	-	505,000

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2019 and December 31, 2018 consisted of:

	Unit : Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related parties	1,059	-	1,059	-
Trade payables - others	114,141	95,857	113,269	94,296
Total trade payables	115,200	95,857	114,328	94,296
Other current payables				
Others current payables	4,849	3,984	4,782	3,876
Retention	12,501	7,198	12,501	7,198
Revenue Department payable	12,088	5,608	12,037	5,562
Electricity payable	2,841	2,610	2,840	2,608
Accrued expenses	7,584	2,517	7,119	2,310
Payables for purchase of assets	14,895	7,541	14,715	7,541
Unearned revenue for vessel operating	-	612	-	-
Others	569	474	303	389
Total other current payables	55,327	30,544	54,297	29,484
Total trade and other current payables	170,527	126,401	168,625	123,780

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

15. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefits for the six-month periods ended June 30, 2019 and 2018 were as follows:

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
Non-current provisions for employee				
benefit at beginning of periods	8,269	10,223	7,588	9,821
Included in profit or loss:				
Current service cost	828	816	780	765
Interest cost	92	79	82	75
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	-	(972)	-	(972)
Non-current provisions for employee				
benefit at end of periods	9,189	7,849	8,450	7,222

Employee benefit expenses in profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statement	
	2019	2018	2019	2018
<u>For the three-month periods</u>				
Cost of sales	249	271	249	271
Selling expenses	82	1	82	1
Administrative expenses	129	149	100	121
Total employee benefit expenses	460	421	431	393
<u>For the six-month periods</u>				
Cost of sales	498	536	498	536
Selling expenses	82	2	82	2
Administrative expenses	340	357	282	302
Total employee benefit expenses	920	895	862	840

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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 June 30, 2019 and December 31, 2018 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.16 - 2.94	2.16 - 2.94	2.16	2.16
Salary increases rate	0 - 5.00	0 - 5.00	1.5 - 5.00	1.5 - 5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017
Turnover rate				
Under 31 years old	22.00 - 40.00	22.00 - 40.00	22.00 - 40.00	22.00 - 40.00
31 - 40 years old	16.00 - 28.00	16.00 - 28.00	16.00 - 28.00	16.00 - 28.00
41 - 50 years old	5.00	5.00	5.00	5.00
Above 51 years old	0.00	0.00	0.00	0.00

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group have additional long-term employee benefit liabilities 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.



16. 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	
Balance as at June 30, 2019	5,232,292	1,308,073	605,114	

The 2019 Annual General Meeting of Shareholders of the Company held on April 26, 2019, resolved to approve to decrease registered capital by Baht 47,927,018 that were unexercised AIE-W1, which the Company's ordinary shares by 191,708,072 shares at par value of Baht 0.25. The Company registered the decreasing in its share capital with the Ministry of Commerce on May 7, 2019.

17. 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

18. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>For the three-month periods</u>				
Net profit (loss) attributable to shareholders				
of the parent (Thousand Baht)	(16,929)	(2,204)	(12,212)	1,359
Number of ordinary share outstanding				
at beginning of periods (Share)	5,232,291,928	4,520,000,000	5,232,291,928	4,520,000,000
Effect of conversion warrants to shares capital	-	195,684,596	-	195,684,596
Weighted average number of ordinary shares				
outstanding during the periods (basic)	5,232,291,928	4,715,684,596	5,232,291,928	4,715,684,596
Basic earnings (loss) per share (Baht)	(0.0032)	(0.0005)	(0.0023)	0.0003
<u>For the six-month periods</u>				
Loss attributable to shareholders				
of the parent (Thousand Baht)	(60,548)	(8,421)	(54,285)	(1,708)
Number of ordinary share outstanding				
at beginning of periods (Share)	5,232,291,928	4,520,000,000	5,232,291,928	4,520,000,000
Effect of conversion warrants to shares capital	-	98,382,863	-	98,382,863
Weighted average number of ordinary shares				
outstanding during the periods (basic)	5,232,291,928	4,618,382,863	5,232,291,928	4,618,382,863
Basic loss per share (Baht)	(0.0116)	(0.0018)	(0.0104)	(0.0004)

19. LEGAL RESERVE

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

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

20. DEFERRED TAX

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

	Unit : Thousand Baht		
	Consolidated/Separate financial statements		
	As at January	Profit	As at June
	1, 2019	(Loss)	30, 2019
Deferred tax assets			
Allowance for doubtful accounts	706	-	706
Non-current provision for employee benefits	1,518	172	1,690
Tax loss carries forward	4,145	-	4,145
Total	6,369	172	6,541
Deferred tax liabilities			
Depreciation	(4,433)	(223)	(4,656)
Total	(4,433)	(223)	(4,656)
Deferred tax assets - net	1,936	(51)	1,885

As at June 30, 2019 and December 31, 2018 the Company had deferred tax assets for the carrying forward of unused tax losses of Baht 4.15 million. The Company's management believes that it is probable that future taxable profit will be available against the unused tax losses.



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

21. INCOME TAX EXPENSE

Income tax expenses for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the three-month periods				
Current tax expense				
Current periods	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(36)	(1,213)	(36)	(1,213)
Total	(36)	(1,213)	(36)	(1,213)
For the six-month periods				
Current tax expense				
Current periods	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(51)	(2,340)	(51)	(2,340)
Total	(51)	(2,340)	(51)	(2,340)

Income tax reduction

The Act of Legislation amended Revenue Code No.42 B.E. 2559, dated March 3, 2016, grants the corporate income tax rate 20% on net profit for the accounting periods beginning on January 1, 2016 onwards.

