

AI ENERGY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

JUNE 30, 2014

518/3 อาคารเมธียาเซ็นเตอร์ นอร์ ชั้น 7
ถนนเพลินจิต แขวงลุมพินี
เขตปทุมวัน กรุงเทพฯ 10330
โทร./โทรสาร 0-2252-2860, 0-2255-2518
0-2254-1210, 0-2250-0634
0-2254-8386-7
โทรสาร อัดโนมิติ 0-2253-8730
อีเมล virach5183@yahoo.com
เว็บไซต์ http://www.vaaudit.com

V & A

บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอตส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

518/3 Maneeya Center North Building, 7th Floor
Ploenchit Road, Lumpinee District
Khet Patumwan, Bangkok 10330
Tel./Fax 66 (0) 2252-2860, 2255-2518
2254-1210, 2250-0634
2254-8386-7
Auto Fax 66 (0) 2253-8730
Email virach5183@yahoo.com
Website http://www.vaaudit.com

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

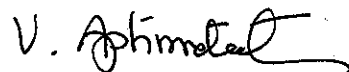
I have reviewed the accompanying consolidated statement of financial position of AI Energy Public Company Limited and subsidiaries as at June 30, 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2014, changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements, and have also reviewed the separate financial statements of AI Energy Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 the Thai Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements 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 34: Interim Financial Reporting.



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

Dr. Virach & Associates Office Co., Ltd.

Bangkok: August 14, 2014

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2014

		THOUSAND BAHT				
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		
		As at	As at	As at	As at	
		JUNE 30, 2014	DECEMBER 31, 2013	JUNE 30, 2014	DECEMBER 31, 2013	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
Notes		REVIEWED	REVIEWED	REVIEWED	REVIEWED	
Current Assets						
	Cash and cash equivalents	5	116,736	73,120	93,832	66,680
	Short-term investments		50	50	50	50
	Trade and other receivables	6	294,083	273,961	472,252	270,553
	Short-term loans to related parties	7	-	-	140,000	-
	Inventories		927,742	370,585	413,071	370,455
	Oil supplies		4,783	4,821	-	-
	Other current assets		1,740	2,920	1,481	2,689
	Non-current assets classified as held for sale		2,035	-	2,035	-
	Total Current Assets		1,347,169	725,457	1,122,721	710,427
Non-current Assets						
	Investments in subsidiaries	8	-	-	435,073	435,073
	Fixed deposits with obligation	9	2,000	2,000	2,000	2,000
	Property, plant, vessel and equipment		1,345,130	1,264,716	802,933	714,782
	Intangible assets		167	105	167	104
	Deferred tax assets	15	1,892	4,305	1,892	4,305
	Other non-current assets					
	Withholding tax		6,686	5,611	6,505	5,611
	Deposit		8,022	20,576	8,022	29,576
	Others		158	128	114	84
	Total other non-current assets		14,866	26,315	14,641	35,271
	Total Non-current Assets		1,364,055	1,297,441	1,256,706	1,191,535
	TOTAL ASSETS		2,711,224	2,022,898	2,379,427	1,901,962

Notes to the interim financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		JUNE 30, 2014	DECEMBER 31, 2013	JUNE 30, 2014	DECEMBER 31, 2013
		UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	10	553,192	93,618	270,192	40,000
Trade and other payables	11	196,815	63,703	180,057	56,244
Accrued interest		812	527	765	199
Current portion of long-term loans	12	22,080	32,343	-	10,803
Other current liabilities					
Revenue Department payable		16,493	12,298	16,245	12,037
Others		1,152	1,564	1,078	1,522
Total other current liabilities		17,645	13,862	17,323	13,559
Total Current Liabilities		790,544	204,053	468,337	120,805
Non-current Liabilities					
Long-term loans	12	87,920	56,286	-	20,588
Provision for long-term employee benefits		11,036	9,966	8,734	7,870
Total Non-current Liabilities		98,956	66,252	8,734	28,458
TOTAL LIABILITIES		889,500	270,305	477,071	149,263
Shareholders' Equity					
Share capital					
Authorized share capital					
1,130,000,000 common stocks of Baht 1 par value		1,130,000	1,130,000	1,130,000	1,130,000
Issued and paid-up share capital					
1,130,000,000 common stocks at Baht 1 each		1,130,000	1,130,000	1,130,000	1,130,000
Premium on common stocks		605,114	605,114	605,114	605,114
Retained earnings					
Appropriated					
Legal reserve		879	879	879	879
Unappropriated		90,956	21,825	166,363	16,706
Other components of shareholders' equity					
Difference on business combination under common control	8	(5,225)	(5,225)	-	-
Total Shareholders' Equity		1,821,724	1,752,593	1,902,356	1,752,699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,711,224	2,022,898	2,379,427	1,901,962

