

**AI ENERGY PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND SEPARATE**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**

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DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

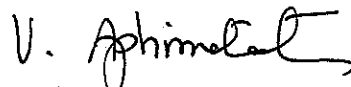
I have reviewed the accompanying consolidated statement of financial position of AI Energy Public Company Limited and subsidiaries as at September 30, 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014, changes in shareholders' equity and cash flows for the nine-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: November 10, 2014

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2014

		THOUSAND BAHT				
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		
		As at	As at	As at	As at	
		SEPTEMBER 30, 2014	DECEMBER 31, 2013	SEPTEMBER 30, 2014	DECEMBER 31, 2013	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
Notes		REVIEWED		REVIEWED		
<b>Current Assets</b>						
	Cash and cash equivalents	5	201,489	73,120	191,927	66,680
	Short-term investments		89	50	89	50
	Trade and other receivables	6	258,632	273,961	378,544	270,553
	Short-term loans to related party	7	-	-	240,000	-
	Inventories		733,795	370,585	311,418	370,455
	Oil supplies		2,428	4,821	-	-
	Other current assets		1,054	2,920	601	2,689
<b>Non-current assets classified as</b>						
	held for sale		2,035	-	2,035	-
	<b>Total Current Assets</b>		<b>1,199,522</b>	<b>725,457</b>	<b>1,124,614</b>	<b>710,427</b>
<b>Non-current Assets</b>						
	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		1,353,099	1,264,716	817,550	714,782
	Intangible assets		156	105	156	104
	Deferred tax assets	15	2,816	4,305	2,816	4,305
<b>Other non-current assets</b>						
	Withholding tax		7,440	5,611	7,128	5,611
	Deposit		12,461	20,576	12,376	29,576
	Others		158	128	114	84
	<b>Total other non-current assets</b>		<b>20,059</b>	<b>26,315</b>	<b>19,618</b>	<b>35,271</b>
	<b>Total Non-current Assets</b>		<b>1,378,130</b>	<b>1,297,441</b>	<b>1,277,213</b>	<b>1,191,535</b>
	<b>TOTAL ASSETS</b>		<b>2,577,652</b>	<b>2,022,898</b>	<b>2,401,827</b>	<b>1,901,962</b>

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 SEPTEMBER 30, 2014

**LIABILITIES AND SHAREHOLDERS' EQUITY**

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		SEPTEMBER 30, 2014	DECEMBER 31, 2013	SEPTEMBER 30, 2014	DECEMBER 31, 2013
		UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	10	553,235	93,618	367,019	40,000
Trade and other payables	11	110,070	63,703	103,139	56,244
Accrued interest		538	527	503	199
Current portion of long-term loans	12	22,080	32,343	-	10,803
Other current liabilities					
Revenue Department payable		16,565	12,298	16,111	12,037
Others		742	1,564	610	1,522
Total other current liabilities		17,307	13,862	16,721	13,559
<b>Total Current Liabilities</b>		<b>703,230</b>	<b>204,053</b>	<b>487,382</b>	<b>120,805</b>
<b>Non-current Liabilities</b>					
Long-term loans	12	82,400	56,286	-	20,588
Provision for long-term employee benefits		11,571	9,966	9,166	7,870
<b>Total Non-current Liabilities</b>		<b>93,971</b>	<b>66,252</b>	<b>9,166</b>	<b>28,458</b>
<b>TOTAL LIABILITIES</b>		<b>797,201</b>	<b>270,305</b>	<b>496,548</b>	<b>149,263</b>
<b>Shareholders' Equity</b>					
<b>Share capital</b>					
<b>Authorized share capital</b>					
1,130,000,000 common stocks of Baht 1 par value		1,130,000	1,130,000	1,130,000	1,130,000
<b>Issued and paid-up share capital</b>					
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
<b>Retained earnings</b>					
<b>Appropriated</b>					
Legal reserve		879	879	879	879
<b>Unappropriated</b>					
		49,683	21,825	169,286	16,706
<b>Other components of shareholders' equity</b>					
Difference on business combination under common control	8	(5,225)	(5,225)	-	-
<b>Total Shareholders' Equity</b>		<b>1,780,451</b>	<b>1,752,593</b>	<b>1,905,279</b>	<b>1,752,699</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,577,652</b>	<b>2,022,898</b>	<b>2,401,827</b>	<b>1,901,962</b>

