

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, 2020



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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, 2020, 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, 2020, 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, 2020, 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

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.

Conclusion

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".

Emphasis of Matter

1. I draw attention as discussed in Note to Financial Statements No. 22.3, regarding the criminal complaint against former directors and executives of the Company with the Department of Special Investigation. The Company's management and the independent law firm have the opinion that the case is the criminal complaint against former directors and executives of the Company which is a personal matter, and the Company which is a juristic person will not be liable in any way. Presently, the investigation is still under the process.

2. I draw attention as discussed in Note to Financial Statements No. 2. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and six-month periods ended June 30, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of this matter.

Other Matter

I have reviewed the 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, whose report dated on August 13, 2019, which have been presented here in as comparative information, expressed the qualified conclusion attention as discussed in Note to Financial Statements No. 22.3. Presently, the Company's management and the independent law firm have the opinion that the case is the criminal complaint against former directors and executives of the Company which is a personal matter, and the Company which is a juristic person will not be liable in any way, as described in the emphasis of matter paragraph.



Vichai Ruchitanont
Certified Public Accountant
Registration Number 4054
ANS Audit Co., Ltd
Bangkok, August 14, 2020

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousands Baht

	Notes	Consolidated financial statements		Separate financial statements	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
Assets					
Current assets					
Cash and cash equivalents		129,891	59,028	117,040	52,402
Current investment	3.3	-	8,692	-	6,229
Trade and other current receivables - net	5	311,902	368,993	311,640	368,195
Short-term loans to related party	4	-	-	-	15,000
Inventories - net	6	253,306	317,233	253,306	317,233
Oil supplies	7	-	746	-	-
Other current financial assets	8	52,835	-	50,362	-
Total current assets		747,934	754,692	732,348	759,059
Non-current assets					
Investments in subsidiaries - net	9	-	-	352,395	358,013
Pledged deposits at financial institutions	10	5,769	16,947	5,369	16,547
Property, plant, vessel and equipment - net	11	1,501,419	1,546,295	1,343,327	1,357,976
Intangible assets - net	12	561	606	540	581
Deposit for purchase of assets		601	1,427	601	1,427
Other non-current assets		3,270	6,422	3,049	6,200
Total non-current assets		1,511,620	1,571,697	1,705,281	1,740,744
Total assets		2,259,554	2,326,389	2,437,629	2,499,803

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousands Baht

	Notes	Consolidated financial statements		Separate financial statements	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
		"UNAUDITED" "REVIEWED"	"AUDITED"	"UNAUDITED" "REVIEWED"	"AUDITED"
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts loans from financial institutions	13	-	3,558	-	-
Trade and other current payables	4, 14	252,489	337,472	251,440	337,354
Short-term loans from related parties	4	130,000	290,000	390,000	550,000
Total current liabilities		382,489	631,030	641,440	887,354
Non-current liabilities					
Deferred tax liabilities - net	17	2,821	2,469	2,821	2,469
Non-current provisions for employee benefits	15	10,295	9,599	9,508	8,937
Total non-current liabilities		13,116	12,068	12,329	11,406
Total liabilities		395,605	643,098	653,769	898,760
Shareholders' equity					
Authorized share capital					
Common share 5,232,291,928 shares, at Baht 0.25 par value		1,308,073	1,308,073	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		1,308,073	1,308,073	1,308,073	1,308,073
Premium on common stocks	16.2	289,795	605,114	289,795	605,114
Retained earnings (deficits)					
Appropriated					
Legal reserve	16.2	-	8,226	-	8,226
Unappropriated	16.2	268,424	(235,779)	182,817	(323,545)
Other components of shareholders' equity		(2,343)	(2,343)	3,175	3,175
Total Shareholders' Equity		1,863,949	1,683,291	1,783,860	1,601,043
Total liabilities and shareholders' equity		2,259,554	2,326,389	2,437,629	2,499,803

.....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, 2020

"UNAUDITED"
 "REVIEWED"

		Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
3, 4, 19, 21					
Revenues					
	Revenues from sale of goods	1,036,710	446,307	1,036,710	446,307
	Revenues from vessel operating	4,901	3,526	-	-
	Other incomes	1,475	729	907	438
	Total Revenues	1,043,086	450,562	1,037,617	446,745
Expenses					
	Cost of sales	(950,626)	(432,329)	(950,626)	(432,329)
	Cost of vessel operating	(7,099)	(7,388)	-	-
	Selling expenses	(9,113)	(6,456)	(8,965)	(6,343)
	Administrative expenses	(25,723)	(21,178)	(23,950)	(18,638)
	Total Expenses	(992,561)	(467,351)	(983,541)	(457,310)
	Profit (loss) before financial costs and tax expense	50,525	(16,789)	54,076	(10,565)
	Finance costs	(1,987)	(104)	(4,386)	(1,611)
	Profit (loss) before income tax expenses	48,538	(16,893)	49,690	(12,176)
	Tax expense	(130)	(36)	(130)	(36)
	Profit (loss) for the periods	48,408	(16,929)	49,560	(12,212)
	Other comprehensive income	-	-	-	-
	Total comprehensive income (loss) for the periods	48,408	(16,929)	49,560	(12,212)
Profit (loss) attributable to :					
	Equity holders of the parent	48,408	(16,929)	49,560	(12,212)
	Non-controlling interests	-	-	-	-
		48,408	(16,929)	49,560	(12,212)
Total comprehensive income (loss) attributable to :					
	Equity holders of the parent	48,408	(16,929)	49,560	(12,212)
	Non-controlling interests	-	-	-	-
		48,408	(16,929)	49,560	(12,212)
Earnings (loss) per share					
Basic earning (loss) per share					
	Basic earnings (loss) attributable per share (Baht)	0.0093	(0.0032)	0.0095	(0.0023)
	Weighted average number of common shares (share)	5,232,291,928	5,232,291,928	5,232,291,928	5,232,291,928