Notes to the interim financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014

	Notes	THOUSAND BAHT EXCEPT EARNINGS (LOSS) PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Sales		1,033,075	1,091,028	1,023,186	1,076,034
Revenues from production contract		18,041	32,774	18,041	32,774
Vessel operating income		9,188	8,016	-	-
Port service		1,000			
Other incomes		4,031	5,604	4,288	5,578
Total Revenues		1,065,335	1,137,422	1,045,515	1,114,386
EXPENSES					
Cost of sales		1,014,650	1,016,760	939,401	1,007,382
Cost of production contract		11,609	15,253	11,609	15,253
Cost of vessel operating		16,367	7,493	-	-
Cost of port service		497	-	-	-
Selling expenses		15,239	19,284	14,393	18,840
Administrative expenses		12,158	12,522	9,168	8,608
Directors' remuneration	13	552	685	552	685
Finance costs		7,538	10,739	1,980	8,579
Total Expenses		1,078,610	1,082,736	977,103	1,059,347
Profit (Loss) before income tax		(13,275)	54,686	68,412	55,039
Income tax expenses	15	2,812	11,032	2,812	11,032
Profit (Loss) for the periods		(16,087)	43,654	65,600	44,007
Other comprehensive income (loss) for the periods		-	-	-	-
Total comprehensive income (loss) for the periods		(16,087)	43,654	65,600	44,007
Profit (Loss) Attributable to					
Equity holders of the parent		(16,087)	43,936	65,600	44,007
Non-controlling interests		-	(282)	-	-
		(16,087)	43,654	65,600	44,007
Earnings (Loss) per Share of the Parent					
Basic Earnings (Loss) per Share (Baht)		(0.014)	0.049	0.058	0.049
The number of common stocks used in computation earnings (loss) per share (share)		1,130,000,000	901,648,352	1,130,000,000	901,648,352

Notes to the financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	Notes	THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Sales		2,239,354	2,182,483	2,405,676	2,154,411
Revenues from production contract		31,225	55,000	31,225	55,000
Vessel operating income		20,726	22,044	-	-
Port service		1,000	-	-	-
Other incomes		7,478	5,757	7,699	5,714
Total Revenues		2,299,783	2,265,284	2,444,600	2,215,125
EXPENSES					
Cost of sales		2,115,827	2,025,936	2,221,770	2,003,473
Cost of production contract		20,992	24,853	20,992	24,853
Cost of vessel operating		25,549	19,071	-	-
Cost of port service		497	-	-	-
Selling expenses		27,513	34,257	25,452	33,248
Administrative expenses		25,633	23,884	19,633	18,121
Directors' remuneration	13	1,230	685	1,230	685
Finance costs		10,998	27,713	3,453	20,565
Total Expenses	14	2,228,239	2,156,399	2,292,530	2,100,945
Profit before income tax		71,544	108,885	152,070	114,180
Income tax expenses	15	2,413	22,990	2,413	22,990
Profit for the periods		69,131	85,895	149,657	91,190
Other comprehensive income (loss) for the periods		-	-	-	-
Total comprehensive income for the periods		69,131	85,895	149,657	91,190
Profit (Loss) Attributable to					
Equity holders of the parent		69,131	91,120	149,657	91,190
Non-controlling interests		-	(5,225)	-	-
		69,131	85,895	149,657	91,190
Earnings per Share of the Parent					
Basic Earnings per Share (Baht)		0.06	0.14	0.13	0.14
The number of common stocks used in computation earnings per share (share)		1,130,000,000	637,292,818	1,130,000,000	637,292,818