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 SEPTEMBER 30, 2014**

	Notes	THOUSAND BAHT EXCEPT EARNINGS (LOSS) PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
<b>REVENUES</b>					
Sales		987,443	803,493	977,740	778,319
Revenues from production contract		12,474	28,436	12,474	28,436
Vessel operating income		6,125	10,196	-	-
Other incomes		4,838	4,167	6,573	4,116
<b>Total Revenues</b>		<b>1,010,880</b>	<b>846,292</b>	<b>996,787</b>	<b>810,871</b>
<b>EXPENSES</b>					
Cost of sales		996,068	725,553	958,386	708,755
Cost of production contract		7,978	14,819	7,978	14,819
Cost of vessel operating		13,663	7,351	-	-
Selling expenses		13,690	8,751	13,138	8,246
Administrative expenses		14,241	16,195	11,544	13,374
Directors' remuneration	13	600	678	600	678
Finance costs		6,837	10,693	3,142	8,942
<b>Total Expenses</b>		<b>1,053,077</b>	<b>784,040</b>	<b>994,788</b>	<b>754,814</b>
Profit (Loss) before income tax		(42,197)	62,252	1,999	56,057
Income tax expenses (revenues)	15	(924)	10,878	(924)	10,878
Profit (Loss) for the periods		(41,273)	51,374	2,923	45,179
Other comprehensive income (loss) for the periods		-	-	-	-
<b>Total comprehensive income (loss) for the periods</b>		<b>(41,273)</b>	<b>51,374</b>	<b>2,923</b>	<b>45,179</b>
<b>Profit (Loss) Attributable to</b>					
Equity holders of the parent		(41,273)	51,374	2,923	45,179
Non-controlling interests		-	-	-	-
		(41,273)	51,374	2,923	45,179
<b>Earnings (Loss) per Share of the Parent</b>					
Basic Earnings (Loss) per Share (Baht)		(0.037)	0.054	0.003	0.047
The number of common stocks used in computation earnings (loss) per share (share)		1,130,000,000	960,000,000	1,130,000,000	960,000,000



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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

		THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
Notes	2014	2013	2014	2013	
<b>REVENUES</b>					
	Sales	3,226,797	2,985,976	3,383,416	2,932,730
	Revenues from production contract	43,699	83,436	43,699	83,436
	Vessel operating income	26,851	32,240	-	-
	Port service	1,000	-	-	-
	Other incomes	12,316	9,907	14,272	9,813
	<b>Total Revenues</b>	<b>3,310,663</b>	<b>3,111,559</b>	<b>3,441,387</b>	<b>3,025,979</b>
<b>EXPENSES</b>					
	Cost of sales	3,111,895	2,751,489	3,180,156	2,712,228
	Cost of production contract	28,970	39,672	28,970	39,672
	Cost of vessel operating	39,212	26,422	-	-
	Cost of port service	497	-	-	-
	Selling expenses	41,203	43,008	38,590	41,494
	Administrative expenses	39,874	40,062	31,177	31,478
	Directors' remuneration	13	1,830	1,830	1,363
	Finance costs	17,835	38,406	6,595	29,507
	<b>Total Expenses</b>	<b>14</b>	<b>3,281,316</b>	<b>2,940,422</b>	<b>2,855,742</b>
	Profit before income tax	29,347	171,137	154,069	170,237
	Income tax expenses	15	1,489	33,868	1,489
	Profit for the periods	27,858	137,269	152,580	136,369
	Other comprehensive income (loss) for the periods	-	-	-	-
	<b>Total comprehensive income for the periods</b>	<b>27,858</b>	<b>137,269</b>	<b>152,580</b>	<b>136,369</b>
<b>Profit (Loss) Attributable to</b>					
	Equity holders of the parent	27,858	142,494	152,580	136,369
	Non-controlling interests	-	(5,225)	-	-
		27,858	137,269	152,580	136,369
<b>Earnings per Share of the Parent</b>					
	Basic Earnings per Share (Baht)	0.02	0.19	0.13	0.18
	The number of common stocks used in computation earnings per share (share)	1,130,000,000	746,043,956	1,130,000,000	746,043,956