.....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, 2020

"UNAUDITED"
"REVIEWED"

	Notes	Unit : Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	3, 4, 19, 21				
Revenues					
Revenues from sale of goods		2,873,837	858,820	2,873,837	858,820
Revenues from production contract		-	5,065	-	5,065
Revenues from vessel operating		9,779	9,967	-	-
Other incomes		3,027	1,465	2,626	870
Total Revenues		2,886,643	875,317	2,876,463	864,755
Expenses					
Cost of sales		(2,619,146)	(869,113)	(2,618,137)	(869,113)
Cost of production contract		-	(3,716)	-	(3,716)
Cost of vessel operating		(17,444)	(15,247)	-	-
Selling expenses		(18,896)	(10,890)	(18,649)	(10,559)
Administrative expenses		(44,927)	(36,744)	(46,512)	(32,667)
Total Expenses		(2,700,413)	(935,710)	(2,683,298)	(916,055)
Profit (loss) before financial costs and tax expense		186,230	(60,393)	193,165	(51,300)
Finance costs		(5,220)	(104)	(9,996)	(2,934)
Profit (loss) before income tax expenses		181,010	(60,497)	183,169	(54,234)
Tax expense	18	(352)	(51)	(352)	(51)
Profit (loss) for the periods		180,658	(60,548)	182,817	(54,285)
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the periods		180,658	(60,548)	182,817	(54,285)
Profit (Loss) attributable to :					
Equity holders of the parent		180,658	(60,548)	182,817	(54,285)
Non-controlling interests		-	-	-	-
		180,658	(60,548)	182,817	(54,285)
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		180,658	(60,548)	182,817	(54,285)
Non-controlling interests		-	-	-	-
		180,658	(60,548)	182,817	(54,285)
Earnings (loss) per share					
Basic earning (loss) per share					
Basic earnings (loss) attributable per share (Baht)		0.0345	(0.0116)	0.0349	(0.0104)
Weighted average number of common shares (share)		5,232,291,928	5,232,291,928	5,232,291,928	5,232,291,928

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

Consolidated financial statements											
Shareholders' equity of the parent											
Notes	Share capital			Retained earnings (deficits)			Other comprehensive income		Other components of equity		Total shareholders' equity
	Issued and paid - up	Premium on common stocks	Appropriated Legal reserve	Unappropriated	Actuarial gain	Difference on business combination under common control (Note 9)	Total other components of equity	Total equity of the parent	Non-controlling interests		
Balance as at January 1, 2020	1,308,073	605,114	8,226	(235,779)	2,882	(5,225)	(2,343)	1,683,291	-	1,683,291	
Changes in shareholders' equity for the period :											
Transfer of legal reserve and premium on ordinary shares to offset the deficits	-	(315,319)	(8,226)	323,545	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	180,658	-	-	-	180,658	-	180,658	
Balance as at June 30, 2020	1,308,073	289,795	-	268,424	2,882	(5,225)	(2,343)	1,863,949	-	1,863,949	
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	

.....Director

(Thamit Thareatanavibool)

.....Director

(Pinwan Thareatanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Unit : Thousands Baht										"UNAUDITED"
	Separate financial statements										"REVIEWED"
	Notes	Share capital		Premium on common stocks	Appropriated		Retained earnings (deficits)		Other components of equity		Total shareholders' equity
Issued and paid - up			Legal reserve		Unappropriated	Unappropriated	Actuarial gain	Other comprehensive income			
Balance as at January 1, 2020	1,308,073	605,114	8,226	8,226	(323,545)	3,175	1,601,043				
Changes in shareholders' equity for the period :											
Transfer of legal reserve and premium on ordinary shares to offset the deficits	-	(315,319)	(8,226)	(8,226)	323,545	-	-				
Total comprehensive income for the period	-	-	-	-	182,817	-	182,817				182,817
Balance as at June 30, 2020	1,308,073	289,795	-	-	182,817	3,175	1,783,860				
Balance as at January 1, 2019	1,308,073	605,114	8,226	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)				(54,285)
Balance as at June 30, 2019	1,308,073	605,114	8,226	8,226	(228,969)	3,175	1,695,619				

.....Director
(Thanit Tharetanavibool)

