

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

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Auditor's Report

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

I was engaged to the audit of the accompanying consolidated and separate financial statements (Restated) of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, the consolidated and separate statements of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. However because of matters as described in the basis for disclaimer of opinion paragraph, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion

Basis for Disclaimer of Opinion on the Consolidated and Separate Financial Statements

1. I was appointed as the auditor of AI Energy Public Company Limited for the financial statements for the year ended December 31, 2014 in December 2017. As a result, I did not observe the physical inventory taking on the inventory balances of the Company as at December 31, 2014. I am unable to satisfy myself by means of other audit procedures on the quantity and valuation of the inventory balances as at December 31, 2014 in the consolidated and separate statements of financial position of Baht 434.10 million. Due to such effect, I am unable to conclude whether there could be any necessary adjustments on the statements of financial position, statements of comprehensive income, statement of changes in shareholders' equity and statement of cash flows.



2. The predecessor auditor of AI Energy Public Company Limited and subsidiaries disclaimed an opinion on the Company's consolidated and separate financial statements for the year ended December 31, 2014 (Before restated) of AI Energy Public Company Limited and subsidiaries and of AI Energy Public Company Limited respectively according to his report dated March 24, 2015 due to the Company had no effective of internal control regarding to cost of sales and inventories including misappropriation of assets utilization. As a result, information and evidence about the production transaction is not reasonable and the controlling process of taking raw materials and goods in and out of the factory is not proper. This evidence has impact on cost of sales and inventories including other related accounts.

As discussed in Note to Financial Statements No. 29.4, the Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC), dated January 20, 2016, requesting for the facts about the Company predecessor auditor's disclaimer of opinion in the Company's financial statements for the year 2014. The former management provided a clarification of the facts to the SEC.

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the Company in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the Company predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

Consequently, the Company's current management had investigated and prepared the new documentation to support the accounting transactions related to above matter No.2 in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the consolidated and separate financial statements for the year ended December 31, 2014 as shown in Note to Financial Statements No. 33.

I have audited the evidences supporting the accounting transactions prepared by the Company's current management. However certain supporting evidences are newly prepared. As a result, I am unable to obtain the sufficient appropriate evidence to conclude that the newly prepared supporting evidence represent the evidences supporting the accounting transactions which have been arrived from the normal internal control environment.

Disclaimer of Opinion on the Consolidated and Separate Financial Statement

Because of the significance of the matters described in the Basis of Disclaimer of Opinion on the Consolidated and Separate Financial Statement, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the consolidated and separate financial statements.



Other Matter

The consolidated and separate financial statements for the year ended December 31, 2013, of AI Energy Public Company Limited and its subsidiaries were audited by other auditor, whose report dated on February 17, 2014, expressed an unqualified opinion on those consolidated and separate financial statements by having the emphasis paragraph regarding the change in accounting policy on Income Tax.



(Vichai Ruchitanont)

Certified Public Accountant

Registration Number 4054

ANS Audit Company Limited

Bangkok, April 26, 2018

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(RESTATED)		(RESTATED)	
Notes					
Assets					
Current assets					
Cash and cash equivalents	6	189,591,817	73,120,383	176,912,104	66,680,183
Current investment	7	88,560	50,000	88,560	50,000
Trade and other receivables - net	5, 8, 33	477,122,589	276,880,670	473,580,714	273,241,679
Inventories - net	9, 33	434,144,697	370,585,067	434,008,057	370,454,923
Oil supplies	10	2,368,196	4,821,153	-	-
Non-current assets held for sale - net	11	2,540,000	-	2,540,000	-
Total current assets		1,105,855,859	725,457,273	1,087,129,435	710,426,785
Non-current assets					
Investments in subsidiaries	12	-	-	435,073,140	435,073,140
Pledged deposits at financial institution	13	2,000,000	2,000,000	2,000,000	2,000,000
Property, plant, vessel and equipment - net	14, 33	1,377,912,677	1,264,715,897	850,803,633	714,782,473
Intangible assets - net	15	145,046	105,178	145,046	104,293
Deferred tax assets	22	763,946	4,304,495	763,946	4,304,495
Other non-current assets		16,179,112	26,315,564	15,652,559	35,271,210
Total non-current assets		1,397,000,781	1,297,441,134	1,304,438,324	1,191,535,611
Total assets		2,502,856,640	2,022,898,407	2,391,567,759	1,901,962,396

.....Director

(Thanit Thareratanavibool)

.....Director

(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Notes	(RESTATED)			(RESTATED)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	316,918,380	93,617,810	295,016,368	40,000,000
Trade and other payables	5, 17, 33	203,115,537	78,092,133	199,253,414	70,002,826
Current portion of long-term loans from financial institutions	18	22,080,000	32,343,000	-	10,803,000
Income tax payables	33	28,671,092	-	28,671,092	-
Total current liabilities		570,785,009	204,052,943	522,940,874	120,805,826
Non-current Liabilities					
Long-term loans from financial institutions - net	18	76,880,000	56,286,589	-	20,587,700
Employee benefit obligations	19	11,932,488	9,966,005	9,424,803	7,870,307
Total non-current liabilities		88,812,488	66,252,594	9,424,803	28,458,007
Total liabilities		659,597,497	270,305,537	532,365,677	149,263,833
Shareholders' equity					
Authorized share capital					
Common share 1,130,000,000 shares, at Baht 1 par value	20	1,130,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Issued and paid - up share capital					
Common share 1,130,000,000 shares, at Baht 1 par value	20	1,130,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Premium on common stocks		605,113,717	605,113,717	605,113,717	605,113,717
Retained earnings					
Appropriated					
Legal reserve	21, 33	6,361,574	879,242	6,361,574	879,242
Unappropriated	33	107,008,967	21,825,026	117,726,791	16,705,604
Other components of shareholders' equity					
Difference on business combination under common control	12	(5,225,115)	(5,225,115)	-	-
Total Shareholders' Equity		1,843,259,143	1,752,592,870	1,859,202,082	1,752,698,563
Total liabilities and shareholders' equity		2,502,856,640	2,022,898,407	2,391,567,759	1,901,962,396

