

AI ENERGY PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

DECEMBER 31, 2013

518/3 อาคารเมธียาเซ็นเตอร์ นอช ชั้น 7
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V & A

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

CERTIFIED PUBLIC ACCOUNTANTS

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AUDITOR'S REPORT

To the Shareholders of AI Energy Public Company Limited

I have audited the accompanying consolidated financial statements of AI Energy Public Company Limited and subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of AI Energy Public Company Limited for the same period.

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. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

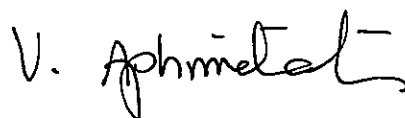
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AI Energy Public Company Limited and subsidiaries and of AI Energy Public Company Limited as at December 31, 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

According to Note 3 to the financial statements, in 2013 the Company has changed its accounting policy on income taxes. Thus, the statements of financial position as at December 31, 2012 and January 1, 2012, and financial statements for the year ended December 31, 2012, shown herein as comparison have been restated from the effect of change in accounting policy. I have audited the adjusted transactions for the statements of financial position as at December 31, 2012, and January 1, 2012, and have audited the adjusted transactions for the financial statements for the year ended December 31, 2012. In my opinion, the adjusted transactions are appropriate and fairly adjusted. My opinion is not qualified in respect of these matters.



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

Dr. Virach & Associates Office Co., Ltd.

Bangkok: February 17, 2014

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

		<u>ASSETS</u>			
		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
Notes	2013	2012 (RESTATED)	2013	2012 (RESTATED)	
Current Assets					
Cash and cash equivalents	4.2 and 5	73,120,383	18,841,453	66,680,183	15,282,821
Short-term investments		50,000	-	50,000	-
Trade and other receivables	4.3 and 6	273,961,013	289,584,165	270,553,270	284,974,032
Inventories	4.4 and 7	370,585,067	787,944,881	370,454,923	787,818,545
Oil supplies	4.5 and 8	4,821,153	2,300,019	-	-
Other current assets		2,919,657	306,651	2,688,409	240,339
Total Current Assets		725,457,273	1,098,977,169	710,426,785	1,088,315,737
Non-current Assets					
Investments in subsidiaries	4.6 and 9	-	-	435,073,140	-
Fixed deposits with obligation	10	2,000,000	-	2,000,000	-
Property, plant, vessel and equipment	4.7, 4.8 and 11	1,264,715,897	1,207,680,676	714,782,473	629,876,003
Intangible assets	4.9 and 12	105,178	54,649	104,293	51,244
Deferred tax assets	4.10 and 22	4,304,495	41,041,706	4,304,495	41,041,706
Other non-current assets					
Withholding tax		5,611,538	5,907,503	5,611,384	5,907,503
Deposit		20,575,920	1,904,500	29,575,920	1,904,500
Others		128,106	117,406	83,906	73,206
Total other non-current assets		26,315,564	7,929,409	35,271,210	7,885,209
Total Non-current Assets		1,297,441,134	1,256,706,440	1,191,535,611	678,854,162
TOTAL ASSETS		2,022,898,407	2,355,683,609	1,901,962,396	1,767,169,899

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

BAHT

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (RESTATED)	2013	2012 (RESTATED)
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	93,617,810	1,262,997,556	40,000,000	1,212,912,695
Trade and other payables	14	63,703,271	146,230,723	56,244,289	138,765,469
Accrued interest		526,568	1,902,109	199,303	1,589,579
Current portion of long-term loans	16	32,343,000	65,062,000	10,803,000	19,022,000
Short-term loans from related party	15	-	394,000,000	-	150,000,000
Other current liabilities					
Revenue Department payable		12,297,882	16,434,657	12,037,379	16,392,703
Others		1,564,412	354,839	1,521,855	179,889
Total other current liabilities		13,862,294	16,789,496	13,559,234	16,572,592
Total Current Liabilities		204,052,943	1,886,981,884	120,805,826	1,538,862,335
Non-current Liabilities					
Long-term loans	16	56,286,589	87,798,619	20,587,700	30,559,700
Provision for long-term employee benefits	4.11 and 17	9,966,005	7,021,464	7,870,307	4,939,369
Total Non-current Liabilities		66,252,594	94,820,083	28,458,007	35,499,069
TOTAL LIABILITIES		270,305,537	1,981,801,967	149,263,833	1,574,361,404



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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

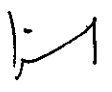
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (RESTATED)	2013	2012 (RESTATED)
Shareholders' Equity					
Share capital	18				
Authorized share capital					
1,130,000,000 common stocks of Baht 1 par value		<u>1,130,000,000</u>		<u>1,130,000,000</u>	
37,000,000 common stocks of Baht 10 par value			<u>370,000,000</u>		<u>370,000,000</u>
Issued and paid-up share capital					
1,130,000,000 common stocks at Baht 1 each		1,130,000,000		1,130,000,000	
37,000,000 common stocks at Baht 10 each			370,000,000		370,000,000
Premium on common stocks		605,113,717	-	605,113,717	-
Retained earnings (Deficits)					
Appropriated					
Legal reserve	19	879,242	-	879,242	-
Unappropriated		21,825,026	(177,191,505)	16,705,604	(177,191,505)
Surplus on business combination under common control	9	(5,225,115)	-	-	-
Total Equity of the Parent		<u>1,752,592,870</u>	<u>192,808,495</u>	<u>1,752,698,563</u>	<u>192,808,495</u>
Non-controlling interests		-	181,073,147	-	-
Total Shareholders' Equity		<u>1,752,592,870</u>	<u>373,881,642</u>	<u>1,752,698,563</u>	<u>192,808,495</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,022,898,407</u>	<u>2,355,683,609</u>	<u>1,901,962,396</u>	<u>1,767,169,899</u>