.....Director
(Pimwan Tharetanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the period	180,658	(60,548)	182,817	(54,285)
Adjustments to reconcile profit (loss) to cash provided by (used in) operating activities:				
Tax expense	352	51	352	51
Depreciation	54,163	37,061	47,324	29,192
Amortization of computer softwares	111	67	107	67
Bad debt	-	-	8,500	-
Loss on write-off of assets	7,387	2,237	2,063	2,237
Unrealized (gain) loss on investments in Open-end Fund	(10)	1,183	-	(46)
Reversal for devaluation of inventories	(40,800)	(760)	(40,800)	(760)
Reversal loss on impairment of vessel and equipment	(1,620)	-	-	-
Loss on impairment of investment in subsidiary	-	-	5,618	6,450
Non-current provisions for employee benefits	1,073	919	947	862
Interest income	(220)	(267)	(524)	(282)
Interest expenses	5,220	104	9,996	2,934
Gain (Loss) from operating activities before changes in operating assets and liabilities	206,314	(19,953)	216,400	(13,580)
Changes in operating assets - (increase) decrease :				
Trade and other current receivables	59,636	(77,153)	56,556	(77,654)
Inventories	104,728	(2,202)	104,728	(2,202)
Oil supplies	746	648	-	-
Deposit for purchase of assets	826	(12,261)	826	(12,261)
Other non-current assets	1,090	490	1,090	480
Changes in operating liabilities - decrease :				
Trade and other payables	(101,404)	29,436	(99,965)	30,130
Cash provided (used in) operating activities	271,936	(80,995)	279,635	(75,087)
Income tax paid	(179)	(249)	(5)	(278)
Refunded of income tax	2,067	3,902	2,067	3,902
Payment for employee benefit obligations	(377)	-	(377)	-
Net cash provided by (used in) operating activities	273,447	(77,342)	281,320	(71,463)

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.....Director

(Thanit Thararatnavibool)

.....Director

(Pimwan Thararatnavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"UNAUDITED"

"REVIEWED"

Unit : Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Decrease in restricted deposits at financial institution	11,178	-	11,178	-
Interest received	220	242	524	257
Decrease (increase) in current investments	-	120,158	-	(168)
Increase in other current financial assets	(44,133)	-	(44,133)	-
Cash paid from short-term loan to related party	-	-	(5,000)	(10,000)
Proceeds from receive from short-term loan to related party	-	-	11,500	-
Payment for purchases of assets	(21,105)	(119,803)	(20,789)	(108,988)
Payment for purchases of intangible assets	(66)	(204)	(66)	(176)
Proceeds from receive from disposal of assets	20,100	75	100	75
Net cash provided by (used in) investing activities	(33,806)	468	(46,686)	(119,000)
Cash flows from financing activities				
Interest paid	(5,220)	(104)	(9,996)	(2,934)
Increase (decrease) in bank overdraft from financial institutions	(3,558)	469	-	-
Proceeds of short-term loan from related party	200,000	50,000	200,000	230,000
Payment for short-term loans from related party	(360,000)	-	(360,000)	(60,000)
Net cash provided by (used in) financing activities	(168,778)	50,365	(169,996)	167,066
Net Increase (decrease) in cash and cash equivalents	70,863	(26,509)	64,638	(23,397)
Cash and cash equivalents at beginning of the period	59,028	54,526	52,402	46,638
Cash and cash equivalents at end of the period	129,891	28,017	117,040	23,241

Additional disclosure items to cash flows statements

Non-cash flows items consist of:

Assets payable for equipment	14,050	14,714	14,050	14,714
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.....Director
 (Thanit Thareratanavibool)

.....Director
 (Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
THE CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

1.1 Corporate 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.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates.

Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

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 2019), 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

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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, 2019. 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, 2019.

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.

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 subsidiaries (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, 2019.

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 that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. 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 Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Financial reporting standards related to financial instruments

A 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
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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.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement of current investments which comprise of investments in equity instruments of non-listed companies that the Group is to measure investments in equity instruments of non-listed companies at fair value and classify the investments as financial assets at fair value through profit or loss or through other comprehensive income. The Group's management assessed and considered that the cost of such investments has represented the fair value of investments in equity instruments of non-listed companies, and bank deposits over 3 months and up to 1 year that the Group is to measure the value by amortized cost. Therefore, the fair value measurement of the investments does not have any impact on the adjustment of retained earnings as at January 1, 2020.
- Recognition of credit losses that the Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and the general approach to consider impairment of short-term loans to related party. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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 Group's management has considered that the recognition of assets and liabilities for leases not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of equity instruments using Level 2 or Level 3 inputs.

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, 2019, except the adoption of new financial reporting standards which are effective on January 1, 2020 as follows:

3.1 Financial reporting standards related to financial instruments

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss (“FVPL”) and fair value through other comprehensive income (“FVOCI”). Classification of debt assets will be driven by the entity’s business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. The Group can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss
- Financial liabilities are classified and measured at amortised cost. The Group has elected to measure liabilities at fair value through profit or loss when stipulated conditions are met.
- Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

The impairment requirements

The accounting for expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income and loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group applies general approach for credit-impaired consideration. Except for trade receivables, they are permitted to measure by simplified approach for credit-impaired consideration.

3.2 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.

Where the Group is the lessee, leases are recognised as a right-of-use asset and a corresponding liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

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3.3 Impacts on the financial information

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment since January 1, 2020, and the comparative information was not restated.