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

AS AT DECEMBER 31, 2014

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(RESTATED)		(RESTATED)	
Notes					
4, 5, 24, 26, 27, 28, 33					
Revenues					
Revenues from sale of goods		4,390,477,938	4,083,102,531	4,538,897,587	4,022,199,678
Revenues from production contract		133,541,324	93,834,113	133,541,324	93,834,113
Revenues from vessel operating		35,291,157	45,640,250	-	-
Port service		1,000,000	-	-	-
Other incomes		14,416,266	13,204,015	17,898,815	13,064,238
Total revenues		4,574,726,685	4,235,780,909	4,690,337,726	4,129,098,029
Expenses					
Cost of sales		(4,168,074,676)	(3,754,527,855)	(4,345,241,334)	(3,712,717,675)
Cost of production contract		(78,126,200)	(46,739,417)	(78,126,200)	(46,739,417)
Cost of vessel operating		(47,143,226)	(39,952,389)	-	-
Cost of port service		(496,687)	-	-	-
Selling expenses		(55,490,542)	(59,924,554)	(51,555,703)	(56,955,275)
Administrative expenses		(77,413,167)	(54,445,150)	(65,734,401)	(42,478,359)
Finance costs		(23,180,230)	(48,066,482)	(9,040,885)	(37,529,271)
Total Expenses		(4,449,924,728)	(4,003,655,847)	(4,549,698,523)	(3,896,419,997)
Profit before income tax expenses		124,801,957	232,125,062	140,639,203	232,678,032
Tax expense	23	(34,135,684)	(36,970,105)	(34,135,684)	(36,970,105)
Profit for the years		90,666,273	195,154,957	106,503,519	195,707,927
Other comprehensive income (loss)					
Actuarial losses from employee benefit plan	19	-	(717,200)	-	(1,164,470)
Components of income tax		-	232,894	-	232,894
Other comprehensive loss for the years net of income tax		-	(484,306)	-	(931,576)
Total comprehensive income for the years		90,666,273	194,670,651	106,503,519	194,776,351
Profit (Loss) attributable to :					
Equity holders of the parent		90,666,273	200,827,349	106,503,519	195,707,927
Non-controlling interests		-	(5,672,392)	-	-
		90,666,273	195,154,957	106,503,519	195,707,927
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		90,666,273	199,895,773	106,503,519	194,776,351
Non-controlling interests		-	(5,225,122)	-	-
		90,666,273	194,670,651	106,503,519	194,776,351
Earnings per share					
Basic earnings attributable per share (Baht)		0.08	0.25	0.09	0.24
Weighted average number of common shares (share)		1,130,000,000	803,232,877	1,130,000,000	803,232,877

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Baht									
Consolidated financial statements									
Shareholders' equity of the parent									
Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (Deficits)		Difference on business		Total other components of equity	Non-controlling interests	Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	combination under common control				
Balance as at January 1, 2014	1,130,000,000	605,113,717	879,242	21,825,026	(5,225,115)		1,752,592,870	-	1,752,592,870
Changes in shareholders' equity for the year :									
Legal reserve (Restated)									
21	-	-	5,482,332	(5,482,332)	-		-	-	-
Total comprehensive income for the year (Restated)	-	-	-	90,666,273	-		90,666,273	-	90,666,273
Balance as at December 31, 2014	1,130,000,000	605,113,717	6,361,574	107,008,967	(5,225,115)		1,843,259,143	-	1,843,259,143
Balance as at January 1, 2013 (Before restated)	370,000,000	-	-	(218,233,211)	-		151,766,789	181,073,147	332,839,936
Effects of changes in accounting policies - Income taxes	-	-	-	41,041,706	-		41,041,706	-	41,041,706
Balance as at January 1, 2013 (Restated)	370,000,000	-	-	(177,191,505)	-		192,808,495	181,073,147	373,881,642
Changes in shareholders' equity for the year :									
Capital increase	760,000,000	605,113,717	-	-	-		1,365,113,717	-	1,365,113,717
Increase (decrease) in non-controlling interests									
- from increase in investment									
- from share purchase from old shareholders	-	-	-	-	-		-	254,000,000	254,000,000
	-	-	-	-	-		-	(429,848,025)	(429,848,025)
Legal reserve	-	-	879,242	(879,242)	-		-	-	-
Total comprehensive income for the year									
Profit (loss) for the years									
Actuarial gains (losses) from employee benefit plan	-	-	-	200,827,349	-		200,827,349	(5,672,392)	195,154,957
Surplus on business combination under common control	-	-	-	(931,576)	-		(931,576)	447,270	(484,306)
Balance as at December 31, 2013	1,130,000,000	605,113,717	879,242	21,825,026	(5,225,115)		1,752,592,870	-	1,752,592,870

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

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AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

		Unit : Baht				
		Separate financial statements				
	Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (Deficits)		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2014		1,130,000,000	605,113,717	879,242	16,705,604	1,752,698,563
Changes in shareholders' equity for the year :						
Legal reserve (Restated)	21	-	-	5,482,332	(5,482,332)	-
Total comprehensive income for the year (Restated)		-	-	-	106,503,519	106,503,519
Balance as at December 31, 2014		1,130,000,000	605,113,717	6,361,574	117,726,791	1,859,202,082
Balance as at January 1, 2013 (Before restated)		370,000,000	-	-	(218,233,211)	151,766,789
Effects of changes in accounting policies - Income taxes		-	-	-	41,041,706	41,041,706
Balance as at January 1, 2013 (Restated)	3	370,000,000	-	-	(177,191,505)	192,808,495
Changes in shareholders' equity for the year :						
Capital increase	20	760,000,000	605,113,717	-	-	1,365,113,717
Legal reserve	21	-	-	879,242	(879,242)	-
Total comprehensive income for the year		-	-	-	195,707,927	195,707,927
Profit for the years		-	-	-	(931,576)	(931,576)
Actuarial losses from employee benefit plan		-	-	-	-	-
Balance as at December 31, 2013		1,130,000,000	605,113,717	879,242	16,705,604	1,752,698,563

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(RESTATED)		(RESTATED)	
Cash flows from operating activities				
Profit before income tax expense	124,801,957	232,125,062	140,639,203	232,678,032
Adjustments to reconcile profit before income tax expense				
to cash provided by (used in) operating activities:				
Depreciation	72,296,797	66,021,580	37,945,628	32,752,477
Amortization of computer softwares	41,324	16,971	40,439	14,451
Amortization of other non - current assets	733,681	-	733,681	-
Gain on disposal of equipment	(566)	-	(5,020)	-
(Reversal) for doubtful accounts	(413,333)	319,534	(413,333)	319,534
Unrealized (gain) loss on exchange	118,795	(46,780)	118,747	(55,469)
Loss on unused equipment	524,810	17,137	501,009	2
Loss on provision for non-current assets held for sale	1,934,990	-	1,934,990	-
(Reversal) Allowance for devaluation of inventories	120,260	(8,594,010)	120,260	(8,594,010)
Estimation of employee benefit obligations	1,966,483	2,227,341	1,554,496	1,766,468
Interest income	(697,430)	(524,237)	(4,400,961)	(483,136)
Interest expenses	23,180,230	48,066,482	9,040,885	37,529,271
Amortization of withholding tax	80,992	257	80,992	-
Gain from operating activities before changes in				
operating assets and liabilities	224,688,990	339,629,337	187,891,016	295,927,620
Changes in operating assets - (increase) decrease :				
Trade and other receivables	(201,672,377)	14,553,288	(201,769,493)	13,515,835
Inventories	(63,679,890)	425,953,824	(63,673,394)	425,957,632
Oil Supplies	2,452,957	(2,521,134)	-	-
Non-current assets held for sale	(2,440,000)	-	(2,440,000)	-
Other non-current asset	(8,732,400)	(40,700)	267,600	(9,040,700)
Changes in operating liabilities - increase (decrease)				
Trade and other payables	119,781,527	(87,375,704)	123,718,583	(86,720,546)
Cash provided by operating activities	70,398,807	690,198,911	43,994,312	639,639,841
Refunded of income tax	1,789,087	1,264,821	1,789,087	1,264,821
Income tax paid	(2,320,491)	(2,758,200)	(1,924,042)	(2,757,789)
Net cash provided by operating activities	69,867,403	688,705,532	43,859,357	638,146,873