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

**SEPARATE FINANCIAL STATEMENTS**

THOUSAND BAHT

	Note	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	3	-	-	-	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		-	-	-	136,369	-	136,369
Ending balances as at September 30, 2013		960,000	-	-	(40,822)	-	919,178
<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		-	-	-	152,580	-	152,580
Ending balances as at September 30, 2014		1,130,000	605,114	879	169,286	-	1,905,279



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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX	29,347	171,137	154,069	170,237
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	53,080	48,889	27,402	24,007
Amortization of computer softwares	31	12	30	10
Gain on equipment disposal	(1)	-	(5)	-
Bad debts	18	-	18	-
Doubtful debt	(78)	13	(78)	13
Unrealized (gain) loss on exchange rates	39	(11)	39	-
Increase (decrease) on provision for diminution in inventory value	104,003	(3,663)	819	(3,663)
Long-term employee benefit expenses	1,605	2,388	1,296	2,489
Interest income	(276)	(228)	(2,456)	(217)
Interest expenses	16,512	37,369	6,353	28,493
Amortization of withholding tax	78	-	78	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	204,358	255,906	187,565	221,369
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	15,338	(6,820)	(107,983)	(314)
Inventories	(467,213)	303,965	58,218	303,937
Oil supplies	2,393	444	-	-
Other current assets	77	(143)	299	(129)
Other non-current assets	-	(11)	9,000	(9,011)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	46,471	99,118	46,786	92,353
Other current liabilities	3,445	3,598	3,162	3,430
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(195,131)	656,057	197,047	611,640
Income tax refunded	1,789	1,265	1,789	1,265
Income tax expenses paid	(1,907)	(2,153)	(1,595)	(2,153)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(195,249)	655,169	197,241	610,752

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

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (2/2)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

THOUSAND BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term loans to related party	-	-	(240,000)	-
Interest received	288	228	2,469	217
Increase in short-term investments	(39)	(50)	(39)	(50)
Increase in fixed deposits with obligation	-	(2,000)	-	(2,000)
Payment for shares purchase in subsidiaries from old shareholders	-	(435,073)	-	(435,073)
Purchase of land and equipment	(117,151)	(72,541)	(106,472)	(70,419)
Interest payment for equipment installation	-	(248)	-	(248)
Proceeds from disposal of equipment	126	-	120	-
Purchase of computer softwares	(82)	-	(82)	-
Payment deposit on equipment	(12,461)	(10,160)	(12,376)	(10,062)
Payment payable from purchase of equipment	(6,030)	(3,778)	(5,193)	(3,667)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(135,349)</b>	<b>(523,622)</b>	<b>(361,573)</b>	<b>(521,302)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest expenses paid	(16,501)	(38,431)	(6,049)	(29,495)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	459,617	(422,998)	327,019	(422,913)
Decrease in short-term loans from related party	-	(394,000)	-	(150,000)
Increase in long-term loans from financial institutions	110,000	-	-	-
Payment for long-term loans from financial institutions	(94,149)	(57,185)	(31,391)	(16,529)
Proceeds from capital increase	-	590,000	-	590,000
Increase in non-controlling interests	-	254,000	-	-
<b>NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>458,967</b>	<b>(68,614)</b>	<b>289,579</b>	<b>(28,937)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>128,369</b>	<b>62,933</b>	<b>125,247</b>	<b>60,514</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>73,120</b>	<b>18,841</b>	<b>66,680</b>	<b>15,283</b>
<b>CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,</b>	<b>201,489</b>	<b>81,774</b>	<b>191,927</b>	<b>75,797</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS</b>				
Non-cash flows items :				
Assets payable for equipment	5,926	1,552	5,302	1,552
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**