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Notes			(RESTATED)		(RESTATED)
REVENUES					
	Sales	4,083,102,531	3,403,481,749	4,022,199,678	3,371,516,794
	Revenues from production contract	93,834,113	18,164,804	93,834,113	18,164,804
	Vessel operating income	45,640,250	28,583,749	-	-
	Other incomes	13,204,015	11,711,603	13,064,238	11,351,783
	Total Revenues	4,235,780,909	3,461,941,905	4,129,098,029	3,401,033,381
EXPENSES					
	Cost of sales	3,754,527,855	3,350,233,124	3,712,717,675	3,309,293,609
	Cost of production contract	46,739,417	15,126,350	46,739,417	15,126,350
	Cost of vessel operating	39,952,389	21,341,730	-	-
	Selling expenses	59,924,554	56,727,799	56,955,275	53,764,524
	Administrative expenses	52,560,250	48,388,625	40,593,459	31,910,246
	Directors' remuneration	1,884,900	-	1,884,900	-
	Finance costs	48,066,482	66,822,113	37,529,271	42,783,029
	Total Expenses	4,003,655,847	3,558,639,741	3,896,419,997	3,452,877,758
	Profit (Loss) before income tax expenses	232,125,062	(96,697,836)	232,678,032	(51,844,377)
	Income tax expenses (Revenues)	36,970,105	(10,210,949)	36,970,105	(10,210,949)
	Profit (Loss) for the years	195,154,957	(86,486,887)	195,707,927	(41,633,428)



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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (RESTATED)	2013	2012 (RESTATED)
Note				
Other comprehensive income (loss)				
Actuarial losses from employee benefit plan	(717,200)	-	(1,164,470)	-
Components of income tax	232,894	-	232,894	-
Actuarial losses from employee benefit plan -net of tax	(484,306)	-	(931,576)	-
Other comprehensive income (loss) for the years	(484,306)	-	(931,576)	-
Total comprehensive income (loss) for the years	194,670,651	(86,486,887)	194,776,351	(41,633,428)
Profit (Loss) Attributable to				
Equity holders of the parent	200,827,349	(41,633,428)	195,707,927	(41,633,428)
Non-controlling interests	(5,672,392)	(44,853,459)	-	-
	195,154,957	(86,486,887)	195,707,927	(41,633,428)
Total Comprehensive Income (Loss) Attributable to				
Equity holders of the parent	199,895,773	(41,633,428)	194,776,351	(41,633,428)
Non-controlling interests	(5,225,122)	(44,853,459)	-	-
	194,670,651	(86,486,887)	194,776,351	(41,633,428)
Earnings (Loss) per Share of the Parent				
Basic Earnings (Loss) per Share	4.12	0.25	(0.11)	0.24
The number of common stocks used in computation earnings (loss) per share (share)	803,232,877	370,000,000	803,232,877	370,000,000



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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED

BAHT

	Notes	Shareholders' equity of the parent							Total equity of the parent	Non-controlling interests	Total
		Issued and paid-up share capital	Premium on common stocks	Legal reserve	Retained earnings (deficits)	Unappropriated	Surplus on business combination under common control	Total			
<u>Year 2012</u>											
Beginning balances as at January 1, 2012 - before restated		370,000,000	-	-	(166,388,834)	-	-	203,611,166	145,926,606	349,537,772	
Cumulative effect of the change in accounting policy		-	-	-	30,830,757	-	-	30,830,757	-	30,830,757	
- Income taxes	3	-	-	-	(135,558,077)	-	-	234,441,923	145,926,606	380,368,529	
Beginning balances as at January 1, 2012 - restated balances		370,000,000	-	-	(166,388,834)	-	-	203,611,166	145,926,606	349,537,772	
Increase in non-controlling interests		-	-	-	-	-	-	-	80,000,000	80,000,000	
- from increase in investment in subsidiary		-	-	-	(41,633,428)	-	-	(41,633,428)	(44,853,459)	(86,486,887)	
Total comprehensive loss for the year		-	-	-	(177,191,505)	-	-	(177,191,505)	181,073,147	373,881,642	
Ending balances as at December 31, 2012		370,000,000	-	-	(166,388,834)	-	-	203,611,166	145,926,606	349,537,772	
<u>Year 2013</u>											
Beginning balances as at January 1, 2013 - before restated		370,000,000	-	-	(218,233,211)	-	-	151,766,789	181,073,147	332,839,936	
Cumulative effect of the change in accounting policy		-	-	-	41,041,706	-	-	41,041,706	-	41,041,706	
- Income taxes	3	-	-	-	(177,191,505)	-	-	(177,191,505)	181,073,147	373,881,642	
Beginning balances as at January 1, 2013 - restated balances		370,000,000	-	-	(166,388,834)	-	-	203,611,166	145,926,606	349,537,772	
Capital increase	18	760,000,000	605,113,717	-	-	-	-	1,365,113,717	-	1,365,113,717	
Increase (decrease) in non-controlling interests		-	-	-	-	-	-	-	254,000,000	254,000,000	
- from increase in investment		-	-	-	-	-	-	-	(429,848,025)	(429,848,025)	
- from share purchase from old shareholders		-	-	-	-	-	-	-	-	-	
Legal reserve	19	-	-	879,242	(879,242)	-	-	-	-	-	
Comprehensive income for the year 2013 :-		-	-	-	200,827,349	-	-	200,827,349	(5,672,392)	195,154,957	
Total comprehensive income (loss) for the year		-	-	-	(931,576)	-	-	(931,576)	447,270	(484,306)	
Actuarial losses from employee benefit plan		-	-	-	199,895,773	-	-	199,895,773	(5,225,122)	194,670,651	
Total comprehensive income (loss) for the year 2013		-	-	-	-	-	-	-	-	-	
Surplus on business combination under common control	9	-	-	-	-	-	(5,225,115)	(5,225,115)	-	(5,225,115)	
Ending balances as at December 31, 2013		1,130,000,000	605,113,717	879,242	21,825,026	-	-	1,752,592,870	-	1,752,592,870	