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(RESTATED)		(RESTATED)	
Cash flows from investing activities				
Interest received	702,990	506,117	4,406,521	465,015
Increase in current investments	(38,560)	(50,000)	(38,560)	(50,000)
Payment for shares purchase in subsidiaries from old shareholders	-	(435,073,140)	-	(435,073,140)
Increase in restricted deposits at financial institution	-	(2,000,000)	-	(2,000,000)
Purchases of building and equipment	(156,999,223)	(115,298,260)	(145,445,118)	(110,720,369)
Interest payment for equipment installation	-	(248,077)	-	(248,077)
Proceeds from disposal of equipment	120,861	-	120,000	-
Purchase of computer softwares	(81,192)	-	(81,192)	-
Payment deposit on equipment	(2,164,895)	(20,545,920)	(2,079,145)	(20,545,920)
Payment payable from purchases of equipment	(5,193,248)	(3,778,240)	(5,193,248)	(3,667,495)
Net cash used in investing activities	(163,653,267)	(576,487,520)	(148,310,742)	(571,839,986)
Cash flows from financing activities				
Interest paid	(23,373,683)	(49,442,023)	(8,942,362)	(38,919,547)
Increase (decrease) in bank overdraft and short-term loans	223,300,570	(1,169,379,746)	255,016,368	(1,172,912,695)
Decrease in short-term loans from related party	-	(394,000,000)	-	(150,000,000)
Increase in long-term loans from financial institutions	110,000,000	-	-	-
Payment for long-term loans from financial institutions	(99,669,589)	(64,231,030)	(31,390,700)	(18,191,000)
Proceeds from capital increase	-	1,365,113,717	-	1,365,113,717
Increase in non-controlling interests	-	254,000,000	-	-
Net cash provided (used in) financing activities	210,257,298	(57,939,082)	214,683,306	(14,909,525)
Net increase in cash and cash equivalents	116,471,434	54,278,930	110,231,921	51,397,362
Cash and cash equivalents at beginning of the years	73,120,383	18,841,453	66,680,183	15,282,821
Cash and cash equivalents at end of the years	189,591,817	73,120,383	176,912,104	66,680,183
Additional disclosure items to cash flows statements				
Non-cash flows items:				
Assets payable for equipment	10,628,529	5,623,101	10,628,529	4,786,003
Transferred machinery to non-current assets held for sale	2,034,990	-	2,034,990	-
Transferred deposit to equipment	20,545,920	1,904,500	20,545,920	1,904,500
Assets payable for intangible assets	-	67,500	-	67,500
Transferred deposit to other non-current assets	30,000	-	30,000	-

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

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

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

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

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

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) 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.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements relate to AI Energy Public Company Limited and its subsidiaries (together referred to as the “Group”) by shareholding in subsidiaries were as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			2014	2013
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	Thailand	100.00	100.00
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing distributing ice cube (3) Trading electrical equipment vegetable fat and other fuel oil	Thailand	100.00	100.00

On April 10, 2013, the Company invested in subsidiaries as mentioned in Note 10 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 year ended December 31, 2013, included the results of operations of AI Logistics Company Limited and AI Ports and Terminal Company Limited for the year ended December 31, 2013, without regarding to the date of the acquisition of subsidiaries.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue as consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements, which presented investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

a. Accounting standards that became effective in the current accounting year

The Conceptual financial Reporting Standards (revised 2014)

TAS

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets

TFRS

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

TSIC

TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Disclosure-Service Concession Arrangements
TSIC 32	Intangible Assets-Web Site Costs

TFRIC

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Lease Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards the above standards do not have any significant impacts on the financial statements.

b Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations which is effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At present, the Group immediately recognized actuarial gains and losses in other comprehensive income in the period in which they occur.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company believes that the standards will not have any significant impact on the Company's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company.

TFRS 13 Fair Value Measurement

This standard provides guidelines on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidelines under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively. Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the financial statements of the Company.

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. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

The Company and subsidiaries recognize revenues from sales and services when the significant risks and rewards of ownership of the goods have passed to the buyer, and services are already rendered to customers.

Subsidiary recognizes revenues from vessel operating on the proportion of time travelled compared with the total time to be taken of that trip.

Subsidiary recognizes revenues from loading of goods, revenue from warehousing and other services when those services are already rendered.

Subsidiary recognizes the income by using the effective interest rate method.

The Company and subsidiaries recognize other revenues and expenses on an accrual basis.

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)



4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, bank deposit with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Current investments

Current investments consist of bank deposits over 3 months and up to 1 year.

4.4 Allowance for doubtful accounts

The Company sets up allowance for doubtful accounts based on the estimated collection losses that may be incurred in collection of receivables.

4.5 Inventories

Finished goods and raw materials are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

Goods in process are stated at average cost of raw materials plus wages and manufacturing expenses.

The Company set up the allowance for devaluation of inventories for the deteriorated goods and expected to be unsalable.

4.6 Oil supplies

Oil supplies stated at cost are calculated by the weighted average method.

4.7 Non-current assets held for sale

Non-current assets 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 held for sale by estimating from the realizable sale value.

4.8 Investments in subsidiaries

Investments in subsidiaries mean those companies in which the parent company in the Group, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries are stated by cost method for the separate financial statements.

4.9 Property, plant, vessel and equipment

Property, plant, vessel and equipment are stated at cost. Depreciation for land improvement, plant, vessel and equipment is calculated by the straight-line method based on the estimated useful life of following assets:

	<u>Years</u>
Land improvement	5 - 10
Building and improvement	5 - 40
Utility systems	5 - 20
Machinery accessories and tools	5 - 20
Vessel and improvement	3 - 10
Office furniture and equipment	5
Motor vehicles	5 - 20

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

4.10 Borrowing cost

The Company recorded the interest on loan for machinery construction as part of machinery under installation until they are ready for utilization according to its objective.

4.11 Intangible assets

Intangible assets are computer softwares which amortized to expense by the straight - line method for 4 - 10 years.

4.12 Income tax

Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

Income tax expenses

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

4.13 Employee benefits

Short-term employee benefits

The Company and subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company and subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. The provident fund is contributed by payments from employees and the Company and subsidiaries. Contributions to the provident fund are recorded to expense in the statements of comprehensive income in the incurred period.

Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

4.14 Basic earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of issued common shares during the year.

4.15 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

4.16 Significant accounting judgments and estimates

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Impairment of investments

Management assesses the impairment of investments in subsidiary companies by considering the operating result and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

Allowances for impairment of assets

The Company and subsidiaries consider an asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of the recoverable amount requires judgment. An impairment loss is recognized as an expense in the statement of income.

Property, plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Deferred tax assets

The Company and subsidiaries recognized deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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5. TRANSACTIONS WITH 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.