Notes to the financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

CONSOLIDATED

THOUSAND BAHT

	Note	Shareholders' equity of the parent					Difference on business combination under common control	Total equity of the parent	Non-controlling interests	Total
		Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)	Legal reserve	Unappropriated				
Year 2013										
Beginning balances as at January 1, 2013 - before restated		370,000	-	(218,233)	-	-	151,767	181,073	332,840	
Cumulative effect of the change in accounting policy income taxes	3	-	-	41,042	-	-	41,042	-	41,042	
Beginning balances as at January 1, 2013 - restated balances		370,000	-	(177,191)	-	-	192,809	181,073	373,882	
Capital increase		590,000	-	-	-	-	590,000	-	590,000	
Increase (decrease) in non-controlling interests										
- from increase in investment		-	-	-	-	-	-	254,000	254,000	
- from share purchase from old shareholders		-	-	-	-	-	-	(429,848)	(429,848)	
Total comprehensive income (loss) for the period		-	-	91,120	-	-	91,120	(5,225)	85,895	
Surplus on business combination under common control		-	-	-	-	(5,225)	(5,225)	-	(5,225)	
Ending balances as at June 30, 2013		960,000	-	(86,071)	-	(5,225)	868,704	-	868,704	
Year 2014										
Beginning balances as at January 1, 2014		1,130,000	605,114	21,825	879	(5,225)	1,752,593	-	1,752,593	
Total comprehensive income for the period		-	-	69,131	-	-	69,131	-	69,131	
Ending balances as at June 30, 2014		1,130,000	605,114	90,956	879	(5,225)	1,821,724	-	1,821,724	

Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

SEPARATE FINANCIAL STATEMENTS

THOUSAND BAHT

	Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)		Other components of shareholders'	Total
			Legal reserve	Unappropriated		
<u>Year 2013</u>						
Beginning balances as at January 1, 2013 - before restated	370,000	-	-	(218,233)	-	151,767
Cumulative effect of the change in accounting policy income taxes	-	-	-	41,042	-	41,042
Beginning balances as at January 1, 2013 - restated balances	370,000	-	-	(177,191)	-	192,809
Capital increase	590,000	-	-	-	-	590,000
Total comprehensive income for the period	-	-	-	91,190	-	91,190
Ending balances as at June 30, 2013	960,000	-	-	(86,001)	-	873,999
<u>Year 2014</u>						
Beginning balances as at January 1, 2014	1,130,000	605,114	879	16,706	-	1,752,699
Total comprehensive income for the period	-	-	-	149,657	-	149,657
Ending balances as at June 30, 2014	1,130,000	605,114	879	166,363	-	1,902,356



Notes to the interim financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/2)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX	71,544	108,885	152,070	114,180
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	35,024	32,032	17,989	15,567
Amortization of computer softwares	20	8	19	6
Gain on equipment disposal	(1)	-	(5)	-
Bad debts	18	-	18	-
Doubtful debt	(78)	13	(78)	13
Unrealized loss on exchange rates	102	326	107	228
Increase (decrease) on provision for diminution in inventory value	68,246	(8,594)	-	(8,594)
Long-term employee benefit expenses	1,070	1,830	864	2,047
Interest income	(235)	(228)	(578)	(217)
Interest expenses	9,789	27,553	3,321	20,417
Amortization of withholding tax	78	-	78	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	185,577	161,825	173,805	143,647
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	(20,150)	(45,141)	(201,384)	(44,912)
Inventories	(625,403)	421,611	(42,616)	421,630
Oil supplies	38	(800)	-	-
Other current assets	(609)	(608)	(581)	(428)
Other non-current assets	-	-	9,000	(9,000)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	133,720	(18,801)	123,579	(21,222)
Other current liabilities	3,783	(901)	3,764	(1,017)
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(323,044)	517,185	65,567	488,698
Income tax refunded	1,789	1,265	1,789	1,265
Income tax expenses paid	(1,153)	(1,412)	(972)	(1,412)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(322,408)	517,038	66,384	488,551

Notes to the interim financial statements form an integral part of these statements.