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

SEPARATE FINANCIAL STATEMENTS

BAHT

	Notes	Retained earnings (deficits)					Surplus on business combination under common control	Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Legal reserve	Unappropriated	Surplus on business combination under common control		
<u>Year 2012</u>								
Beginning balances as at January 1, 2012 - before restated		370,000,000	-	-	(166,388,834)	-	203,611,166	
Cumulative effect of the change in accounting policy - Income taxes	3	-	-	-	30,830,757	-	30,830,757	
Beginning balances as at January 1, 2012 - restated balances		370,000,000	-	-	(135,558,077)	-	234,441,923	
Total comprehensive loss for the year 2012		-	-	-	(41,633,428)	-	(41,633,428)	
Ending balances as at December 31, 2012		370,000,000	-	-	(177,191,505)	-	192,808,495	
<u>Year 2013</u>								
Beginning balances as at January 1, 2013 - before restated		370,000,000	-	-	(218,233,211)	-	151,766,789	
Cumulative effect of the change in accounting policy - Income taxes	3	-	-	-	41,041,706	-	41,041,706	
Beginning balances as at January 1, 2013 - restated balances		370,000,000	-	-	(177,191,505)	-	192,808,495	
Capital increase	18	760,000,000	605,113,717	-	-	-	1,365,113,717	
Legal reserve	19	-	-	879,242	(879,242)	-	-	
Comprehensive income for the year 2013 :-								
Total comprehensive income for the year		-	-	-	195,707,927	-	195,707,927	
Actuarial losses from employee benefit plan		-	-	-	(931,576)	-	(931,576)	
Total comprehensive income for the year 2013		-	-	-	194,776,351	-	194,776,351	
Ending balances as at December 31, 2013		1,130,000,000	605,113,717	879,242	16,705,604	-	1,752,698,563	

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/2)

FOR THE YEAR ENDED DECEMBER 31, 2013

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	232,125,062	(96,697,836)	232,678,032	(51,844,377)
ADJUSTMENTS TO RECONCILE PROFIT (LOSS) BEFORE INCOME TAX EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	66,021,580	69,076,029	32,752,477	24,884,465
Amortization of computer softwares	16,971	25,918	14,451	13,120
(Gain) loss on vessel and equipment disposal	-	2,008,540	-	(149,531)
Doubtful debt	319,534	686,233	319,534	686,233
Bad debts	-	454,237	-	-
Unrealized gain on exchange rates	(46,780)	(277,962)	(55,469)	(277,048)
Loss on unused equipment	17,137	360,485	2	13,063
Increase (decrease) on provision for diminution in inventory value	(8,594,010)	7,012,455	(8,594,010)	7,012,455
Long-term employee benefit expenses	2,227,341	1,554,659	1,766,468	851,913
Interest income	(524,237)	(348,055)	(483,136)	(322,642)
Interest expenses	46,943,644	66,462,312	36,432,029	42,471,941
Amortization of withholding tax	257	254	-	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	338,506,499	50,317,269	294,830,378	23,339,592
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	15,377,207	(116,076,271)	14,174,818	(115,934,848)
Inventories	425,953,824	(209,163,641)	425,957,632	(209,151,705)
Oil supplies	(2,521,134)	347,397	-	-
Other current assets	(823,919)	479,909	(658,983)	401,273
Other non-current assets	(40,700)	(800)	(9,040,700)	(800)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	(84,448,502)	97,615,017	(83,707,188)	97,224,425
Other current liabilities	(2,927,202)	4,592,255	(3,013,358)	4,625,141
Provision for long-term employee benefits	-	(270,000)	-	(270,000)
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	689,076,073	(172,158,865)	638,542,599	(199,766,922)
Income tax refunded	1,264,821	-	1,264,821	-
Income tax expenses paid	(2,758,200)	(814,597)	(2,757,789)	(814,343)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	687,582,694	(172,973,462)	637,049,631	(200,581,265)

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/2)

FOR THE YEAR ENDED DECEMBER 31, 2013

BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	506,117	348,055	465,015	347,377
Increase in short-term investments	(50,000)	-	(50,000)	-
Payment for shares purchase in subsidiaries from old shareholders	(435,073,140)	-	(435,073,140)	-
Increase in fixed deposits with obligation	(2,000,000)	-	(2,000,000)	-
Purchase of plant, vessel and equipment	(115,298,260)	(35,550,522)	(110,720,369)	(25,853,156)
Interest payment for equipment installation	(248,077)	(2,911,751)	(248,077)	(2,911,751)
Proceeds from disposal of vessel and equipment	-	14,812,093	-	149,533
Purchase of computer softwares	-	(22,500)	-	(22,500)
Payment deposit on equipment	(20,545,920)	(1,904,500)	(20,545,920)	(1,904,500)
Payment payable from purchase of equipment	(3,778,240)	(10,040,944)	(3,667,495)	(10,025,964)
NET CASH USED IN INVESTING ACTIVITIES	(576,487,520)	(35,270,069)	(571,839,986)	(40,220,961)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest expenses paid	(48,319,185)	(71,122,245)	(37,822,305)	(47,078,034)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(1,169,379,746)	342,052,260	(1,172,912,695)	342,912,695
Decrease in short-term loans from related party	(394,000,000)	(55,000,000)	(150,000,000)	(50,000,000)
Payment for long-term loans from financial institutions	(64,231,030)	(131,853,081)	(18,191,000)	(50,172,000)
Proceeds from capital increase	1,365,113,717	-	1,365,113,717	-
Increase in non-controlling interests	254,000,000	80,000,000	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(56,816,244)	164,076,934	(13,812,283)	195,662,661
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,278,930	(44,166,597)	51,397,362	(45,139,565)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	18,841,453	63,008,050	15,282,821	60,422,386
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	73,120,383	18,841,453	66,680,183	15,282,821

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash flows items :

Assets payable for equipment	5,623,101	758,154	4,786,003	547,550
Assets payable for intangible assets	67,500	-	67,500	-
Transferred deposit to equipment	1,904,500	540,000	1,904,500	540,000



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

1. GENERAL INFORMATION

1.1 Company status	(1) A juristic person established under Thai law on October 4, 2006. (2) A subsidiary of Asian Insulators Public Company Limited.
1.2 Company location	55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.
1.3 Type of business	1. Producing and distributing fuel oil, energy product, vegetable fats and animal fats. 2. Invested in subsidiaries which operate business according to Note 9 to the financial statements.

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

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

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 These consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

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

COMPANIES	% HOLDING	
	2013	2012
AI Logistics Company Limited	100.00	-
AI Ports and Terminals Company Limited	100.00	-

On April 10, 2013, the Company invested in subsidiaries as mentioned in Note 9 to the financial statements, which constitutes a business combination under common control. The Company has prepared the consolidated financial statements for the year ended December 31, 2012, 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 and 2012, included the results of operations of AI Logistics Company Limited and AI Ports and Terminal Company Limited for the year ended December 31, 2013 and 2012, without regarding to the date of the acquisition of subsidiaries.