Details of the related parties are as follows;

NAME	NATURE OF BUSINESS	NATURE OF RELATIONSHIP
Parent Company		
Asian Insulators Public Company Limited	Producing and selling porcelain insulators.	59.59 % holding of interest and directorship with the Company.
Subsidiaries of the Company		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00 % holding of interest
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	100.00 % holding of interest
Subsidiary of the Parent Company		
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	Subsidiary of Asian Insulators Public Company Limited
Related companies		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators and ceramics	Associate of Asian Insulators Public Company Limited
Samart Palm Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Oil Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2014 and 2013 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Sale of finished goods				
Asian Insulators Public Company Limited	45,065	42,916	45,065	42,916
AI Ports and Terminals Company Limited	-	-	400,702	544,023
AI Logistics Company Limited	-	-	328,800	-
AI Engineering Services Company Limited	4,019	-	4,019	-
PPC Asian Insulators Company Limited	20,327	-	20,327	-
Sale of raw materials				
AI Ports and Terminals Company Limited	-	-	182,979,327	-
Gain on disposal of assets				
AI Ports and Terminals Company Limited	-	-	5,020	-
Purchase of goods				
Asian Insulators Public Company Limited	2,960,000	33,559,000	-	7,400,000
AI Ports and Terminals Company Limited	-	-	602,005,949	-
Samart Palm Company Limited	17,436,582	22,424,335	7,276,662	22,424,335
Samart Palm Oil Company Limited	19,745,072	19,509,163	10,052,627	19,509,163
Samart Palm Industry Company Limited	4,670,505	-	4,670,505	-
Rental and Service				
AI Ports and Terminals Company Limited	-	-	53,344,903	30,900,000
Transportation expenses				
AI Logistics Company Limited	-	-	4,532,000	28,120,275
Administrative expenses				
Asian Insulators Public Company Limited	2,294,587	2,285,099	1,159,955	1,118,305
Interest expenses from related party				
Asian Insulators Public Company Limited	-	5,200,359	-	2,143,935
AI Engineering Services Company Limited	-	336,329	-	336,329
Interest income from related party				
AI Ports and Terminals Company Limited	-	-	3,755,452	-

.....Director
(Thanit Thareratanavibool)

.....Director
(Pimwan Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	16,814,072	7,323,528	13,621,189	6,567,695
Long-term post-employment benefits	442,477	-	362,128	-
Total directors and management's remuneration	17,256,549	7,323,528	13,983,317	6,567,695

Significant transactions between with related parties as at December 31, 2014 and 2013, were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables				
Asian Insulators Public Company Limited	47,300	23,920	47,300	23,920
AI Ports and Terminals Company Limited	-	-	24,695	63,352
AI Engineering Services Company Limited	4,300	-	4,300	-
Other receivables-Director	23,855,074	-	23,855,074	-
Deposit				
AI Ports and Terminals Company Limited	-	-	-	9,000,000
Purchases of tools and equipment				
Asian Insulators Public Company Limited	39,000	-	39,000	-
Installation of machinery				
AI Engineering Services Company Limited	399,220	-	399,220	-
Trade payables				
Asian Insulators Public Company Limited	1,383	180,245	-	105,238
AI Ports and Terminals Company Limited	-	-	2,611,926	-
AI Logistics Company Limited	-	-	-	400,000
Samart Palm Company Limited	-	359,150	-	359,150
Samart Palm Oil Company Limited	-	390,775	-	390,775
Samart Palm Industry Company Limited	1,682,350	-	1,682,350	-
Accrued expenses				
Asian Insulators Public Company Limited	1,195	826	-	-

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash in hand	470,152	146,060	300,000	-
Deposit at bank - savings	186,545,278	75,355,994	174,065,717	69,064,226
- current	25,063	(4,406,378)	(4,937)	(4,408,750)
Fixed deposits due within 3 months	2,551,324	2,024,707	2,551,324	2,024,707
Total cash and cash equivalents	189,591,817	73,120,383	176,912,104	66,680,183

7. CURRENT INVESTMENT

Current investment as at December 31, 2014 and 2013 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2014	2013
Fixed deposits	88,560	50,000
Total current investment	88,560	50,000

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8. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables				
Trade receivable - related parties	51,600	23,920	76,295	87,272
Trade receivable - others	442,681,678	264,597,254	441,743,396	263,162,005
Post date cheques	7,348,300	5,103,118	7,348,300	5,103,118
Total trade receivables	450,081,578	269,724,292	449,167,991	268,352,395
<u>Less</u> Allowance for doubtful accounts	(3,334,211)	(3,766,062)	(3,334,211)	(3,766,062)
Total trade receivables - net	446,747,367	265,958,230	445,833,780	264,586,333
Other receivables				
Other receivable - related person	23,855,074	-	23,855,074	-
Other receivables	318,979	348,979	318,979	348,979
Prepaid interest	552,945	-	552,945	-
Advance deposit	-	3,814,687	-	3,814,687
Prepaid insurance	3,502,148	3,416,760	1,753,577	1,704,211
Revenue Department receivable	351,623	214,117	-	-
Undue input tax	917,569	916,453	801,627	899,322
Tax card	396,854	-	396,854	-
Others	786,380	2,517,794	374,228	2,194,497
Total other receivables	30,681,572	11,228,790	28,053,284	8,961,696
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	(306,350)	(306,350)
Total other receivables - net	30,375,222	10,922,440	27,746,934	8,655,346
Total trade and other receivables - net	477,122,589	276,880,670	473,580,714	273,241,679

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As at December 31, 2014 and 2013, aging analysis for trade accounts receivable consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Related parties				
Current	51,600	28,521	76,295	91,872
Total	51,600	28,521	76,295	91,872
Others				
Current	393,570,382	227,991,996	393,127,022	227,232,996
Over due				
Within 3 months	53,125,385	37,937,713	52,630,463	37,261,465
Over 12 months	3,334,211	3,766,062	3,334,211	3,766,062
Total	450,029,978	269,695,771	449,091,696	268,260,523
<u>Less</u> Allowance for doubtful accounts	(3,334,211)	(3,766,062)	(3,334,211)	(3,766,062)
Total trade receivables - net	446,747,367	265,958,230	445,833,780	264,586,333

9. INVENTORIES - NET

Inventories as at December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Raw materials and chemicals	276,730,023	290,303,177	276,730,023	290,303,177
Work in process	74,550,471	26,937,334	74,550,471	26,937,334
Finished goods	69,407,147	38,911,588	69,270,507	38,781,444
Supplies	13,577,316	14,432,968	13,577,316	14,432,968
Total inventories	434,264,957	370,585,067	434,128,317	370,454,923
<u>Less</u> Allowance for devaluation of inventories	(120,260)	-	(120,260)	-
Total inventories - net	434,144,697	370,585,067	434,008,057	370,454,923

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10. OIL SUPPLIES

Oil supplies as at December 31, 2014 and 2013 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2014	2013
Bunker oil	1,725,114	4,218,866
Lubricants	643,082	602,287
Total oil supplies	2,368,196	4,821,153

11. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at December 31, 2014 and 2013 consisted of:

	Unit : Baht
	Consolidated/Separate financial statements
Book value as at December 31, 2013	-
<u>Add</u> Transfers in during the year (Cost) (Note 14)	6,611,000
<u>Less</u> Accumulated depreciation (Note 14)	(2,136,010)
Allowance for impairment of asset	(1,934,990)
Book value as at December 31, 2014	2,540,000

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12. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2014 and 2013 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Baht	
		2014	2013	2014	2013	2014	2013
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	82,677,860	82,677,860
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	100.00	100.00	460	460	352,395,280	352,395,280
Total investments in subsidiaries - net						420,073,140	435,073,140

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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.

13. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The Company has pledged fixed deposits at bank as collateral for the issuance of bank guarantee (Note 29.1).



..... Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

Unit : Baht

Separate financial statements

	Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
Cost									
As at December 31, 2013	157,135,835	2,697,560	144,238,336	23,806,424	423,113,675	4,563,915	66,159,058	73,009,452	894,724,255
Purchases during the year	-	-	158,702	-	5,464,795	558,536	322,430	172,553,305	179,057,768
Transfers in (out) during the year(Note 11)	-	-	8,012,236	11,655,628	169,305,867	1,348,480	6,112,503	(203,045,714)	(6,611,000)
Disposals/ written-off during the year	-	-	-	-	(2,200,647)	(44,800)	-	-	(2,245,447)
As at December 31, 2014	157,135,835	2,697,560	152,409,274	35,462,052	595,683,690	6,426,131	72,593,991	42,517,043	1,064,925,576
Accumulated depreciation									
As at December 31, 2013	-	68,732	30,200,657	8,824,160	121,501,214	2,662,632	16,684,387	-	179,941,782
Depreciation for the year	-	269,756	5,493,124	1,279,869	27,073,119	827,685	3,002,075	-	37,945,628
Depreciation transfers out (Note 11)	-	-	-	-	(2,136,010)	-	-	-	(2,136,010)
Written-off during the year	-	-	-	-	(1,605,045)	(24,412)	-	-	(1,629,457)
As at December 31, 2014	-	338,488	35,693,781	10,104,029	144,833,278	3,465,905	19,686,462	-	214,121,943
Net book value									
As at December 31, 2013	157,135,835	2,628,828	114,037,679	14,982,264	301,612,461	1,901,283	49,474,671	73,009,452	714,782,473
As at December 31, 2014	157,135,835	2,359,072	116,715,493	25,358,023	450,850,412	2,960,226	52,907,529	42,517,043	850,803,633

3

.....Director

(Thanit Tharatanavibool)

..... Director

(Pimwan Tharatanavibool)

Depreciations in the statements of profit or loss for the years ended December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales and services	67,518,149	61,642,312	33,721,784	29,150,237
Selling and administrative expenses	4,783,666	4,393,719	4,223,844	3,616,691
	<u>72,301,815</u>	<u>66,036,031</u>	<u>37,945,628</u>	<u>32,766,928</u>

As at December 31, 2014 and 2013, the subsidiary has mortgaged land, buildings and port with banks as collateral for credit facilities obtained from a financial institution (Note 16, 18). In the year 2016, the subsidiaries revoked syndicated credit facilities and redemption collateral entirely.

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at December 31, 2014 and 2013, in the consolidate financial statement totaling approximately Baht 19.39 million and Baht 14.36 million respectively, and in the separate financial statements totaling approximately Baht 10.28 million and Baht 8.03 million, respectively.



15. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2014 and 2013 consisted of:

		Unit : Baht	
		Consolidated	Separate
		financial statements	financial statements
Cost			
As at December 31, 2013		309,517	230,070
Purchases during the year		81,192	81,192
As at December 31, 2014		390,709	311,262
Accumulative amortization			
As at December 31, 2013		204,339	125,777
Amortization for the year		41,324	40,439
As at December 31, 2014		245,663	166,216
Book value			
As at December 31, 2013		105,178	104,293
As at December 31, 2014		145,046	145,046
Amortization expenses for the years			
2013		16,971	14,451
2014		41,324	40,439

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

Bank overdrafts and short-term loans from financial institutions as at December 31, 2014 and 2013 consisted of:

		Unit : Baht	
		Consolidated financial statements	Separate financial statements
		2014	2013
Bank overdrafts		1,918,380	3,617,810
Promissory notes		315,000,000	90,000,000
Total		316,918,380	93,617,810

Credit facilities (Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank overdrafts	40,000,000	15,000,000	5,000,000	15,000,000
Promissory notes	900,000,000	840,000,000	900,000,000	790,000,000
Total	940,000,000	855,000,000	905,000,000	805,000,000

At as December 31, 2014 and 2013 these loans are jointly guaranteed by the Company and AI Ports and Terminals Company Limited, secured by mortgage land with structure and port of the subsidiary. Under the terms of loan contract, the subsidiary cannot pledge its machinery, equipment and port as collateral for other loan (Note14).

17. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables				
Trade payables - related parties	1,682,733	930,170	4,293,276	1,255,163
Trade payables - other	82,563,628	46,499,993	78,145,418	39,848,910
Total trade payables	84,246,361	47,430,163	82,438,694	41,104,073
Other payables				
Others payables	14,427,424	9,759,909	14,237,028	9,474,866
Advances received for goods	17,504,518	787,201	17,504,518	787,201
Accrued bonus expenses	325,886	229,072	-	8,228
Electricity payable	4,129,782	2,210,032	4,128,504	2,209,206
Accrued expenses	4,649,094	1,539,514	4,094,610	913,334
Retention	1,731,328	92,760	1,731,328	92,760
Payables for purchase of assets	71,813,967	12,340,439	70,866,844	12,037,380
Other	4,287,177	3,703,044	4,251,888	3,375,778
Total other payables	118,869,176	30,661,970	116,814,720	28,898,753
Total trade and other payables	203,115,537	78,092,133	199,253,414	70,002,826

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18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions as at December 31, 2014 and 2013 consisted of:

		Unit : Baht	
		Separate financial statements	
CREDIT LINE	REPYMENT CONDITIONS	2014	2013
Baht 13.75 million started on May 19, 2010 by AI Energy Public Company Limited	- The principal will be repaid by monthly under amount as specified in the agreement with the first installment in June 2010 and will be finished within - Monthly payment of interest rate at MLR-1.25 per - Interest rate swap contracts to be fixed rate at 6.39% from February 2012 until February 2015.	-	6,853,700
Baht 56.00 million started on September 16,2011 by AI Energy Public Company Limited	- The principal will be repaid by monthly under and amount as specified in the agreement with the installment in October 2011 and will be finished September 2018. - Monthly payment of interest rate at MLR-1.25 per - Interest rate swap contracts to be fixed rate at 6.40% annum from February 2012 until February 2015.	-	24,537,000
Total long-term loans from financial institutions		-	31,390,700
<u>Less</u> Current portion of long-term loans		-	(10,803,000)
Long-term loans from financial institutions-net		-	20,587,700