**SEPTEMBER 30, 2014**

**1. GENERAL INFORMATION**

<b>1.1</b> Company status	(1) A juristic person established under Thai law on October 4, 2006. (2) A subsidiary of Asian Insulators Public Company Limited.
<b>1.2</b> Company location	55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.
<b>1.3</b> 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	
	SEPTEMBER 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 nine-month periods ended September 30, 2013, included the results of operations of AI Logistics Company Limited and AI Ports and Terminals Company Limited for the three-month and nine-month periods ended September 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	
	September 30,	December 31,	September 30,	December 31,
	2014	2013	2014	2013
Cash	483	146	324	-
Savings account	196,314	75,358	186,941	69,064
Current account	2,148	(4,408)	2,118	(4,408)
Fixed deposit	2,544	2,024	2,544	2,024
Total cash and cash equivalents	201,489	73,120	191,927	66,680

**6. TRADE AND OTHER RECEIVABLES**

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2014	2013	2014	2013
Notes receivable	7,118	5,103	7,118	5,103
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	210,839	222,915	210,384	222,222
Overdue within 3 months	31,913	37,940	31,326	37,261
Over 3 to 6 months	-	-	124,379	-
Over 6 to 12 months	532	-	481	-
Over 12 months	3,688	3,766	3,688	3,766
Total trade accounts receivable	254,090	269,724	377,376	268,352
<u>Less</u> Allowance for doubtful accounts	(3,688)	(3,766)	(3,688)	(3,766)
Trade accounts receivable-net	250,402	265,958	373,688	264,586
Other receivables	8,536	8,309	5,162	6,273
<u>Less</u> Allowance for doubtful accounts	(306)	(306)	(306)	(306)
Other receivables-net	8,230	8,003	4,856	5,967
Total trade and other receivables-net	258,632	273,961	378,544	270,553

**7. SHORT-TERM LOANS TO RELATED PARTY**

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	September 30, 2014	
	Amount	Interest rates
AI Ports and Terminals Company Limited		
Beginning principal balance	-	
<u>Add</u> Loans extended during the period	240,000	
<u>Less</u> Settlement during the period	-	
Ending principal balance	240,000	3.60 - 3.70%

8. INVESTMENTS IN SUBSIDIARIES

THOUSAND BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2014	December 31, 2013	September 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 NINE-MONTH PERIODS ENDED	
		Sep. 30,14	Dec. 31,13	Sep. 30,14	Sep. 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	
	September 30,	December 31,	September 30,	December 31,
	2014	2013	2014	2013
Bank overdrafts	3,235	3,618	19	-
Short-term loans from financial institutions	550,000	90,000	367,000	40,000
Total	553,235	93,618	367,019	40,000



**11. TRADE AND OTHER PAYABLES**

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2014	2013	2014	2013
Trade accounts payable	78,569	46,862	73,277	40,973
Accrued expenses	8,789	6,011	6,918	4,878
Assets payable	6,298	6,030	5,673	5,193
Advance received from customers	9,600	787	9,600	787
Other payable	6,814	4,013	7,671	4,413
<b>Total</b>	<b>110,070</b>	<b>63,703</b>	<b>103,139</b>	<b>56,244</b>

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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Sep.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"> <li>- 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.</li> <li>- Monthly payment of interest rate at MLR-1.25 per annum.</li> <li>- Interest rate swap contracts to be fixed rate at 6.39% per annum from February 2012 until February 2015.</li> </ul>	-	6,854
Baht 56.00 million started on September 16, 2011 by AI Energy Public Company Limited	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Monthly payment of interest rate at MLR-1.25 per annum.</li> <li>- Interest rate swap contracts to be fixed rate at 6.40% per annum from February 2012 until February 2015.</li> </ul>	-	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)	
		Sep.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-1 per annum.	104,480	-
Total long-term loans from financial institutions	Consolidated (include **)	104,480	88,629
Less Current portion of long-term loans		(22,080)	(32,343)
Long-term loans from financial institutions-net	Consolidated	82,400	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 110 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 ports and terminals 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