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

TAS 12	Income taxes
TAS 20 (revised 2009)	Accounting for Government Grant and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non - Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity of its Shareholders
	Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards do not have any significant impact on these financial statement, except TAS 12 : Income Taxes (see Note 3).

2.7 The Federation of Accounting Professions has issued the new accounting statement not yet effective as follows :

(a) Become effective to the financial statements for periods beginning on or after January 1, 2014

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 Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 38 (revised 2012)	Intangible Assets
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 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
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 Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

(b) Become effective to the financial statements for periods beginning on or after January 1, 2016.

TFRS 4	Insurance Contracts
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Management of group companies is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

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. Therefore, the information of the consolidated and separate financial statements for the year ended December 31, 2012, shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

PARTICULARS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	December 31, 2013	December 31, 2012	January 1, 2012
	Increase in deferred tax assets	4,304,495	41,041,706
Decrease in deficits	-	41,041,706	30,830,757
Increase in retained earnings	4,304,495	-	-

BAHT

PARTICULARS IN STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2012	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
Decrease in income tax expense from deferred tax expenses	(10,210,949)
Decrease loss for the year	10,210,949

4. SUMMARY OF 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.

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

4.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at the financial institutions due not more than 3 months from the date of acquisition with no obligation.

4.3 Allowance for doubtful accounts

The Company set up allowance for doubtful accounts from the estimated loss which may be incurred where collection is doubtful.

4.4 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 provision for diminution in inventories for the deteriorated goods and expected to be unsalable.

4.5 Oil supplies

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

4.6 Investments

Investments in subsidiaries mean those companies in which the parent company in the group companies, 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.

4.7 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:

PARTICULARS	YEARS
No depreciation is provided on land and assets under construction and installation	
Land improvement	5
Building and improvement	5 - 40
Utility systems	5 - 15
Machinery accessories and tools	5 - 20
Vessel and improvement	3 - 10
Office furniture and equipment	5
Motor vehicles	5 - 20

In 2013, one subsidiary has reviewed the useful life of its buildings and structures, which resulted changes in the estimated useful life of building and structures from 5 - 20 years to 5 - 30 years.

4.8 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.

4.9 Intangible assets

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

4.10 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 addtible 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 (revenues)

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

4.11 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.

4.12 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the annual net profit (loss) by the number of weighted average common stocks held by outsiders during the years.

4.13 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.

4.14 Use of accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting standards requires management to use judgments on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company and subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in inventories, allowance for depreciation of land improvement, plant, vessel and equipment, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Cash	146,060	215,444	-	-
Savings account	75,355,994	18,758,609	69,064,226	15,255,091
Current account	(4,406,378)	(132,600)	(4,408,750)	27,730
Fixed deposit	2,024,707	-	2,024,707	-
Total cash and cash equivalents	73,120,383	18,841,453	66,680,183	15,282,821

6. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Notes receivable	5,103,118	678,700	5,103,118	678,700
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	222,914,781	211,715,564	222,221,750	209,164,676
Overdue within 3 months	37,940,330	71,251,234	37,261,465	70,902,258
Over 12 months	3,766,062	3,752,878	3,766,062	3,752,878
Total trade accounts receivable	269,724,291	287,398,376	268,352,395	284,498,512
<u>Less</u> Allowance for doubtful accounts	(3,766,062)	(3,752,878)	(3,766,062)	(3,752,878)
Trade accounts receivable-net	265,958,229	283,645,498	264,586,333	280,745,634
Other receivables	8,309,134	5,938,667	6,273,287	4,228,398
<u>Less</u> Allowance for doubtful accounts	(306,350)	-	(306,350)	-
Other receivables-net	8,002,784	5,938,667	5,966,937	4,228,398
Total trade and other receivables-net	273,961,013	289,584,165	270,553,270	284,974,032

7. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Raw materials and chemicals	290,303,177	495,898,248	290,303,177	495,898,248
Goods in process	26,937,334	201,233,222	26,937,334	201,233,222
Finished goods	38,911,588	86,065,427	38,781,444	85,939,091
Consumed supplies	14,432,968	13,341,994	14,432,968	13,341,994
Total	370,585,067	796,538,891	370,454,923	796,412,555
<u>Less</u> Provision for diminution in inventories	-	(8,594,010)	-	(8,594,010)
Inventories - net	370,585,067	787,944,881	370,454,923	787,818,545

8. OIL SUPPLIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Bunker oil	4,218,866	1,622,134	-	-
Lubricants	602,287	677,885	-	-
Total	4,821,153	2,300,019	-	-

9. INVESTMENTS IN SUBSIDIARIES

SUBSIDIARIES	% HOLDING	AMOUNT (THOUSAND BAHT)
AI Logistics Company Limited	100.00	82,678
AI Ports and Terminals Company Limited	100.00	352,395
Total Investments in Subsidiaries		435,073

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL (BAHT)	DIVIDEND (BAHT)
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	209,000,000	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice (3) Trading electrical equipment	460,000,000	-

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

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

On April 10, 2013, the Company has invested in AI Logistics Company Limited, the common stock of 20.90 million shares amount of Baht 82.68 million, and AI Ports and Terminals Company Limited, the common stock of 46 million shares amount of Baht 352.39 million, to be 100% in shareholding proportion of two companies, total amount of Baht 435.07 million. The book value of net assets as at the date of investing total amount of Baht 429.85 million, part of the purchase price over the book value of net assets of Baht 5.22 million, was presented under shareholders' equity in the consolidated financial statements under the caption "Surplus 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.

The book value of assets and liabilities of AI Logistics Company Limited and AI Ports and Terminals Company Limited at the date of acquisition are as follows.