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		Unit : Baht	
		Consolidated financial statements	
CREDIT LINE	REPYMENT CONDITIONS	2014	2013
Baht 90 million started on April 3, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under amount as specified in the agreement with the first in September 2009 and will be finished within August - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% from February 2012 until February 2015.	-	38,719,970
Baht 45 million started on April 28, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under amount as specified in the agreement with the first in September 2009 and will be finished within August - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% from February 2012 until February 2015.	-	18,518,919
Baht 13.75 million started on May 19, 2010 by AI Energy Public Company Limited	- The principal will be repaid by monthly under amount as specified in the agreement with the first installment in June 2010 and will be finished within - Monthly payment of interest rate at MLR-1.25 per - Interest rate swap contracts to be fixed rate at 6.39% from February 2012 until February 2015.	-	6,853,700
Baht 56.00 million started on September 16, 2011 by AI Energy Public Company Limited	- The principal will be repaid by monthly under 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 - Interest rate swap contracts to be fixed rate at 6.40% annum from February 2012 until February 2015.	-	24,537,000
Baht 110 million Started on June 30, 2014 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under amount as specified in the agreement with the first in July 2014 and will be finished within June 2019. - Monthly payment of interest rate at MLR-1 per	98,960,000	-
Long-term loans from financial institutions		98,960,000	88,629,589
Less Current portion of long-term loans		(22,080,000)	(32,343,000)
Long-term loans from financial institutions-net		76,880,000	56,286,589

..... Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

During the year 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 (Note 14).

19. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation for the years ended December 31, 2014 and 2013 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2014	2013	2014	2013
Employee benefit at beginning of year	9,966,005	7,021,464	7,870,307	4,939,369
Included in profit or loss:				
Current service cost	1,641,115	1,968,261	1,296,936	1,560,156
Interest cost	325,368	259,080	257,560	206,312
Included in other comprehensive income:				
Actuarial losses arising from				
Financial assumptions changes	-	172,031	-	279,329
Experience adjustments	-	545,169	-	885,141
Employee benefit obligations at end of year	11,932,488	9,966,005	9,424,803	7,870,307

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Employee benefit expenses in profit or loss for the year ended December 31, 2014 and 2013, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2014	2013	2014	2013
Cost of sales	1,131,525	1,160,689	892,912	860,024
Selling expenses	293,985	645,247	293,985	261,197
Administrative expenses	540,973	421,405	367,599	645,247
Total employee benefit expenses	1,966,483	2,227,341	1,554,496	1,766,468

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2014 and 2013 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	3.18 - 3.38	3.18 - 3.38	3.38	3.38
Salary increase rate	5.00	5.00	5.00	5.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008		100% of Thai Mortality Ordinary Tables of 2008	
Turnover rate				
Under 31 years old	00.00 - 33.00	00.00 - 33.00	15.00	15.00
31 - 40 years old	00.00 - 14.00	00.00 - 14.00	12.00	12.00
41 - 50 years old	0.00 - 7.00	0.00 - 7.00	3.00	3.00
Above 51 years old	0.00	0.00	0.00	0.00

20. SHARE CAPITAL

On April 9, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved to increase the Company's authorized capital from Baht 370 million (37 million shares at Baht 10 par value) to be Baht 960 million (96 million shares at Baht 10 par value) by issuing new common stocks amount 59 million shares at Baht 10 par value offered to existing shareholders of the Company in accordance with the right and proportion shareholding of each shareholder who have appeared in the register of shareholders of the Company as at March 20, 2013. The money received from capital increase, the Company plans to repay the loan from Asian Insulators Public Company Limited amount of Baht 150 million and has approved to acquire of 46 million shares of AI Ports and Terminals Company Limited amount and 20.90 million shares of AI Logistics Company Limited, totaling amount of Baht 435.07 million from existing shareholders of both companies for restructuring the Group Company. By two companies become subsidiaries of the Company for preparing to list on Market for Alternative Investment (mai). The Company registered the resolution of changing its authorized and paid-up share capital with the Ministry of Commerce on April 10, 2013.

On May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 was held and approved as follows:

- To change the par value from initial Baht 10 to be Baht 1 par value, all shares are also ordinary shares. After the changing of par value, the Company has the ordinary shares of 960 million shares.
- To increase the Company's authorized capital from Baht 960 million (960 million shares at Baht 1 par value) to be Baht 1,130 million (1,130 million shares at Baht 1 par value) by issuing new ordinary shares of 170 million shares at Baht 1 per share by offering to the public.

The Company has registered the resolution of changing its par value and the authorized capital with the Ministry of Commerce on May 9, 2013.

During 23 to 24 December 2013, the Company has sold its initial public offering of ordinary share amount of 170 million shares with the par value of Baht 1 per share. The offering price of these shares was Baht 4.75 per share totally to Baht 807.50 million. The Company recorded expenses in respect of share distribution amount of Baht 32.39 million as a deduction from the share premium and the shares of the Company have been traded in the Market for Alternative Investment (mai) on January 6, 2014.

21. 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, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

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..... Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

22. DEFERRED TAX

Deferred tax as at December 31, 2014 and 2013 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2014	2013
Deferred tax assets	3,024,123	4,304,495
Deferred tax liabilities	(2,260,177)	-
Deferred tax assets - net	763,946	4,304,495

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

	Unit : Baht		
	Consolidated/Separate financial statements		
	As at January 1, 2014	(loss)	As at December 31, 2014
Deferred tax assets			
Allowance for doubtful accounts	814,483	(86,372)	728,111
Allowance on decline in value of inventories	-	24,052	24,052
Allowance on decline in value of non-current assets held for sale	-	386,998	386,998
Provision for long-term employee benefits	1,574,062	310,900	1,884,962
Tax loss carries forward	1,915,950	(1,915,950)	-
Total	4,304,495	(1,280,372)	3,024,123
Deferred tax liabilities			
Depreciation	-	(2,260,177)	(2,260,177)
Total	-	(2,260,177)	(2,260,177)
Deferred tax assets - net	4,304,495	(3,540,549)	763,946

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	Unit : Baht			
	Consolidated/Separate financial statements			
	Other			As at December 31, 2013
	As at January 1, 2013	Profit (loss)	Comprehensive loss	
Deferred tax assets				
Allowance for doubtful accounts	750,576	63,907	-	814,483
Allowance on decline in value of inventories	1,718,802	(1,718,802)	-	-
Provision for long-term employee benefits	987,874	353,294	232,894	1,574,062
Tax loss carries forward	37,584,454	(35,668,504)	-	1,915,950
Deferred tax assets - net	41,041,706	(36,970,105)	232,894	4,304,495

23. INCOME TAX EXPENSES

Income tax expenses for the years ended December 31, 2014 and 2013 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current tax expense				
Current years	(30,595,135)	-	(30,595,135)	-
Deferred tax expense				
Movements in temporary differences	(3,540,549)	(36,970,105)	(3,540,549)	(36,970,105)
Total	(34,135,684)	(36,970,105)	(34,135,684)	(36,970,105)

Income tax reduction

Royal Decree No. 530 B.E.2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 20% on net profit for the accounting periods beginning on January 1, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557, dated November 10, 2014, the corporate income tax rate will continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.