The reclassifications in the statement of financial position as at January 1, 2020 are as follows:

Unit : Thousand Baht				
Consolidated financial statements				
The impacts of				
December 31, 2019	TFRS 9	TFRS 16	January 1, 2020	
Statement of financial position				
Current assets				
Current investment	8,692	(8,692)	-	-
Other current financial assets	-	8,692	-	8,692
Total assets	8,692	-	-	8,692

Unit : Thousand Baht				
Separate financial statement				
The impacts of				
December 31, 2019	TFRS 9	TFRS 16	January 1, 2020	
Statement of financial position				
Current assets				
Current investment	6,229	(6,229)	-	-
Other current financial assets	-	6,229	-	6,229
Total assets	6,229	-	-	6,229

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

3.3.1 Financial instruments

The classification and measurement basis

The classification and measurement basis, and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

Unit : Thousand Baht				
Consolidated financial statements as at January 1, 2020				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through		
		profit or loss	Amortised cost	Total
Financial assets				
Cash and cash equivalents	59,028	-	59,028	59,028
Current investment	8,692	2,527	6,165	8,692
Trade and other current receivables - net	368,993	-	368,993	368,993
Pledged deposits at financial institutions	16,947	-	16,947	16,947
Total financial assets	453,660	2,527	451,133	453,660
Financial liabilities				
Bank overdrafts loans from financial institutions	3,558	-	3,558	3,558
Trade and other current payables	337,472	-	337,472	337,472
Short-term loans from related parties	290,000	-	290,000	290,000
Total financial liabilities	631,030	-	631,030	631,030

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Unit : Thousand Baht

Separate financial statements as at January 1, 2020				
Carrying amounts				
	under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through		Total
		profit or loss	Amortised cost	
Financial assets				
Cash and cash equivalents	52,402	-	52,403	52,403
Current investment	6,229	64	6,165	6,229
Trade and other current receivables - net	368,195	-	368,195	368,195
Short-term loans to related parties	15,000	-	15,000	15,000
Pledged deposits at financial institutions	16,547	-	16,547	16,547
Total financial assets	458,373	64	458,310	458,374
Financial liabilities				
Trade and other current payables	337,354	-	337,354	337,354
Short-term loans from related parties	550,000	-	550,000	550,000
Total financial liabilities	887,354	-	887,354	887,354

Financial assets classified and measured at fair value through other comprehensive income or loss - None

Financial liabilities reclassified and measured at fair value through profit or loss – None

Financial assets and liabilities measured at amortised cost which are approximate their fair value.

4. TRANSECTION 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, 2020 and 2019 were as follows

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Unit : Thousand Baht

Pricing policies	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
<u>For the three-month periods</u>					
Other incomes - Interest income					
AI Logistics Company Limited	2.84, 3.75% P.A.	-	-	139	25
Purchase of raw material					
Samart Palm Industry Company	Market value	-	2,016	-	2,016
Administrative expenses					
Asian Insulators Public Company	Mutually agreed	615	480	493	271
AI Logistics Company Limited	Mutually agreed	-	-	8,500	-
Interest paid					
Asian Insulators Public Company	2.84, 3.65-3.75% P.A.	1,898	78	1,898	78
AI Ports and Terminals Company	2.84, 3.75% P.A.	-	-	2,431	1,532
Director	3.75% P.A.	58	-	58	-
<u>For the six-month periods</u>					
Other incomes - Interest income					
AI Logistics Company Limited	2.84, 3.75% P.A.	-	-	311	25
Purchase of raw material					
Samart Palm Industry Company	Market value	5,416	2,016	5,416	2,016
AI Ports and Terminals Company	Market value	-	-	45	-
Rental and Service					
AI Ports and Terminals Company	Mutually agreed	-	-	2,031	-
Administrative expenses					
Asian Insulators Public Company	Mutually agreed	1,370	892	947	503
AI Logistics Company Limited	Mutually agreed	-	-	8,500	-
Interest paid					
Asian Insulators Public Company	2.84, 3.65-3.75% P.A.	4,703	78	4,703	78
AI Ports and Terminals Company	2.84, 3.75% P.A.	-	-	4,862	2,856
Director	3.75% P.A.	432	-	432	-
.....Director			Director	19
(Thanit Thareratanavibool)				(Pimwan Thareratanavibool)	

Directors and management's remuneration

Directors and management's remuneration for the three-month and six-month periods ended June 30, 2020 and 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the three-month periods				
Short-term employee benefits	3,951	4,234	3,345	3,716
Long-term post-employment benefits	124	106	104	87
Total directors and management's remuneration	4,075	4,340	3,449	3,803
For the six-month periods				
Short-term employee benefits	8,309	8,295	7,098	7,260
Long-term post-employment benefits	248	212	208	174
Total directors and management's remuneration	8,557	8,507	7,306	7,434

Significant balances with related parties as at June 30, 2020 and December 31, 2019 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Assets				
Short-term loan to related party				
AI Logistics Company Limited	-	-	-	15,000
Liabilities				
Trade payables				
AI Ports and Terminals Company Limited	-	-	-	2,172
Other current payable				
AI Ports and Terminals Company Limited	-	-	-	177
Asian Insulators Public Company Limited	45	-	42	-
Short-term loan from related parties				
AI Ports and Terminals Company Limited	-	-	260,000	260,000
Asian Insulators Public Company Limited	130,000	250,000	130,000	250,000
Director	-	40,000	-	40,000

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

As at December 31, 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 15 million, with an interest rate of 3.75% per annum, due on June 30, 2020.