THOUSAND BAHT

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(Increase) decrease in change of finished goods and work in progress	(85,193)	110,533	(85,226)	110,505
Raw materials and consumables used	2,882,645	2,406,474	2,873,266	2,404,518
Loss on diminution in inventory value	*104,003	(3,663)	819	(3,663)
Purchase of goods for sale	133,644	139,935	313,664	114,033
Vessel operating expenses	19,692	3,189	-	-
Management benefit expenses	10,534	4,937	9,669	4,467
Employee benefit expenses	53,653	50,681	40,458	38,785
Depreciation and amortization expenses	53,111	48,901	27,432	24,017
Finance costs	17,835	38,406	6,595	29,507
Other expenses	91,392	141,029	100,641	133,573
Total expenses	3,281,316	2,940,422	3,287,318	2,855,742

\*As at September 30, 2014, AI Ports and Terminals Company Limited has cost of crude palm oil amount of Baht 525.46 million, which is higher than net realizable value amount of Baht 103.18 million. The company has recorded loss on diminution in inventory in the statement of comprehensive income (see also Note 20.1).

**15. INCOME TAX**

Corporate income taxes of the Company and subsidiaries for the three-month and nine-month periods ended September 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 (revenue) recognized in income statements consist:

THOUSAND BAHT

FOR PERIODS ENDED SEPTEMBER 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	(924)	10,878
<b>Income tax expenses (revenue)</b>	<b>(924)</b>	<b>10,878</b>
<u>For the nine-month periods</u>		
The corporate income tax for the periods	-	-
Deferred taxes from temporary differences	1,489	33,868
<b>Income tax expenses</b>	<b>1,489</b>	<b>33,868</b>

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	September 30, 2014	December 31, 2013
	<b>Accumulated temporary differences in the statements of income</b>	
Allowance for doubtful debt	3,994	4,072
Provision for diminution in inventories	819	-
Calculate depreciation difference from tax rate	(10,702)	-
Provision for long-term employee benefits	9,166	6,706
Tax deficits not exceeding 5 accounting years	10,802	9,580
<b>Total</b>	<b>14,079</b>	<b>20,358</b>
<b>Temporary differences in the retained earnings</b>		
Provision for long-term employee benefits	-	1,164
<b>Total</b>	<b>14,079</b>	<b>21,522</b>
<b>Deferred tax assets calculated from tax rate of 20%</b>	<b>2,816</b>	<b>4,305</b>

#### 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			
	September 30, 2014		December 31, 2013		September 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	198.30	6,391.17	141.56	4,625.95	198.17	6,386.92	141.49	4,623.58
<u>Liabilities</u>								
USD	51.88	1,686.77	111.39	3,670.32	48.38	1,572.97	-	-

## 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
	2777(1)/2556	Not yet implemented	Producing biodiesel	-
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 and 2777(1)/2556

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 and 2777(1)/2556

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	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Letters of guarantee issued by commercial banks	5.14	5.14	2.64	2.64

- 18.1** As at September 30, 2014 and December 31, 2013, the Company has capital expenditure commitment for the purchase of machinery and equipment contract amount Baht 9.82 million and 47.97 million, respectively.
- 18.2** The Company has signed lease contract amount of 15 tanks at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon amount 5 tanks and at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon amount 10 tanks by having lease period 5 months, commencing from August 1, 2014 to December 31, 2014. The Company has to pay monthly rental amount of Baht 4.20 million per month.
- 18.3** The Company has commitment for the crude palm oil trade contracts with AI Ports and Terminals Company Limited (see also Note 20.1).