24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2014 and 2013 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(Increase) Decrease in change of				
finished goods and work in progress	(78,149,713)	221,449,727	(78,143,217)	221,453,535
Raw materials and consumables used	3,954,532,164	3,097,209,517	3,946,104,437	3,108,981,445
Purchase of goods for sale	119,259,911	294,422,717	294,369,391	268,263,717
Employee benefit expenses	74,139,002	72,984,489	59,496,803	55,790,893
Depreciation and amortization expenses	73,071,802	66,038,551	38,719,748	32,766,928
Finance costs	23,180,230	48,066,482	9,040,885	37,529,271
Loss on diminution of inventories	120,260	(8,594,010)	120,260	(8,594,010)

25. FOREIGN CURRENCY TRANSACTIONS

At as December 31, 2014 and 2013, the Company and subsidiary have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

(Unit : Thousand)

รายการ	Consolidated financial statements				Separate financial statements			
	2014		2013		2014		2013	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets								
USD	309.56	10,157.49	141.56	4,625.95	309.43	10,153.17	141.49	4,623.58
EUR	49.17	1,954.54	-	-	49.17	1,954.54	-	-
Liabilities								
USD	0.25	8.28	111.39	3,670.32	-	-	-	-

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..... Director

(Thanit Tharatanavibool)

..... Director

(Pimwan Tharatanavibool)

26. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1997) 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	February 3, 2015	Producing biodiesel	February 2, 2023
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. The promotional certificates No. 1922(1)/2553, 2777(1)/2556, 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 throughout 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.

(*) AI Ports and Terminals Company Limited received a letter from the Board of Investment, dated April 3, 2015, to change the rights and benefits period from 8 years to 7 years due to the company's quality system had been certified but did not cover the operation for cargo vessels as promoted.

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

..... Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

27. PROVIDENT FUND

The Company and its subsidiary have set up a provident fund for the employees under the Provident Fund Act, B.E. 2530 (1987), in order to be their welfare as well as security whenever resignation or retirement as defined by the Company's regulation, with partly contribute by its employees' and another part by the Company at the rate 3 - 7 % on their salaries. The Company has also appointed Finansia Asset Management Company Limited to manage such 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 years ended December 31, 2014 and 2013 are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
AI Energy Public Company Limited	1,091,357	453,091	1,091,357	453,091
AI Logistic Company Limited	9,282	15,357	-	-
Total	1,100,639	468,448	1,091,357	453,091

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28. SEGMENTS INFORMATION

The segments information for the years ended December 31, 2014 and 2013 as follows:

Unit : Thousand Baht

	Consolidated financial statements					
	For the year ended December 31, 2014					
	Sale of biodiesel and 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	4,355,189	133,541	3,840	31,449	35,291	1,000
Cost of sales and services	(4,139,813)	(78,126)	(2,960)	(25,302)	(47,143)	(497)
Gross profit (loss) by segment	215,376	55,415	880	6,147	(11,852)	503
Other income						14,416
Selling expenses						(55,491)
Administrative expenses						(77,413)
Finance costs						(23,180)
Tax expenses						(34,135)
Profit for the year						90,666
Property, plant, vessel and equipment-net	850,804	-	-	21,585	62,415	443,109
						1,377,913

Q

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements

For the year ended December 31, 2013

	Sale of biodiesel and 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	4,012,245	93,834	42,959	27,899	45,640	-	4,222,577
Cost of sales and services	(3,697,435)	(46,740)	(33,559)	(23,534)	(39,952)	-	(3,841,220)
Gross profit by segment	314,810	47,094	9,400	4,365	5,688	-	381,357
Other income							13,204
Selling expenses							(59,925)
Administrative expenses							(54,445)
Finance costs							(48,066)
Tax expenses							(36,970)
Profit for the year							195,155
Property, plant, vessel and equipment-net	714,782		-	21,224	75,350	453,360	1,264,716

9

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

29. COMMITMENT AND CONTINGENT LIABILITIES

Commitments and contingent liabilities as at December 31, 2014 and 2013 comprised:

29.1 The Group had contingent liabilities on bank guarantees in the amount of Baht 5.64 million in year 2014 and amount of Baht 5.14 million in year 2013 issued by banks on behalf of the Group with respect to certain performance bonds required in the normal course of business of the Group.

29.2 Group has contingent liabilities on capital commitments as follows:

	Unit : Million Baht			
	Contracted		Balance	
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Capital commitments				
Machinery accessories and tools	4.99	47.97	4.62	47.97

29.3 The Company has signed lease contract of 15 tanks, comprise 5 tanks at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon and 10 tanks at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon. The lease period was 12 months, commencing from January 1, 2015 to December 31, 2015. The Company has to pay monthly rental amount of Baht 4.20 million per month.

29.4 The Company received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (SEC), dated January 20, 2016, requesting for the facts about the Company predecessor auditor's disclaimer of opinion in the Company's financial statements for the year 2014. The former management provided a clarification of the facts to the SEC.

On June 20, 2017, the SEC has filed a criminal complaint against two former directors and executives of the Company in case of the preparation of incorrect financial statements for the year 2014, as the Company predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings.

Consequently, the Company's current management had investigated and prepared the new documentation to support the accounting transactions related to above matter of auditor disclaimed an opinion on the Company's financial statements in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the consolidated and separate financial statements for the year ended December 31, 2014 as shown in Note to Financial Statements No. 33.

..... Director
(Thanit Thararatanavibool)

..... Director
(Pimwan Thararatanavibool)

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position as follows:

30.1 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable consists of:
 - Revenue of the Company and its subsidiaries resulting from sale, production contract, construction contract and vessel operation to few major customers but very high proportion.
 - Revenue of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.
- For the financial assets shown in the statement of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

30.2 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

30.3 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

30.4 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value. Loans carrying interest rates close to the market rate.

31. LITIGATION

The Company was sued by the Official Receiver of Pamola 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 June 8, 2016, the Supreme Court has ordered to dismiss the case.

..... Director
(Thanit Thareratanavibool)

..... Director
(Pimwan Thareratanavibool)

32. 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.

33. CORRECTION OF ACCOUNTING ERROR AND RECLASSIFICATIONS OF TRANSACTIONS

The Company's financial statements for the year ended December 31, 2014 had been prepared and issued on March 24, 2015. During the year 2017, The Company's current management had investigated and prepared the new documentations to support the accounting transactions related to the matters of auditor disclaimed an opinion on the Company's financial statements in order to reflect the financial statements to be accordance with the financial reporting standards and had adjusted the consolidated and separate financial statements for the year ended December 31, 2014.

Certain accounts in the statement of financial position as at December 31, 2013 have been reclassified to conform to the current year presentation, of which no impact net income or shareholders' equity.