BAHT

PARTICULARS	AI Logistics Co., Ltd.	AI Ports and Terminals Co., Ltd.	Total
ASSETS			
Cash and cash equivalents	1,109,046	160,553	1,269,599
Trade and other receivables	810,853	2,732,831	3,543,684
Inventories	-	142,240	142,240
Oil supplies	2,051,700	-	2,051,700
Other current assets	95,734	7,077	102,811
Property, plant, vessel and equipment	85,155,594	484,774,731	569,930,325
Intangible assets	-	2,784	2,784
Other non-current assets	20,000	122,900	142,900
Total Assets	89,242,927	487,943,116	577,186,043
LIABILITIES			
Bank overdrafts and short-term loans from financial institutions	(126,713)	(61,067,356)	(61,194,069)
Trade and other payables	(5,182,653)	(5,309,194)	(10,491,847)
Accrued interest	-	(296,682)	(296,682)
Current portion of long-term loans	-	(21,540,000)	(21,540,000)
Other current liabilities	(48,954)	(162,527)	(211,481)
Long-term loans from financial institutions	-	(51,853,889)	(51,853,889)
Provision for long-term employee benefits	(768,456)	(981,594)	(1,750,050)
Total Liabilities	(6,126,776)	(141,211,242)	(147,338,018)
Book value of net assets as at the date of acquisition (April 10, 2013)	83,116,151	346,731,874	429,848,025
Payment for investments in subsidiaries	82,677,860	352,395,280	435,073,140
Surplus on business combination under common control	438,291	(5,663,406)	(5,225,115)

10. FIXED DEPOSITS WITH OBLIGATION

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

11. PROPERTY, PLANT, VESSEL AND EQUIPMENT

BAHT

CONSOLIDATED	Land	Land improvement	Building and improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
Cost										
As at January 1, 2012	291,251,288	250,000	505,228,837	23,526,978	319,718,887	208,635,350	5,849,478	39,459,376	134,727,521	1,528,647,715
Purchases	-	-	2,424,645	9,350	8,812,231	5,436,341	280,399	5,296,729	17,500,731	39,760,426
Sold and amortization	-	-	-	-	(642,500)	(30,841,863)	(25,522)	-	-	(31,509,885)
Transfer to/from	-	-	-	275,000	16,271,582	-	-	5,993,271	(22,539,853)	-
As at December 31, 2012	291,251,288	250,000	507,653,482	23,811,328	344,160,200	183,229,828	6,104,355	50,749,376	129,688,399	1,536,898,256
Purchases	-	-	2,669,822	8,750	13,993,218	2,352,759	1,368,312	17,448,224	85,232,853	123,073,938
Sold and amortization	-	-	-	-	(190,547)	(9,854,140)	-	-	-	(10,044,687)
Transfer to/from	-	2,697,560	3,941,913	-	135,015,428	-	256,900	-	(141,911,801)	-
As at December 31, 2013	291,251,288	2,947,560	514,265,217	23,820,078	492,978,299	175,728,447	7,729,567	68,197,600	73,009,451	1,649,927,507
Accumulated depreciation										
As at January 1, 2012	-	18,493	62,959,264	6,252,675	99,779,352	88,630,504	3,462,785	13,367,245	-	274,470,318
Depreciation for the year 2012	-	50,000	22,493,012	1,278,769	22,988,536	19,456,584	997,265	1,811,863	-	69,076,029
Sold and amortization	-	-	-	-	(429,524)	(13,880,420)	(18,823)	-	-	(14,328,767)
As at December 31, 2012	-	68,493	85,452,276	7,531,444	122,338,364	94,206,668	4,441,227	15,179,108	-	329,217,580
Depreciation for the year 2013	-	118,732	13,761,014	1,297,369	29,679,540	17,482,159	950,914	2,731,852	-	66,021,580
Sold and amortization	-	-	-	-	(173,410)	(9,854,140)	-	-	-	(10,027,550)
As at December 31, 2013	-	187,225	99,213,290	8,828,813	151,844,494	101,834,687	5,392,141	17,910,960	-	385,211,610
Net book value										
As at December 31, 2012	291,251,288	181,507	422,201,206	16,279,884	221,821,836	89,023,160	1,663,128	35,570,268	129,688,399	1,207,680,676
As at December 31, 2013	291,251,288	2,760,335	415,051,927	14,991,265	341,133,805	73,893,760	2,337,426	50,286,640	73,009,451	1,264,715,897

SEPARATE FINANCIAL STATEMENTS		Land	Land improvement	Building and improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
Cost										
As at January 1, 2012	157,135,835	-	135,259,756	23,513,324	255,446,370	2,814,984	38,467,376	134,607,521	747,245,166	
Purchases	-	-	2,366,845	9,350	5,330,170	275,174	5,296,729	16,574,189	29,852,457	
Sold and amortization	-	-	-	-	(20,268)	(12,047)	-	-	(32,315)	
Transfer to/from	-	-	-	275,000	16,271,582	-	4,946,729	(21,493,311)	-	
As at December 31, 2012	157,135,835	-	137,626,601	23,797,674	277,027,854	3,078,111	48,710,834	129,688,399	777,065,308	
Purchases	-	-	2,669,822	8,750	11,070,395	1,228,904	17,448,224	85,232,854	117,658,949	
Sold and amortization	-	-	-	-	(2)	-	-	-	(2)	
Transfer to/from	-	2,697,560	3,941,913	-	135,015,428	256,900	-	(141,911,801)	-	
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	
Accumulated depreciation										
As at January 1, 2012	-	-	20,317,629	6,250,752	81,408,432	1,847,995	12,499,282	-	122,324,090	
Depreciation for the year 2012	-	-	4,832,196	1,278,769	16,717,754	426,785	1,628,961	-	24,884,465	
Sold and amortization	-	-	-	-	(8,862)	(10,388)	-	-	(19,250)	
As at December 31, 2012	-	-	25,149,825	7,529,521	98,117,324	2,264,392	14,128,243	-	147,189,305	
Depreciation for the year 2013	-	68,732	5,050,832	1,294,639	23,383,891	398,240	2,556,143	-	32,752,477	
As at December 31, 2013	-	68,732	30,200,657	8,824,160	121,501,215	2,662,632	16,684,386	-	179,941,782	
Net book value										
As at December 31, 2012	157,135,835	-	112,476,776	16,268,153	178,910,530	813,719	34,582,591	129,688,399	629,876,003	
As at December 31, 2013	157,135,835	2,628,828	114,037,679	14,982,264	301,612,460	1,901,283	49,474,672	73,009,452	714,782,473	

The Company and subsidiaries have mortgaged its land with structure, port and terminal and machinery with commercial bank as collateral for loans obtained from the financial institutions (Notes 13 and 16) with various commitments as specified in the loan contract, for example: the transfer of beneficiary to the lender, etc.