According to the Board of Director Meeting No.10/2020 of the AI Logistics Company Limited (“the subsidiary”) held on June 19, 2020, the management of the Company and of the subsidiary have passed a resolution to approve to reduce of the short-term loans to AI Logistics Company Limited in amount of Baht 8.50 million. Since AI Logistics Company Limited incurred continuous loss, halted business and all assets are disposed of. Therefore, it is inability to repay all loans.

As at June 30, 2020 and December 31, 2019, the Company has short-term loan from related parties, AI Ports and Terminals Company Limited (“the subsidiary”), Asian Insulators Public Company Limited (“the parent”) and a director. The Company issued promissory notes in the total amount of Baht 390 million and Baht 550 million, respectively, with an interest rate of 3.65 - 3.75% per annum, due on September 30, 2020.

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

5. TRADE AND OTHER CURRENT RECEIVABLES – NET

Trade and other current receivables as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivable - others	313,132	368,919	313,132	368,919
Total trade receivables	313,132	368,919	313,132	368,919
Less Allowance for doubtful accounts	(2,782)	(3,222)	(2,782)	(3,222)
Total trade receivables - net	310,350	365,697	310,350	365,697
Other current receivables				
Prepaid insurance	252	2,180	208	1,611
Prepaid expenses	342	410	337	278
Revenue Department receivable	213	96	-	-
Undue input tax	515	610	515	609
Other receivables	424	306	424	306
Others	112	-	112	-
Total other current receivables	1,858	3,602	1,596	2,804
Less Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Total other current receivables - net	1,552	3,296	1,290	2,498
Total trade and other current receivables - net	311,902	368,993	311,640	368,195

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

As at June 30, 2020 and December 31, 2019 outstanding balances of trade receivables aged by number of months were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Others				
Current	283,070	327,411	283,070	327,411
Overdue				
Within 3 months	-	7,770	-	7,770
Over 3 months to 6 months	-	30,516	-	30,516
Over 6 months to 12 months	-	-	-	-
Over 12 months	30,062	3,222	30,062	3,222
Total	313,132	368,919	313,132	368,919
<u>Less</u> Allowance for doubtful accounts	(2,782)	(3,222)	(2,782)	(3,222)
Total trade receivables - net	310,350	365,697	310,350	365,697

6. INVENTORIES – NET

Inventories as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2020	2019
Raw materials and chemicals	83,566	115,393
Work in process	85,449	156,775
Finished goods	73,742	78,251
Supplies	13,749	10,814
Total inventories	256,506	361,233
<u>Less</u> Allowance for devaluation of inventories	(3,200)	(44,000)
Total inventories - net	253,306	317,233

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

7. OIL SUPPLIES

Oil supplies as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2020	2019
Bunker oil	-	625
Lubricants	-	121
Total oil supplies	-	746

8. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at June 30, 2020 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Open-end Fund-Debt securities - at cost	2,482	63
<u>Add</u> unrealized gain on investment revaluation	55	1
Open-end Fund-Debt securities - net	2,537	64
Fixed deposits	50,298	50,298
Total other current financial assets	52,835	50,362

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

9. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at June 30, 2020 and December 31, 2019 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Thousand Baht Cost Method	
		2020	2019	2020	2019	2020	2019
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials. (At present halted business operation)	100.00	100.00	209	209	82,678	82,678
AI Ports and Terminals Company Limited	Servicing port and rental of tank farms. (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						(82,678)	(77,060)
Total investments in subsidiaries - net						352,395	358,013

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

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.....Director
(Thanit Tharatanavibool)

.....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 22.1).



.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

11. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2019	2,249,025	1,811,485
Purchases during period	35,623	35,268
Transfers in during period	79,868	79,868
Written off during period	(136,358)	(7,515)
Transfers out during period	(79,868)	(79,868)
As at June 30, 2020	2,148,290	1,839,238
Accumulated Depreciation		
As at December 31, 2019	(683,710)	(453,509)
Depreciation for the period	(54,163)	(47,324)
Depreciation - disposals for the period	108,402	4,922
As at June 30, 2020	(629,471)	(495,911)
Allowances for impairment of assets		
As at December 31, 2019	(19,020)	-
Reversal loss on impairment of vessel and equipment	1,620	-
As at June 30, 2020	(17,400)	-
Book value		
As at December 31, 2019	1,546,295	1,357,976
As at June 30, 2020	1,501,419	1,343,327

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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 period ended June 30, 2020 and 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the three-month periods				
Cost of sales and services	23,694	15,229	23,129	13,862
Selling and administrative expenses	4,496	4,784	975	859
	<u>28,190</u>	<u>20,013</u>	<u>24,104</u>	<u>14,721</u>
For the six-month periods				
Cost of sales and services	47,755	29,489	45,446	27,441
Selling and administrative expenses	6,408	7,572	1,878	1,751
	<u>54,163</u>	<u>37,061</u>	<u>47,324</u>	<u>29,192</u>

The gross carrying amounts of assets were fully depreciated but these items are still in active use by the Company and subsidiaries as at June 30, 2020 and December 31, 2019, in the consolidate financial statement totaling approximately Baht 49.60 million and Baht 147.08 million, respectively, and in the separate financial statements totaling approximately Baht 48.58 million and Baht 41.21 million, respectively.