U

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/2)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

THOUSAND BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short-term loans to related party	-	-	(140,000)	-
Interest received	216	228	216	217
Increase in fixed deposits with obligation	-	(2,009)	-	(2,009)
Payment for shares purchase in subsidiaries from old shareholders	-	(435,073)	-	(435,073)
Purchase of land and equipment	(91,625)	(17,926)	(82,317)	(17,143)
Interest payment for equipment installation	-	(248)	-	(248)
Proceeds from disposal of equipment	126	-	120	-
Purchase of computer softwares	(82)	-	(82)	-
Payment deposit on equipment	(8,022)	(5,750)	(8,022)	(5,651)
Payment payable from purchase of equipment	(6,030)	(3,778)	(5,193)	(3,667)
NET CASH USED IN INVESTING ACTIVITIES	(105,417)	(464,556)	(235,278)	(463,574)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest expenses paid	(9,504)	(28,776)	(2,755)	(21,606)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	459,574	(437,670)	230,192	(439,993)
Decrease in short-term loans from related party	-	(374,000)	-	(130,000)
Increase in long-term loans from financial institutions	110,000	-	-	-
Payment for long-term loans from financial institutions	(88,629)	(49,306)	(31,391)	(14,036)
Proceeds from capital increase	-	590,000	-	590,000
Increase in non-controlling interests	-	254,000	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	471,441	(45,752)	196,046	(15,635)
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,616	6,730	27,152	9,342
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	73,120	18,841	66,680	15,283
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	116,736	25,571	93,832	24,625
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
Non-cash flows items :				
Assets payable for equipment	5,427	13,885	5,427	13,743
Transferred deposit to equipment	20,546	1,905	20,546	1,905
Transferred machinery to non-current assets classified as held for sale	2,035	-	2,035	-
Transferred deposit to other non-current assets	30	-	30	-

Notes to the interim financial statements form an integral part of these statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2014

1. GENERAL INFORMATION

1.1 Company status	(1) A juristic person established under Thai law on October 4, 2006. (2) A subsidiary of Asian Insulators Public Company Limited.
1.2 Company location	55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.
1.3 Type of business	1. Producing and distributing fuel oil, energy product, vegetable fats and animal fats. 2. Invested in subsidiaries which operate business according to Note 8 to the interim financial statements.

On May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 was held and approved the transformation from company limited to public company limited. The Company has registered the transformation to the public company limited with the Ministry of Commerce on May 9, 2013.

The Company has been listed on the Market for Alternative Investment (mai) on January 6, 2014.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 These interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of the Securities and Exchange Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2013.

2.2 The interim consolidated financial statements included the interim financial statements of AI Energy Public Company Limited and its subsidiaries as follows :

COMPANIES	% HOLDING	
	JUNE 30, 2014	DECEMBER 31, 2013
AI Logistics Company Limited	100.00	100.00
AI Ports and Terminals Company Limited	100.00	100.00

On April 10, 2013, the Company invested in subsidiaries as mentioned in Note 8 to the financial statements, which constitutes a business combination under common control. To be presented herein as if AI Logistics Company Limited and AI Ports and Terminals Company Limited are subsidiaries of the time. Therefore, the Statements of Comprehensive Income for the three-month and six-month periods ended June 30, 2013, included the results of operations of AI Logistics Company Limited and AI Ports and Terminals Company Limited for the three-month and six-month periods ended June 30, 2013, without regarding to the date of the acquisition of subsidiaries.

- 2.3 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.
- 2.4 The interim financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.5 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.6 Accounting standards that became effective in the current accounting period

The Company and subsidiaries have disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended December 31, 2013. In addition, during the current period, the Federation of Accounting Professions has issued TAS 36 (revised 2012) Impairment of Assets, that is also effective for fiscal years beginning on or after January 1, 2014.

Management of group companies has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact.

3. CHANGE IN ACCOUNTING POLICY

In year 2013, the Company has adopted accounting policy of deferred tax in accordance with Thai Accounting Standard No. 12: Income Taxes. To adopt this accounting policy, the Company has to restate the financial statements, as if the Company has recorded deferred tax assets or deferred tax liabilities, by adjusted to the beginning deficits of the period in the year 2013, for the consolidated and separate financial statements in amount of Baht 41.04 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of computation used in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2013.