In 2013 and 2012, the Company has capitalized borrowing cost to the cost of machinery under installation amount of Baht 0.25 million and 2.91 million, respectively.

In 2013, one subsidiary has calculated depreciation of building and improvement to reflect the new estimated useful life and residual value (Note 4.7), which had the effect to decrease of depreciation of building and improvement of subsidiary estimated amount of Baht 9.44 million.

12. INTANGIBLE ASSETS

BAHT					
CONSOLIDATED	2011	Increase	2012	Increase	2013
<u>Computer softwares</u>					
Cost	219,517	22,500	242,017	67,500	309,517
<u>Less</u> Cumulative amortization	(161,450)	(25,918)	(187,368)	(16,971)	(204,339)
Intangible assets - net	58,067		54,649		105,178
Amortization expenses for the years			25,918		16,971

BAHT					
SEPARATE FINANCIAL STATEMENTS	2011	Increase	2012	Increase	2013
<u>Computer softwares</u>					
Cost	140,070	22,500	162,570	67,500	230,070
<u>Less</u> Cumulative amortization	(98,206)	(13,120)	(111,326)	(14,451)	(125,777)
Intangible assets - net	41,864		51,244		104,293
Amortization expenses for the years			13,120		14,451

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

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Bank overdrafts	3,617,810	84,861	-	-
Short-term loans from financial institutions	90,000,000	1,262,912,695	40,000,000	1,212,912,695
Total	93,617,810	1,262,997,556	40,000,000	1,212,912,695

The Company has mortgaged its lands with structures and machineries as collateral for loans (Note 11), with jointly guaranteed by the share certificates of directors and directors.

The subsidiaries have mortgaged its land, plant, port and terminal with structure and machinery as collateral for loans (Note 11), with jointly guaranteed by the Company.

14. TRADE AND OTHER PAYABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Trade accounts payable	46,862,327	128,855,997	40,973,335	122,492,577
Accrued expenses	6,011,041	5,224,863	4,878,149	4,233,775
Assets payable	6,030,347	4,364,119	5,193,248	4,253,374
Other payable	4,799,556	7,785,744	5,199,557	7,785,743
Total	63,703,271	146,230,723	56,244,289	138,765,469

15. SHORT-TERM LOANS FROM RELATED PARTY

BAHT

CONSOLIDATED	2013			2012
	Asian Insulators Plc.	AI Engineering Services Co., Ltd.	Total	Asian Insulators Plc.
Beginning principal balances	394,000,000	-	394,000,000	449,000,000
<u>Add</u> : Increase during the years	110,000,000	120,000,000	230,000,000	75,000,000
<u>Less</u> : Settlement during the years	(504,000,000)	(120,000,000)	(624,000,000)	(130,000,000)
Ending principal balances	-	-	-	394,000,000
Interest expenses	5,200,359	336,329	5,536,688	18,153,027
Interest rates (per annum)	3.55 - 4.50%	3.30%	3.30 - 4.50%	MLR -3 and 4.25 - 4.50% per annum

BAHT

SEPARATE FINANCIAL STATEMENTS	2013			2012
	Asian Insulators Plc.	AI Engineering Services Co., Ltd.	Total	Asian Insulators Plc.
Beginning principal balances	150,000,000	-	150,000,000	200,000,000
<u>Add</u> : Increase during the years	100,000,000	120,000,000	220,000,000	-
<u>Less</u> : Settlement during the years	(250,000,000)	(120,000,000)	(370,000,000)	(50,000,000)
Ending principal balances	-	-	-	150,000,000
Interest expenses	2,143,935	336,329	2,480,264	6,450,685
Interest rates (per annum)	3.55 - 4.25%	3.30%	3.30 - 4.25%	MLR -3 and 4.25% per annum

In 2012, AI Logistics Company Limited has settled its loans amount of Baht 80 million from Asian Insulators Public Company Limited by trading off in investing in share capital increase of AI Logistics Company Limited.

16. LONG-TERM LOANS

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (BAHT)	
		2013	2012
Baht 200 million started on March 6, 2008 by AI Energy Public Company Limited	- The principal was repaid by monthly under condition and amount as specified in the agreement with the first installment in April 2008 and was finished within March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	-	9,050,000
Baht 13.75 million started on May 19, 2010 by AI Energy Public Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in June 2010 and will be finished within May 2017. - Monthly payment of interest rate at MLR-1.25 per annum. - Interest rate swap contracts to be fixed rate at 6.39% per annum from February 2012 until February 2015.	6,853,700	8,657,700
Baht 56.00 million started on September 16, 2011 by AI Energy Public Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in October 2011 and will be finished within September 2018. - Monthly payment of interest rate at MLR-1.25 per annum. - Interest rate swap contracts to be fixed rate at 6.40% per annum from February 2012 until February 2015.	24,537,000	31,874,000
Long-term loans from financial institutions	Separate financial statements **	31,390,700	49,581,700
Less Current portion of long-term loans		(10,803,000)	(19,022,000)
Long-term loans from financial institutions-net	Separate financial statements	20,587,700	30,559,700
Baht 105 million started on November 22, 2007 by AI Logistics Company Limited	- The principal was repaid by monthly at minimum Baht 1.75 million with the first installment in April 2008 and was finished within March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	-	5,250,000
Baht 75 million started on November 22, 2007 by AI Ports and Terminals Company Limited	- The principal was repaid by monthly at minimum Baht 1.25 million with the first installment in April 2008 and was finished within March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	-	6,250,000

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (BAHT)	
		2013	2012
Baht 120 million started on November 22, 2007 by AI Ports and Terminals Company Limited	- The principal was repaid by monthly at minimum Baht 2.00 million with the first installment in April 2008 and was finished within March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	-	13,000,000
Baht 90 million started on April 3, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	38,719,970	53,240,000
Baht 45 million started on April 28, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	18,518,919	25,538,919
Total long-term loans from financial institutions	Consolidated (include **)	88,629,589	152,860,619
<u>Less</u> Current portion of long-term loans		(32,343,000)	(65,062,000)
Long-term loans from financial institutions-net	Consolidated	56,286,589	87,798,619

The significant conditions under loan contract of group companies and the financial institutions are summarized as follows:

- The loan contract enables the Company and subsidiaries to settle some or total loan by prior written notation at minimum 15 working days before the settlement date with the fee of prepayment at the rate 2 per cent of the settlement amount.