In 2018, 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 in the consolidate financial statement from temporarily halted by using the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets. According to the appraisal report, the appraisal value amounted Baht 176.65 million. The property, plant and equipment appraisal above is the fair value measurement hierarchy in Level 2. The net book value of property, plant and equipment as at December 31, 2018, amount of Baht 194.05 million. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidated statements of financial position as at December 31, 2018.

In the fourth quarter of year 2019, the subsidiary had begun to earn income from operations with the Company and had stopped in February 2020. Since the subsidiary still has incur loss in the operation, therefore value in use of assets not more than of the net book value. The subsidiary recorded its depreciation in administrative expenses during temporarily halted main business operation.

In 2019, the subsidiary, AI Logistics Co., Ltd, has the net book value of vessel and improvement in the consolidate financial statement more than market value. Management has assessed the appropriateness of the valuation of the vessel of the subsidiary by using the work of the independent appraiser that the Company uses to evaluate the fair value of vessel. According to the appraisal report, the appraisal value amounted Baht 24.60 million. The vessel appraisal above is the fair value measurement hierarchy in Level 2. The net book value of vessel as at December 31, 2019, amount of Baht 26.22 million. There for, the company considered to set up the allowance for impairment amount of Baht 1.62 million, in the consolidated financial statements of the year ended December 31, 2019.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

On May 18, 2020, AI Logistics Company Limited (“the subsidiary”) entered into the Contracts for sale of vessel and improvement with a local company for the amount of Baht 20 million. The subsidiary had received the payment and the ownership of assets had been transferred as at May 21, 2020. The net book value of vessel and improvement as at May 21, 2020 (net of impairment of Baht 1.62 million) is Baht 24.30 million, then the subsidiary reversed allowance for impairment amount of Baht 1.62 million and recorded loss on disposal of the assets in amount of Baht 4.30 million in the consolidated statements of profit or loss for the six-month period ended June 30, 2020.

12. INTANGIBLE ASSETS – NET

Intangible assets as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
As at December 31, 2019	1,359	1,252
Purchases during period	66	66
Disposal /written off during period	(6)	-
As at June 30, 2020	1,419	1,318
Accumulated amortization		
As at December 31, 2019	(753)	(671)
Amortization for the period	(111)	(107)
Depreciation - disposals for the period	6	-
As at June 30, 2020	(858)	(778)
Book value		
As at December 31, 2019	606	581
As at June 30, 2020	561	540

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.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

13. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS

Bank overdrafts from financial institutions as at June 30, 2020 and December 31, 2019 consisted of:

		Unit : Thousand Baht	
		Consolidated financial statements	
		2020	2019
Bank overdrafts		-	3,558
Total		-	3,558

		Credit facilities (no collateral) (Unit : Thousand Baht)	
		Consolidated financial statements	
		2020	2019
Bank overdrafts		5,000	5,000
Total		5,000	5,000

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14. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2020 and December 31, 2019 consisted of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - related parties	-	-	-	2,172
Trade payables - others	189,306	271,190	189,306	269,821
Total trade payables	189,306	271,190	189,306	271,993
Other current payables				
Others current payables	8,505	6,464	8,501	6,638
Retention	7,622	14,154	7,622	14,154
Revenue Department payable	19,309	26,513	19,303	26,309
Accrued bonus expenses	2,862	-	2,862	-
Electricity payable	5,263	5,054	5,248	5,036
Accrued expenses	4,848	2,617	4,548	2,378
Payables for purchase of assets	14,050	8,375	14,050	8,375
Unearned revenue for goods and vessel operating	-	2,459	-	2,459
Others	724	646	-	12
Total other current payables	63,183	66,282	62,134	65,361
Total trade and other current payables	252,489	337,472	251,440	337,354

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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 period ended June 30, 2020 and 2019 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
Non-current provisions for employee				
benefit at beginning of period	9,599	8,269	8,937	7,588
Included in profit or loss:				
Current service cost	968	828	853	780
Interest cost	105	92	95	82
Benefit paid during the period	(377)	-	(377)	-
Non-current provisions for employee				
benefit at end of period	10,295	9,189	9,508	8,450

Employee benefit expenses in profit or loss for the three-month and six-month periods ended June 30, 2020 and 2019 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
<u>For the three-month periods</u>				
Cost of sales	265	249	265	249
Selling expenses	45	82	45	82
Administrative expenses	270	129	171	100
Total employee benefit expenses	580	460	481	431
<u>For the six-month periods</u>				
Cost of sales	516	498	516	498
Selling expenses	90	82	90	82
Administrative expenses	467	340	342	282
Total employee benefit expenses	1,073	920	948	862

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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.....Director
(Pimwan Thareratanavibool)