And in 2014, there is the additional accounting policy as follows:

Non-current assets classified as held for sale

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

5. CASH AND CASH EQUIVALENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Cash	256	146	98	-
Savings account	113,064	75,356	90,356	69,064
Current account	879	(4,406)	841	(4,408)
Fixed deposit	2,537	2,024	2,537	2,024
Total cash and cash equivalents	116,736	73,120	93,832	66,680

6. TRADE AND OTHER RECEIVABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Notes receivable	6,683	5,103	6,683	5,103
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	249,792	222,915	247,155	222,222
Overdue within 3 months	28,951	37,940	211,384	37,261
Over 3 to 6 months	20	-	20	-
Over 6 to 12 months	583	-	481	-
Over 12 months	3,688	3,766	3,688	3,766
Total trade accounts receivable	289,717	269,724	469,411	268,352
<u>Less</u> Allowance for doubtful accounts	(3,688)	(3,766)	(3,688)	(3,766)
Trade accounts receivable-net	286,029	265,958	465,723	264,586
Other receivables	8,360	8,309	6,835	6,273
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Other receivables-net	8,054	8,003	6,529	5,967
Total trade and other receivables-net	294,083	273,961	472,252	270,553

7. SHORT-TERM INVESTMENTS

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	June 30, 2014	
	Amount	Interest rates
AI Ports and Terminals Company Limited		
Beginning principal balances	-	
<u>Add</u> Additional loans extended during the period	140,000	
<u>Less</u> Settlement during the period	-	
Ending principal balances	140,000	3.70%

8. INVESTMENTS IN SUBSIDIARIES

THOUSAND BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
AI Logistics Company Limited	100.00	100.00	82,678	82,678
AI Ports and Terminals Company Limited	100.00	100.00	352,395	352,395
Total Investments in Subsidiaries			435,073	435,073

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL (THOUSAND BAHT)		DIVIDEND FOR THE SIX-MONTH PERIODS ENDED	
		Jun. 30,14	Dec. 31,13	Jun. 30,14	Jun. 30,13
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	209,000	209,000	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable fat and other fuel oil	460,000	460,000	-	-

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

On April 9, 2013, the Ordinary General Shareholders' Meeting of AI Ports and Terminals Company Limited was held and approved to increase authorized share capital from Baht 255,000,000 (amount of 25,500,000 shares of Baht 10 par value) to Baht 460,000,000 (amount of 46,000,000 shares of Baht 10 par value), which has registered the capital increase 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.

9. FIXED DEPOSITS WITH OBLIGATION

The Company has pledged fixed deposit at bank as collateral for the issuance of bank guarantee.

10. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Bank overdrafts	192	3,618	192	-
Short-term loans from financial institutions	553,000	90,000	270,000	40,000
Total	553,192	93,618	270,192	40,000

11. TRADE AND OTHER PAYABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Trade accounts payable	164,400	46,862	149,809	40,973
Accrued expenses	9,366	6,011	7,199	4,878
Assets payable	5,807	6,030	5,807	5,193
Other payable	17,242	4,800	17,242	5,200
Total	196,815	63,703	180,057	56,244

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS AND CURRENT PORTION

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Jun.30, 14	Dec.31, 13
Baht 13.75 million started on May 19, 2010 by AI Energy Public Company Limited	<ul style="list-style-type: none"> - The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in June 2010 and will be finished within May 2017. - Monthly payment of interest rate at MLR-1.25 per annum. - Interest rate swap contracts to be fixed rate at 6.39% per annum from February 2012 until February 2015. 	-	6,854
Baht 56.00 million started on September 16, 2011 by AI Energy Public Company Limited	<ul style="list-style-type: none"> - The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in October 2011 and will be finished within September 2018. - Monthly payment of interest rate at MLR-1.25 per annum. - Interest rate swap contracts to be fixed rate at 6.40% per annum from February 2012 until February 2015. 	-	24,537
Long-term loans from financial institutions	Separate financial statements **	-	31,391
<u>Less</u> Current portion of long-term loans		-	(10,803)
Long-term loans from financial institutions-net	Separate financial statements	-	20,588