22. PROMOTIONAL PRIVILEGES

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

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

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

The Company and subsidiaries have revenues from sale of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month and six-month periods ended June 30, 2019 and 2018, as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	Promoted	Non-promoted	Promoted	Non-promoted
	Activities	Activities	Activities	Activities
		Total		Total
For the three-month period ended June 30, 2019				
Revenues from sale of goods	5,154	441,153	446,307	5,154
Revenues from production contract	-	-	-	-
Revenues from vessel operating	-	3,526	3,526	-
Other incomes	-	729	729	438
Total	5,154	445,408	450,562	5,154
For the three-month period ended June 30, 2018				
Revenues from sale of goods	331,505	21,347	352,852	331,505
Revenues from production contract	-	13,572	13,572	-
Revenues from vessel operating	-	13,683	13,683	-
Other incomes	-	2,117	2,117	1,098
Total	331,505	50,719	382,224	331,505

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.....Director
(Thanit Tharatanavibool)

..... Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Promoted	Non-promoted		Promoted	Non-promoted	
	Activities	Activities	Total	Activities	Activities	Total
For the six-month period ended June 30, 2019						
Revenues from sale of goods	162,987	695,833	858,820	162,987	695,833	858,820
Revenues from production contract	-	5,065	5,065	-	5,065	5,065
Revenues from vessel operating	-	9,967	9,967	-	-	-
Other incomes	-	1,465	1,465	-	870	870
Total	162,987	712,330	875,317	162,987	701,768	864,755

For the six-month period ended June 30, 2018

Revenues from sale of goods	729,433	35,144	764,577	729,433	35,144	764,577
Revenues from production contract	-	30,223	30,223	-	30,223	30,223
Revenues from vessel operating	-	27,366	27,366	-	-	-
Other incomes	-	4,570	4,570	-	2,004	2,004
Total	729,433	97,303	826,736	729,433	67,371	796,804

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.....Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

23. PROVIDENT FUND

The Company and subsidiary's contributions for the employees' provident fund and recorded as expenses in the statements of profit or loss for the three-month and six-month periods ended June 30, 2019 and 2018 were as follows:

		Unit : Thousand Baht	
		Consolidated financial statements	Separate financial statements
		2019	2018
		2019	2018
For the three-month periods			
AI Energy Public Company Limited	387	376	387
AI Logistic Company Limited	11	7	-
Total	398	383	376
For the six-month periods			
AI Energy Public Company Limited	770	714	770
AI Logistic Company Limited	21	14	-
Total	791	728	714

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

24. SEGMENTS INFORMATION

The segments information for the three-month and six-month periods ended June 30, 2019 and 2018 was as follows:

Unit : Thousand Baht					
Consolidated financial statements					
For the three-month period ended June 30, 2019					
	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	446,307	-	3,526	-	449,833
Cost of sales and services	(432,329)	-	(7,388)	-	(439,717)
Gross profit (loss) by segment	13,978	-	(3,862)	-	10,116
Other income					729
Selling expenses					(6,456)
Administrative expenses					(21,178)
Finance costs					(104)
Tax expenses					(36)
Loss for the period					(16,929)

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

Unit : Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 2019

	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	858,820	5,065	9,967	-	873,852
Cost of sales and services	(869,113)	(3,716)	(15,247)	-	(888,076)
Gross profit (loss) by segment	(10,293)	1,349	(5,280)	-	(14,224)
Other income					1,465
Selling expenses					(10,890)
Administrative expenses					(36,744)
Finance costs					(104)
Tax expenses					(51)
Loss for the period					(60,548)
Property, plant, vessel and equipment-net	1,305,361		28,518	170,997	1,504,876

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.....Director
(Pimwan Tharatanavibool)

.....Director
(Thanit Tharatanavibool)

Unit : Thousand Baht					
Consolidated financial statements					
For the three-month period ended June 30, 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	352,852	13,572	13,683	-	380,107
Cost of sales and services	(336,713)	(10,252)	(13,581)	-	(360,546)
Gross profit by segment	16,139	3,320	102	-	19,561
Other income					2,117
Selling expenses					(1,627)
Administrative expenses					(20,962)
Finance costs					(80)
Tax expenses					(1,213)
Loss for the period					(2,204)

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the six-month period ended June 30, 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	764,577	30,223	27,366	-	822,166
Cost of sales and services	(739,056)	(22,399)	(27,285)	-	(788,740)
Gross profit by segment	25,521	7,824	81	-	33,426
Other income					4,570
Selling expenses					(3,438)
Administrative expenses					(40,559)
Finance costs					(80)
Tax expenses					(2,340)
Loss for the period					(8,421)
Property, plant, vessel and equipment-net	1,126,524		20,925	201,039	1,348,488

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

25. COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at June 30, 2019 and December 31, 2018 were as follows:

25.1 Letters of guarantee

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

	Unit : Thousands Baht	
	Consolidated financial statements	
	2019	2018
Guarantee for importation machinery	18,248	18,248
Guarantee for electricity usage	5,769	5,769
Total	24,017	24,017

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

	Contracted Balance (Unit :Thousands Baht)	
	Consolidated/Separate financial statements	
	2019	2018
Capital commitments		
Contracted but not provided for		
Land improvement	-	2,711
work in process - building and utility systems	3,299	4,546
work in process - machinery	29,865	9,370
work in process - Purify Glycerin project	27,299	126,168

25.3 The Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the Company 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

26. CAPITAL MANAGEMENT

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

27. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on August 13, 2019.



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)