- The Company and subsidiaries will not decrease their authorized capital or merging with other juristic persons, or setting up or investing in other juristic persons for substitute operation, or joint operation with other juristic persons for whatever reason, unless obtaining a prior written notation of approval from the lender.

- No dividend payment, whether interim or annual, or any compensation benefits to the shareholders, whether any one or all, and whether in any or any means, unless the lender that such operations do not affect the ability of the borrower to repay the dept.

- The Company and subsidiaries agreed to transfer their 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 Company and subsidiaries will maintain the ratio of debt to equity not exceeding 2 : 1

- The Company will maintain the debt coverage ratio at minimum ratio of 1.2 : 1 of Baht 200 million and 1.5 : 1 of Baht 56 million, except in 2012, the debt coverage ratio at minimum ratio of 1.2 : 1

- The subsidiaries will maintain the debt coverage ratio at minimum ratio of 1.2 : 1

The Company has mortgaged its lands with structures and machineries as collateral for loans (Note 11) with jointly guaranteed by the share certificates of directors and directors.

The subsidiaries have mortgaged its land, plant, port and terminal with structure and machinery as collateral for loans (Note 11) with jointly guaranteed by the Company.

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

The Company and its subsidiaries have debt to equity ratios as follows:

PARTICULAR	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Debt to equity ratio	0.15 : 1	5.30 : 1	0.09 : 1	8.17 : 1

17. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULAR	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<u>Defined benefit obligation</u>				
Balances as at January 1,	7,021,464	5,736,805	4,939,369	4,357,456
Actuarial losses (recognized in other comprehensive income)	717,200	-	1,164,470	-
Current service cost	1,968,261	1,963,758	1,560,156	1,258,738
Interest cost	259,080	234,419	206,312	184,814
Benefit paid during the year	-	(270,000)	-	(270,000)
Difference from provisions	-	(643,518)	-	(591,639)
Balances as at December 31,	9,966,005	7,021,464	7,870,307	4,939,369

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
Discount rate	3.18-3.38 % per annum	3.40 - 3.71 % per annum	3.38 % per annum	3.71 % per annum
Future salary increase rate	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Average staff turnover rate	0-15 % per annum	0-9.00 % per annum	0-15.00 % per annum	0-9.00 % per annum

18. 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 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.

19. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside for legal reserve at least 5% of annual net profit less deficits (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend.

In 2013, the Company has provided legal reserve amount of Baht 0.88 million.

20. DIRECTORS' REMUNERATION

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

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

21. EXPENSES BY NATURE

FOR THE YEARS ENDED DECEMBER 31,	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
(Increase) decrease in change of finished goods and work in progress	221,449,727	(158,848,376)	221,453,535	(158,836,440)
Raw materials and consumables used	3,097,209,517	2,733,470,496	3,108,981,445	2,730,174,874
Purchase of goods for sale	294,422,717	637,108,436	268,263,717	634,037,436
Vessel operating expenses	20,185,298	9,035,376	-	-
Management benefit expenses	7,323,528	4,038,627	6,567,695	3,166,626
Employee benefit expenses	72,984,489	55,185,981	55,790,893	42,564,473
Depreciation and amortization expenses	66,038,551	69,101,947	32,766,928	24,897,585
Finance costs	48,066,482	66,822,113	37,529,271	42,783,029
(Reverse) loss on diminution in investment	(8,594,010)	7,012,455	(8,594,010)	7,012,455
Other expenses	184,569,548	135,712,686	173,660,523	127,077,720
Total expenses	4,003,655,847	3,558,639,741	3,896,419,997	3,452,877,758

22. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2013 and 2012 were calculated from the accounting profit (loss), adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes and the adjusted net loss brought forward under Revenue Code not exceeding 5 accounting years prior to the current year.

The non-BOI business, the income tax computation of the Company and subsidiaries were calculated at the rate of 20 per cent for year 2013, and the rate of 23 per cent for year 2012.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 24).

Income taxes (revenues) recognized in income statements consist:

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2013	2012
The corporate income tax for the periods	-	-
Deferred taxes from temporary differences	36,970,105	(10,210,949)
Income tax expenses (revenues)	36,970,105	(10,210,949)

As at December 31, 2013 and 2012, the deferred tax assets arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2013	2012
Accumulated temporary differences in the statements of income		
Allowance for doubtful debt	4,072,412	3,752,878
Provision for diminution in inventories	-	8,594,010
Provision for long-term employee benefits	6,705,837	4,939,369
Tax deficits not exceeding 5 accounting years	9,579,754	187,922,271
Total	20,358,003	205,208,528
Temporary differences in the retained earnings		
Provision for long-term employee benefits	1,164,470	-
Total	21,522,473	205,208,528
Deferred tax assets calculated from tax rate of 20%	4,304,495	41,041,706

23. FOREIGN CURRENCY TRANSACTIONS

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

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED				SEPARATE FINANCIAL STATEMENTS			
	December 31, 2013		December 31, 2012		December 31, 2013		December 31, 2012	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currency	Converted to Baht	Foreign currencies	Converted to Baht
Assets								
USD	141.56	4,625.95	0.18	5.25	141.49	4,623.58	0.11	3.04
VND	-	-	531.50	0.80	-	-	531.50	0.80
Total		4,625.95		6.05		4,623.58		3.84
Liabilities								
Current portion								
SGD	-	-	146.50	3,667.50	-	-	146.50	3,667.50
USD	111.39	3,670.32	62.84	1,934.12	-	-	-	-
Total		3,670.32		5,601.62		-		3,667.50

23.2 The Company has entered into Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rates fluctuation which may affect to amount of Baht as follows :