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Jun.30, 14	Dec.31, 13
Baht 90 million started on April 3, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	-	38,719
Baht 45 million started on April 28, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	-	18,519
Baht 110 million started on June 30, 2014 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in July 2014 and will be finished within June 2019. - Monthly payment of interest rate at MLR per annum.	110,000	-
Total long-term loans from financial institutions	Consolidated (include **)	110,000	88,629
Less Current portion of long-term loans		(22,080)	(32,343)
Long-term loans from financial institutions-net	Consolidated	87,920	56,286

During the quarter 2/2014, the Company and subsidiary have made repayment of the principal before due date with the bank. The Company and subsidiary have to pay fee of prepayment and the different of interest rate according to the interest rate swap contracts.

On June 30, 2014, the subsidiary has borrowed long-term loans from new financial institution with credit line Baht 100 million. The significant conditions under loan contract of subsidiary and the financial institution are summarized as follows:

- The subsidiary will not take the machinery and equipment in the port and terminal to commit obligations (Negative Pledge).
- The subsidiary agreed to transfer its rights, duty and any benefits according to the agreement including various relative collaterals according to the agreement to the creditors by providing the letter of consent for them.
- The subsidiary will maintain the ratio of debt to equity not exceeding 2:1 including loan from director as part of capital.

- The subsidiary will maintain the debt coverage ratio at minimum ratio of 1.25:1.

The subsidiary has mortgaged its land with structures and port as collateral for loans with jointly guaranteed by the Company.

Long-term loans due within one year were shown under current liabilities.

13. DIRECTORS' REMUNERATION

On March 24, 2014, the Ordinary General Shareholders' Meeting for 2014 was held and approved to pay the directors' remuneration for 2014 at the maximum of Baht 2.50 million.

On April 9, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved to pay the directors' remuneration for 2013 at the maximum of Baht 1.54 million.

On May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 has resolved the directors' remuneration for 2013 to pay the maximum of Baht 2.20 million, which has been approved by the Ordinary General Shareholders' Meeting on April 9, 2013.

14. EXPENSES BY NATURE

FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(Increase) decrease in change of finished goods and work in progress	(73,105)	148,493	(73,105)	148,512
Raw materials and consumables used	1,355,487	1,698,317	1,931,313	1,694,225
Loss (reverse) on diminution in inventory value	68,246	(8,594)	-	(8,594)
Purchase of goods for sale	713,099	125,505	313,268	113,777
Vessel operating expenses	3,454	2,426	-	-
Management benefit expenses	6,873	2,954	6,304	2,615
Employee benefit expenses	36,212	33,813	27,285	25,832
Depreciation and amortization expenses	35,044	32,040	18,008	15,573
Finance costs	10,998	27,713	3,453	20,565
Other expenses	71,931	93,732	66,004	88,440
Total expenses	2,228,239	2,156,399	2,292,530	2,100,945

15. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the three-month and six-month periods ended June 30, 2014 and 2013 were calculated from the accounting profit (loss), adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes and the adjusted net loss brought forward under Revenue Code not exceeding 5 accounting years prior to the current year.

The non-BOI business, the income tax computation of the Company and subsidiaries were calculated at the rate of 20 per cent.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 17).

Income taxes expenses recognized in income statements consist:

THOUSAND BAHT

FOR PERIODS ENDED JUNE 30,	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2014	2013
<u>For the three-month periods</u>		
The corporate income tax for the periods	-	-
Deferred taxes from temporary differences	2,812	11,032
Income tax expenses	2,812	11,032
<u>For the six-month periods</u>		
The corporate income tax for the periods	-	-
Deferred taxes from temporary differences	2,413	22,990
Income tax expenses	2,413	22,990

As at June 30, 2014 and December 31, 2013, the deferred tax assets arose from the following temporary differences:

THOUSAND BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013
Accumulated temporary differences in the statements of income		
Allowance for doubtful debt	3,994	4,072
Calculate depreciation difference from tax rate	(9,974)	-
Provision for long-term employee benefits	8,734	6,706
Tax deficits not exceeding 5 accounting years	6,707	9,580
Total	9,461	20,358
Temporary differences in the retained earnings		
Provision for long-term employee benefits	-	1,164
Total	9,461	21,522
Deferred tax assets calculated from tax rate of 20%	1,892	4,305

16. FOREIGN CURRENCY TRANSACTIONS

The Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

UNIT: THOUSAND

PARTICULARS	CONSOLIDATED				SEPARATE FINANCIAL STATEMENTS			
	June 30, 2014		December 31, 2013		June 30, 2014		December 31, 2013	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	247.34	7,991.95	141.56	4,625.95	247.21	7,987.69	141.49	4,623.58
<u>Liabilities</u>								
USD	222.39	7,254.95	111.39	3,670.32	86.03	2,809.52	-	-

17. PROMOTIONAL PRIVILEGES

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

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
AI Energy Public Co., Ltd.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
AI Logistics Co., Ltd.	2029(2)/2549	June 27, 2006	Ship transportation	June 26, 2014
	1434(2)/2550	June 11, 2007	Ship transportation	June 10, 2015
AI Ports and Terminals Co., Ltd.	1373(2)/2552	July 1, 2009	Ports and terminals service	June 30, 2017
	1374(2)/2552	August 6, 2009	Ports and terminals service	August 5, 2017

5. Important privileges which are granted :

5.1 Exemption from corporate income tax on net profit of promotional operation for 8 years. Whereby the promotional certificates No. 2029(2)/2549, 1434(2)/2550, 1373(2)/2552 and 1374(2)/2552 have limited amount for corporate income tax exemption at maximum of Baht 66.26 million, Baht 107.00 million, Baht 303.49 million and Baht 200.00 million, respectively.

5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 through out the promotional period of all promotional certificates.

5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption is expired as 5.1 for 5 years especially for promotional certificate No. 1922(1)/2553.

5.4 Allowance for double deduction of annual expenses of public utilities (electricity, water supply and transportation), commencing from the generating revenues date for 10 years of promotional certificate No. 1922(1)/2553.

5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.

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

18. COMMITMENT AND CONTINGENT LIABILITIES

The Company and subsidiaries have commitment and contingent liabilities as follows:

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Letters of guarantee issued by commercial banks	5.14	5.14	2.64	2.64

- 18.1 As at June 30, 2014 and December 31, 2013, the Company has capital expenditure commitment for the purchase of machinery and equipment contract amount Baht 18.27 million and 47.97 million, respectively.
- 18.2 The Company has signed inventory management contract with AI Ports and Terminals Company Limited amount of 15 tanks which located at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon amount of 5 tanks and at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon amount of 10 tanks by having contract period for one year, commencing from April 1, 2014 to March 31, 2015. The Company has to pay service fee amount of Baht 2 million per month.

19. FINANCIAL INFORMATION BY SEGMENT

CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014	THOUSAND BAHT						Total
	Sale of biodiesel vegetable oil and by product	Contract of refine crude palm oil	Sale of insulators component	Sale of ice cube	Vessel operating	Port services	
Revenues from sales and services	2,222,393	31,225	1,920	15,041	20,726	1,000	2,292,305
Cost of sales and services	(2,101,876)	(20,992)	(1,480)	(12,471)	(25,549)	(497)	(2,162,865)
Gross profit (loss) by segment	120,517	10,233	440	2,570	(4,823)	503	129,440
Non-allocation expenses							(54,376)
Profit from operation							75,064
Other income							7,478
Finance costs							(10,998)
Income tax expenses							(2,413)
Profit for the period							69,131
Property, plant, vessel and equipment-net	802,933			21,117	70,783	450,297	1,345,130

THOUSAND BAHT							
CONSOLIDATED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013	Sale of biodiesel vegetable oil and by product	Contract of refine crude palm oil	Sale of insulators component	Sale of ice cube	Port services	Vessel operating	Total
Revenues from sales and services	2,144,774	55,000	24,399	13,310	22,044	-	2,259,527
Cost of sales and services	(1,994,749)	(24,853)	(19,129)	(12,058)	(19,071)	-	(2,069,860)
Gross profit by segment	150,025	30,147	5,270	1,252	2,973	-	189,667
Non-allocation expenses							(58,826)
Profit from operation							130,841
Other income							5,757
Finance costs							(27,713)
Income tax expenses							(22,990)
Profit for the period							85,895
Property, plant, vessel and equipment-net	647,348			20,378	81,143	460,744	1,209,613