Principal actuarial assumptions as at June 30, 2020 and December 31, 2019 (represented by the weighted-average) were as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2.16 - 2.94	2.16 - 2.94	2.16	2.16
Salary increases rate	1.5 - 5.00	1.5 - 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	0.00 - 40.00	0.00 - 40.00	22.00 - 40.00	22.00 - 40.00
31 - 40 years old	0.00 - 28.00	0.00 - 28.00	16.00 - 28.00	16.00 - 28.00
41 - 50 years old	0.00 - 5.00	0.00 - 5.00	5.00	5.00
Above 51 years old	0.00	0.00	0.00	0.00

16. LEGAL RESERVE

16.1 Appropriation of 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.

16.2 Transfer of legal reserve and premium on ordinary shares to offset the deficits

On February 24, 2020, the Board of Directors' Meeting passed a resolution to propose to the Annual General Shareholders' Meeting of 2020 to consider and approve the transfer of legal reserve amounting to Baht 8.23 million and premium on ordinary shares amounting to Baht 315.32 million so as to offset the deficits in the Company's separate financial statements as at December 31, 2019, which, subsequently, on June 18, 2020, the Annual General Shareholders' Meeting passed a resolution for the aforementioned transfer of legal reserve and premium on ordinary shares. The Company completely recorded the transfer of legal reserve and premium on ordinary shares amounting to Baht 323.55 million to offset the deficits in the Company's separate financial statements.

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

17. DEFERRED TAX

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

	Unit : Thousand Baht			
	Consolidated/Separate financial statements			
	As at January 1, 2020	Profit (Loss)	comprehensive Income	As at June 30, 2020
Deferred tax assets				
Allowance for doubtful accounts	706	(88)	-	618
Non-current provision for employee benefits	1,787	114	-	1,901
Total	2,493	26	-	2,519
Deferred tax liabilities				
Depreciation	(4,962)	(378)	-	(5,340)
Total	(4,962)	(378)	-	(5,340)
Deferred tax liabilities - net	(2,469)	(352)	-	(2,821)

As at June 30, 2020 and December 31, 2019 The Company and its subsidiaries had tax losses carried forward amounting to Baht 114.57 million and Baht 215.56 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax loss carried forward.

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18. INCOME TAX EXPENSE

Income tax expenses for the three-month and six-month periods ended June 30, 2020 and 2019 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the three-month periods				
Current tax expense				
Current periods	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(130)	(36)	(130)	(36)
Total	(130)	(36)	(130)	(36)
For the six-month periods				
Current tax expense				
Current periods	-	-	-	-
Deferred tax expense				
Movements in temporary differences	(352)	(51)	(352)	(51)
Total	(352)	(51)	(352)	(51)
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.

19. PROMOTIONAL PRIVILEGES

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

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

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The Company revenues from sale of goods, vessel operating, port and terminal service revenues from overseas which are granted the promotional certificates for the three-month and six-month periods ended June 30, 2020 and 2019 in the separate financial statement, as follows:

Unit : Thousand Baht			
Separate financial statements			
	Promoted Activities	Non-promoted Activities	Total
For the three-month period ended June 30, 2020			
Revenues from sale of goods	894,284	142,426	1,036,710
Other incomes	-	907	907
Total	894,284	143,333	1,037,617
For the three-month period ended June 30, 2019			
Revenues from sale of goods	5,154	441,153	446,307
Other incomes	-	438	438
Total	5,154	441,591	446,745

Unit : Thousand Baht			
Separate financial statements			
	Promoted Activities	Non-promoted Activities	Total
For the six-month period ended June 30, 2020			
Revenues from sale of goods	2,027,143	846,694	2,873,837
Other incomes	-	2,626	2,626
Total	2,027,143	849,320	2,876,463
For the six-month period ended June 30, 2019			
Revenues from sale of goods	162,987	695,833	858,820
Revenues from production contract	-	5,065	5,065
Other incomes	-	870	870
Total	162,987	701,768	864,755

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20. 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, 2020 and 2019 were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the three-month periods				
AI Energy Public Company Limited	419	387	419	387
AI Logistic Company Limited	7	11	-	-
Total	426	398	419	387
For the six-month periods				
AI Energy Public Company Limited	833	770	833	770
AI Logistic Company Limited	14	21	-	-
Total	847	791	833	770

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21. SEGMENTS INFORMATION

The segments information for the three-month and six-month periods ended June 30, 2020 and 2019 was as follows:

		Unit : Thousand Baht				
		Consolidated financial statements				
		For the three-month period ended June 30, 2020				
		Production contract	Sale of Refine	Vessel	Port	Total
		of refine crude	Glycerine	operating	services	
		palm oil				
Sale of biodiesel and vegetable oil and by product						
	993,674	-	43,036	4,901	-	1,041,611
	(954,631)	-	(40,145)	(7,099)	-	(1,001,875)
Revenues from sales and services	39,950	-	4,200	-	-	44,150
Cost of sales and services	78,993	-	7,091	(2,198)	-	83,886
Reversal for devaluation of inventories						1,475
Gross profit (loss) by segment						(9,113)
Other income						(25,723)
Selling expenses						(1,987)
Administrative expenses						(130)
Finance costs						48,408
Tax expenses						
Profit for the period						