19. FINANCIAL INFORMATION BY SEGMENT

THOUSAND BAHT

CONSOLIDATED FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	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	Total
Revenues from sales and services	3,199,730	43,699	3,840	23,227	26,851	1,000	3,298,347
Cost of sales and services	(3,089,806)	(28,970)	(2,960)	(19,129)	(39,212)	(497)	(3,180,574)
Gross profit (loss) by segment	109,924	14,729	880	4,098	(12,361)	503	117,773
Non-allocation expenses							(82,907)
Profit from operation							34,866
Other income							12,316
Finance costs							(17,835)
Income tax expenses							(1,489)
Profit for the period							27,858
Property, plant, vessel and equipment-net	817,550			21,623	67,250	446,676	1,353,099



THOUSAND BAHT

CONSOLIDATED FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	2,922,951	83,436	42,959	20,066	32,240	-	3,101,652
Cost of sales and services	(2,700,227)	(39,672)	(33,559)	(17,702)	(26,423)	-	(2,817,583)
Gross profit by segment	222,724	43,764	9,400	2,364	5,817	-	284,069
Non-allocation expenses							(84,433)
Profit from operation							199,636
Other income							9,907
Finance costs							(38,406)
Income tax expenses							(33,868)
Profit for the period							137,269
Property, plant, vessel and equipment-net	679,993			20,934	76,847	457,264	1,235,038

## 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 nine-month periods ended September 30,

THOUSAND BAHT

RELATED TRANSACTION IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<b>Sales of products</b>				
Asian Insulators Public Company Limited	3,841	21	1	21
AI Ports and Terminals Company Limited	-	-	378	380
AI Logistics Company Limited	-	-	329	-
PPC Asian Insulators Company Limited	20	-	20	-
<b>Sales of raw material</b>				
*AI Ports and Terminals Company Limited	-	-	182,979	-
<b>Purchases good</b>				
Asian Insulators Public Company Limited	2,960	33,559	-	7,400
**AI Ports and Terminals Company Limited	-	-	74,582	-
Samart Palm Company Limited	15,142	17,860	4,982	17,860
Samart Palm Oil Company Limited	16,810	16,187	7,118	16,187
<b>Rental and services expenses</b>				
AI Ports and Terminals Company Limited	-	-	27,853	21,900

THOUSAND BAHT

RELATED TRANSACTION IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<b>Transportation expenses</b>				
AI Logistics Company Limited	-	-	4,532	23,160
<b>Administrative expenses</b>				
Asian Insulators Public Company Limited	1,755	1,714	895	835
<b>Interest expenses to related party</b>				
Asian Insulators Public Company Limited	-	4,900	-	1,844
<b>Interest income from related party</b>				
AI Ports and Terminals Company Limited	-	-	2,191	-
<b>Gain on equipment disposal</b>				
AI Ports and Terminals Company Limited	-	-	5	-

\*The Company has sold crude palm oil - grade A at average cost on the purchasing day and crude palm oil - grade B at the average cost plus to AI Ports and Terminals Company Limited, and appointed AI Ports and Terminals Company Limited to manage these crude palm oil for the Company.

\*\*The Company has made contract of purchase agreement with AI Ports and Terminals Company Limited in term of average cost price of crude palm oil plus Baht 0.16 per kilogram. (see also Note 14).

The other 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	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
<b>Related parties receivable</b>				
Asian Insulators Public Company Limited	-	24	-	24
AI Ports and Terminals Company Limited	-	-	124,379	63
<b>Short - term loans to related party</b>				
AI Ports and Terminals Company Limited	-	-	240,000	-
<b>Deposit</b>				
AI Ports and Terminals Company Limited	-	-	-	9,000
<b>Machinery and equipment</b>				
Asian Insulators Public Company Limited	39	-	39	-
<b>Fixed assets under installation</b>				
AI Engineering Services Company Limited	399	-	399	-
<b>Related parties payable</b>				
Asian Insulators Public Company Limited	1	108	-	105
AI Ports and Terminals Company Limited	-	-	856	-
AI Logistics Company Limited	-	-	-	400
Samart Palm Company Limited	1,379	359	1,379	359
Samart Palm Oil Company Limited	2,086	391	2,086	391
<b>Accrued expenses</b>				
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 November 10, 2014.