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Foreign currency	Fair value (Baht)	Estimated exchange rates (Baht)	Delivery dates
Year 2012				
Selling forward exchange contracts				
USD	1,846.00	56,638.05	30.6815 - 30.7506	Feb. 2013

24. PROMOTIONAL PRIVILEGES

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

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
AI Energy Public Plc.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
AI Logistics Co., Ltd.	2029(2)/2549 1434(2)/2550	June 27, 2006 June 11, 2007	Ship transportation Ship transportation	June 26, 2014 June 10, 2015
AI Ports and Terminals Co., Ltd.	1373(2)/2552 1374(2)/2552	July 1, 2009 August 6, 2009	Ports and terminals service Ports and terminals service	June 30, 2017 August 5, 2017
<p>5. Important privileges which are granted :</p> <p>5.1 Exemption from corporate income tax on net profit of promotional operation for 8 years. Whereby the promotional certificates No. 2029(2)/2549, 1434(2)/2550, 1373(2)/2552 and 1374(2)/2552 have limited amount for corporate income tax exemption at maximum of Baht 66.26 million, Baht 107.00 million, Baht 303.49 million and Baht 200.00 million, respectively.</p> <p>5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 through out the promotional period of all promotional certificates.</p> <p>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.</p> <p>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.</p> <p>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.</p>				

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

In March 2012, AI Logistics Company Limited has canceled the promotional certificate No. 1241(2)/2550, due to the Company has sold assets in the promotional certificates.

In 2013 and 2012, the Company and subsidiaries have sales, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Local revenues	461,991,388	35,708,394	437,831,388	-
Foreign revenues	69,853,275	53,033,749	20,252,751	-
Total	531,844,663	88,742,143	458,084,139	-

25. 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 Finansa Asset Management Company Limited to manage such fund.

The Company and subsidiary' contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2013 and 2012 are as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
AI Energy Public Company Limited	185,944	-	185,944	-
AI Logistic Company Limited	15,357	26,466	-	-
Total	201,301	26,466	185,944	-

26. FINANCIAL INFORMATION BY SEGMENT

	FOR THE YEAR ENDED DECEMBER 31, 2013							Total
	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	4,012,245	93,834	42,959	27,899	45,640	-	4,222,577	
Cost of sales and services	(3,697,436)	(46,739)	(33,559)	(23,534)	(39,952)	-	(3,841,220)	
Gross profit by segment	314,809	47,095	9,400	4,365	5,688	-	381,357	
Non-allocation expenses							(114,370)	
Profit from operation							266,987	
Other income							13,204	
Finance costs							(48,066)	
Income 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	

THOUSAND BAHT

THOUSAND BAHT

		FOR THE YEAR ENDED DECEMBER 31, 2012						
CONSOLIDATED		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		3,349,761	18,164	25,011	28,710	28,584	-	3,450,230
Cost of sales and services		(3,307,730)	(15,126)	(19,351)	(23,152)	(21,342)	-	(3,386,701)
Gross profit (loss) by segment		42,031	3,038	5,660	5,558	7,242	-	63,529
Non-allocation expenses								(105,116)
Loss from operation								(41,587)
Other income								11,711
Finance costs								(66,822)
Income tax revenues								10,211
Loss for the year								(86,487)
Property, plant, vessel and equipment-net		629,876		-	20,093	89,459	468,252	1,207,680

27. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Letters of guarantee issued by commercial banks	5.14	5.28	2.64	2.58

27.2 As at December 31, 2013 and 2012, the Company has capital expenditure commitment for the purchase of machinery and equipment contract amount Baht 47.97 million and 4.11 million, respectively.

27.3 The Company has signed lease contract of tank at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon amount 5 tanks and at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon amount 10 tanks by having lease period 3 months, commencing from January 1, 2014 to March 31, 2014. The Company has to pay monthly rental amount of Baht 3 million per month.

28. TRANSACTIONS WITH RELATED PARTIES

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

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

The significant transactions with related parties are as follows:

28.1 Sales and expenses with related parties for the years ended December 31,

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Sales of products				
Asian Insulators Public Company Limited	42,916	76,800	42,916	76,800
AI Ports and Terminals Company Limited	-	-	554,023	645,913
AI Engineering Services Company Limited	-	6,729	-	6,729
PPC Asian Insulators Company Limited	-	69,587	-	69,587
Purchases good				
Asian Insulators Public Company Limited	33,559,000	19,351,000	7,400,000	16,280,000
Samart Palm Company Limited	22,424,335	31,935,060	22,424,335	31,935,060
Samart Palm Oil Company Limited	19,509,163	25,335,068	19,509,163	25,335,068
Rental and services expenses				
AI Ports and Terminals Company Limited	-	-	30,900,000	15,600,000
Transportation expenses				
AI Logistics Company Limited	-	-	28,120,275	44,145,000
Administrative expenses				
Asian Insulators Public Company Limited	2,285,099	2,303,471	1,118,305	1,114,965
Interest expenses to related parties				
Asian Insulators Public Company Limited	5,200,359	18,153,027	2,143,935	6,450,685
AI Engineering Services Company Limited	336,329	-	336,329	-

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

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

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Related parties receivable				
Asian Insulators Public Company Limited	23,920	32,400	23,920	32,400
AI Ports and Terminals Company Limited	-	-	63,352	91,519
AI Engineering Services Company Limited	-	7,200	-	7,200
Deposit				
AI Ports and Terminals Company Limited	-	-	9,000,000	-

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Purchases of equipment				
Asian Insulators Public Company Limited	-	40,000	-	40,000
Related parties payable				
Asian Insulators Public Company Limited	108,245	1,308,970	105,238	-
AI Logistics Company Limited	-	-	400,000	-
Samart Palm Company Limited	359,150	-	359,150	-
Samart Palm Oil Company Limited	390,775	-	390,775	-
Accrued expenses				
Asian Insulators Public Company Limited	826	-	-	-
Short-term loans from related party				
Asian Insulators Public Company Limited	-	394,000,000	-	150,000,000

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

29.1 Accounting policies

Accounting policies are disclosed in Note 4 to the financial statements.

29.2 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.

29.3 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.

29.4 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.

29.5 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.

30. LITIGATION

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

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

31. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 17, 2014.