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Unit : Thousand Baht

Consolidated financial statements							
For the six-month period ended June 30, 2020							
	Sale of biodiesel and vegetable oil and by product	Production contract of refine crude palm oil	Sale of Refine Glycerine	Vessel operating	Port services	Total	
Revenues from sales and services	2,814,581	-	59,256	9,779	-	2,883,616	
Cost of sales and services	(2,594,684)	-	(65,262)	(17,444)	-	(2,677,390)	
Reversal for devaluation of inventories	1,450	-	39,350	-	-	40,800	
Gross profit (loss) by segment	221,347	-	33,344	(7,665)	-	247,026	
Other income						3,027	
Selling expenses						(18,896)	
Administrative expenses						(44,927)	
Finance costs						(5,220)	
Tax expenses						(352)	
Profit for the period	890,200		453,127	-	158,092	1,501,419	
Property, plant, vessel and equipment-net						180,658	

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(Pimwan Tharatanavibool)

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	(413,839)	-	(7,388)	-	(421,227)
Allowance for devaluation of inventories	(18,490)	-	-	-	(18,490)
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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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	(868,353)	(3,716)	(15,247)	-	(887,316)
Allowance for devaluation of inventories	(760)	-	-	-	(760)
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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22. COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at June 30, 2020 and December 31, 2019 were as follows:

22.1 Letters of guarantee

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

	Unit : Thousand Baht	
	Consolidated/Separate financial statements	
	2020	2019
Guarantee for importation machinery	-	11,178
Guarantee for electricity usage	5,769	5,769
Total	5,769	16,947

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

	Contracted Balance (Unit : Thousand Baht)	
	Consolidated/Separate financial statements	
	2020	2019
Capital commitments		
Contracted but not provided for		
work in process - building and utility systems	4,338	1,877
work in process - machinery	3,479	4,557
work in process - Purify Glycerin project	-	12,020

22.3 On June 20, 2017, the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (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.

During the year of 2019, the Company requested a legal opinion this case with an independent law firm, whose letter dated November 11, 2019, has an opinion that the case is the criminal complaint against former directors and executives of the Company which is a personal matter, and the Company which is a juristic person will not be liable in any way. Therefore, when former directors and executives of the Company have complaint against it will not have any impact on the Company.

The Company's management believes that final result investigation in such case have not any significant impact on the Company's financial statements.

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

23. 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.

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value and fair value of financial assets and financial liabilities as at June 30, 2020 and January 1, 2020 are presented below.

	Unit : Thousand Baht			
	Consolidated financial statements as at June 30, 2020			
	Carrying value			Fair value
Fair value through	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	129,891	129,891	129,891
Trade and other receivables - net	-	311,902	311,902	311,902
Other current financial assets	2,537	50,298	52,835	52,835
Pledged deposits at financial institutions	-	5,769	5,769	5,769
Total financial assets	2,537	497,860	500,397	500,397
Financial liabilities				
Trade and other current payables	-	252,489	252,489	252,489
Short-term loans from related parties	-	130,000	130,000	130,000
Total financial liabilities	-	382,489	382,489	382,489

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.....Director
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Unit : Thousand Baht

Consolidated financial statements as at January 1, 2020

	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	59,028	59,028	59,028
Trade and other receivables - net	-	368,993	368,993	368,993
Other currents financial assets	2,527	6,165	8,692	8,692
Pledged deposits at financial institutions	-	16,947	16,947	16,947
Total financial assets	2,527	451,133	453,660	453,660
Financial liabilities				
Bank overdrafts loans from financial institutions	-	3,558	3,558	3,558
Trade and other current payables	-	337,472	337,472	337,472
Short-term loans from related parties	-	290,000	290,000	290,000
Total financial liabilities	-	631,030	631,030	631,030

Unit : Thousand Baht

Separate financial statements as at June 30, 2020

	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	117,040	117,040	117,040
Trade and other receivables - net	-	311,640	311,640	311,640
Other currents financial assets	64	50,298	50,362	50,362
Pledged deposits at financial institutions	-	5,369	5,369	5,369
Total financial assets	64	484,347	484,411	484,411
Financial liabilities				
Trade and other current payables	-	251,440	251,440	251,440
Short-term loans from related parties	-	390,000	390,000	390,000
Total financial liabilities	-	641,440	641,440	641,440

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(Pimwan Thareratanavibool)

Unit : Thousand Baht

Separate financial statements as at January 1, 2020

	Carrying value			Fair value
	Fair value through profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	52,402	52,402	52,402
Trade and other receivables - net	-	368,195	368,195	368,195
Short-term loans to related parties	-	15,000	15,000	15,000
Other current financial assets	64	6,165	6,229	6,229
Pledged deposits at financial institutions	-	16,547	16,547	16,547
Total financial assets	64	458,309	458,373	458,373
Financial liabilities				
Trade and other current payables	-	337,354	337,354	337,354
Short-term loans from related parties	-	550,000	550,000	550,000
Total financial liabilities	-	887,354	887,354	887,354

Other current financial assets that is 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.

25. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on August 14, 2020.

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