The effects to the financial statements for the years ended December 31, 2014 and 2013, presented herewith for comparative purposes, are as follows:

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Unit : Baht

	Consolidated financial statements			
	Before adjusted and before new reclassification	The first adjusted	The second adjusted	After adjusted and before new reclassification
				After adjusted and after new reclassification
Current assets				
Trade and other receivables - net	392,779,285	82,473,490	-	475,252,775
Inventories - net	471,807,858	(47,532,583)	9,869,422	434,144,697
Other current assets	1,869,814	-	-	1,869,814
Non-Current assets				
Property, plant, vessel and equipment - net	1,378,460,787	(548,110)	-	1,377,912,677
Current liabilities				
Trade and other payables	(128,514,116)	(45,903,297)	-	(174,417,413)
Other current liabilities	(28,698,124)	-	-	(28,698,124)
Income tax payables	(24,101,420)	(1,644,483)	(2,925,189)	(28,671,092)
Shareholders' equity				
Legal reserve	(6,514,956)	153,382	-	(6,361,574)
Retained earnings (increase) decrease	(113,066,335)	13,001,601	(6,944,233)	(107,008,967)

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Statement of financial position as at December 31, 2014

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

	Separate financial statements				
	Before adjusted and before new reclassification	The first adjusted	The second adjusted	After adjusted and before new reclassification	After adjusted and after new reclassification
Current assets					
Trade and other receivables - net	389,908,743	82,473,490	-	472,382,233	1,198,481
Inventories - net	471,671,218	(47,532,583)	9,869,422	434,008,057	-
Other current assets	1,198,481	-	-	1,198,481	(1,198,481)
Non-Current assets					
Property, plant, vessel and equipment - net	851,351,743	(548,110)	-	850,803,633	-
Current liabilities					
Trade and other payables	(125,634,405)	(45,903,297)	-	(171,537,702)	(27,715,712)
Other current liabilities	(27,715,712)	-	-	(27,715,712)	27,715,712
Income tax payables	(24,101,420)	(1,644,483)	(2,925,189)	(28,671,092)	-
Shareholders' equity					
Legal reserve	(6,514,956)	153,382	-	(6,361,574)	-
Retained earnings (increase) decrease	(123,784,159)	13,001,601	(6,944,233)	(117,726,791)	-

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Statement of financial position as at December 31, 2014

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

Consolidated financial statements					
	Before adjusted and before new reclassification	The first adjusted	The second adjusted	After adjusted and before new reclassification	After adjusted and after new reclassification
The statements of comprehensive income					
For the years ended December 31, 2014					
Revenues					
Revenues from sale of goods	4,334,327,668	55,745,130	405,140	4,390,477,938	4,390,477,938
Revenues from production contract	54,469,397	84,861,342	(5,789,415)	133,541,324	133,541,324
Other incomes	16,351,255	-	-	16,351,255	14,416,266
Expenses					
Cost of sales	(4,090,367,195)	(96,252,893)	18,545,412	(4,168,074,676)	(4,168,074,676)
Cost of production contract	(37,155,419)	(43,538,050)	2,567,269	(78,126,200)	(78,126,200)
Administrative expenses	(58,733,144)	(8,892,713)	(9,292,299)	(76,918,156)	(77,413,167)
Directors' remuneration	(2,430,000)	-	-	(2,430,000)	-
Tax expense	(29,566,011)	(1,483,537)	(3,086,136)	(34,135,684)	(34,135,684)
Profit for the years increase (decrease)	96,877,023	(9,560,721)	3,349,971	90,666,273	90,666,273

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

	Separate financial statements				
	Before adjusted and before new reclassification	The first adjusted	The second adjusted	After adjusted and before new reclassification	After adjusted and after new reclassification
The statements of comprehensive income					
For the years ended December 31, 2014					
Revenues					
Revenues from sale of goods	4,482,747,317	55,745,130	405,140	4,538,897,587	4,538,897,587
Revenues from production contract	54,469,397	84,861,342	(5,789,415)	133,541,324	133,541,324
Other incomes	19,833,804	-	-	19,833,804	17,898,815
Expenses					
Cost of sales	(4,267,533,853)	(96,252,893)	18,545,412	(4,345,241,334)	(4,345,241,334)
Cost of production contract	(37,155,419)	(43,538,050)	2,567,269	(78,126,200)	(78,126,200)
Administrative expenses	(47,054,378)	(8,892,713)	(9,292,299)	(65,239,390)	(65,734,401)
Directors' remuneration	(2,430,000)	-	-	(2,430,000)	-
Tax expense	(29,566,011)	(1,483,537)	(3,086,136)	(34,135,684)	(34,135,684)
Profit for the years increase (decrease)	112,714,269	(9,560,721)	3,349,971	106,503,519	106,503,519

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.....Director

(Thanit Tharatanavibool)

.....Director

(Pimwan Tharatanavibool)

Unit : Baht

	Consolidated financial statements			Separate financial statements		
	After adjusted and before new reclassification	Reclassification	After adjusted and after new reclassification	After adjusted and before new reclassification	Reclassification	After adjusted and after new reclassification
Statement of financial position as at December 31, 2013						
Trade and other receivables - net	273,961,013	2,919,657	276,880,670	270,553,270	2,688,409	273,241,679
Other current assets	2,919,657	(2,919,657)	-	2,688,409	(2,688,409)	-
Trade and other payables	63,703,271	14,388,862	78,092,133	56,244,289	13,758,537	70,002,826
Other current liabilities	14,388,862	(14,388,862)	-	13,758,537	(13,758,537)	-

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.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	After adjusted and before new reclassification	After adjusted and after new reclassification	After adjusted and before new reclassification	After adjusted and after new reclassification
Administrative expenses	52,560,250	1,884,900	40,593,459	42,478,359
Directors' remuneration	1,884,900	(1,884,900)	1,884,900	(1,884,900)
				-

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The statements of comprehensive income

For the year ended December 31, 2013

.....Director
(Thanit Tharatanavibool)

.....Director
(Pimwan Tharatanavibool)

34. EVENTS AFTER REPORTING PERIOD

The 2015 Annual General Meeting of Shareholders held on April 21, 2015, passed the resolutions as follows:

- 34.1 To change the par value from initial Baht 1 to be Baht 0.25 par value, all shares are also ordinary shares. After the changing of par value, the Company has the ordinary shares of 4,520 million shares.
- 34.2 To increase the Company's authorized capital from Baht 1,130 million (4,520 million shares at Baht 0.25 par value) to be Baht 1,356 million (5,424 million shares at Baht 0.25 par value) in order to reserve for the exercise of the warrants No. 1 to purchase the increase ordinary share.
- 34.3 On April 21, 2015, the Annual General Meeting of the Company's shareholders passed a resolution to issue and allocate of stock warrant for rights to purchase ordinary shares of (AIE-W1) for the existing shareholders, not exceeding 904 million units (allocate 1 purchase ordinary share: 1 stock warrant unit) . Details of the issue are as follows:

Type	:	In named certificate form and transferable
Price per unit of warrant	:	Baht 0.00
Exercise ratio	:	1 warrant to 5 ordinary shares
Exercise price	:	Baht 0.25 per share
Exercise date	:	The first exercise date is December 30, 2016 and the last exercise date is May 7, 2018
Issuance date of warrants	:	May 8, 2015
Maturity of warrants	:	3 years from the issuance date.

- 34.4 The Company had prepared and published the consolidated and separate financial statements for the year 2017, 2016 and 2015 which had been audited by the auditor according to the auditor's reports dated February 17, 2018, February 28, 2017 and March 29, 2016 respectively. The contents of the events after the reporting period, therefore, have been included in such financial statements.

35. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Company's Board of Directors on April 26, 2018.



..... Director

(Thanit Thareratanavibool)

..... Director

(Pimwan Thareratanavibool)