20. TRANSACTIONS WITH RELATED PARTIES

The Company has certain accounting transactions with related parties under the following relationship:

RELATED PARTIES	RELATIONSHIP
Asian Insulators Public Company Limited	Parent of the Company
AI Logistics Company Limited	Subsidiary of the Company
AI Ports and Terminals Company Limited	Subsidiary of the Company
AI Engineering Services Company Limited	Subsidiary of Asian Insulators Public Company Limited
PPC Asian Insulators Company Limited	Associate of Asian Insulators Public Company Limited
Samart Palm Company Limited	Director is relative of the directors of the Company
Samart Palm Oil Company Limited	Director is relative of the directors of the Company

The significant transactions with related parties are as follows:

20.1 Sales and expenses with related parties for the six-month periods ended June 30,

THOUSAND BAHT

RELATED TRANSACTION IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Sales of products				
Asian Insulators Public Company Limited	1	20	1	20
AI Ports and Terminals Company Limited	-	-	304	238
PPC Asian Insulators Company Limited	20	-	20	-
Sales of raw material				
AI Ports and Terminals Company Limited	-	-	182,979	-
Purchases good				
Asian Insulators Public Company Limited	1,480	19,129	-	7,400
AI Ports and Terminals Company Limited	-	-	15,563	-
Samart Palm Company Limited	11,824	10,417	2,335	10,417
Samart Palm Oil Company Limited	12,813	8,746	3,780	8,746
Rental and services expenses				
AI Ports and Terminals Company Limited	-	-	15,000	12,900

THOUSAND BAHT

RELATED TRANSACTION IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Transportation expenses				
AI Logistics Company Limited	-	-	4,532	15,160
Administrative expenses				
Asian Insulators Public Company Limited	1,222	1,147	630	556
Interest expenses to related party				
Asian Insulators Public Company Limited	-	4,797	-	1,741
Interest income from related party				
AI Ports and Terminals Company Limited	-	-	343	-
Gain on equipment disposal				
AI Ports and Terminals Company Limited	-	-	5	-

The inter-transactions are in accordance with general normal trading conditions or the mutual agreement.

20.2 Balances of receivable and payable from sales, purchase and service rendered to related parties

THOUSAND BAHT

PARTICULARS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Related parties receivable				
Asian Insulators Public Company Limited	-	24	-	24
AI Ports and Terminals Company Limited	-	-	183,046	63
PPC Asian Insulators Company Limited	22	-	22	-
Accrued interest				
AI Ports and Terminals Company Limited	-	-	343	-
Short - term loans to related party				
AI Ports and Terminals Company Limited	-	-	140,000	-
Deposit				
AI Ports and Terminals Company Limited	-	-	-	9,000
Fixed assets under installation				
AI Engineering Services Company Limited	399	-	399	-

THOUSAND BAHT

PARTICULARS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June	December	June	December
	30, 2014	31, 2013	30, 2014	31, 2013
Related parties payable				
Asian Insulators Public Company Limited	1,585	108	-	105
AI Logistics Company Limited	-	-	-	400
Samart Palm Company Limited	997	359	-	359
Samart Palm Oil Company Limited	1,009	391	-	391
Accrued expenses				
Asian Insulators Public Company Limited	2	826	-	-

21. LITIGATION

The Company was sued by the Official Receiver of Phamola Company Limited for transferring back the trademark "Pamola" to the debtor's assets and pays the compensation amount of Baht 3.75 million with an interest rate of 7.50% per annum. On August 9, 2012, the Central Bankruptcy Court has ordered to dismiss the case. At present, the case is under consideration of the Supreme Court.

The management of the Company is confident that no significant losses will be incurred as a result therefore no provision for possible liabilities has been made in the financial statements.

22. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on August 14, 2014.