

**ASIAN INSULATORS PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES**

**CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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## AUDITOR'S REPORT

### To The Shareholders of Asian Insulators Public Company Limited

I was engaged to the audit of the accompanying consolidated financial statements of Asian Insulators Public Company Limited and subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, 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 audited the separate financial statements of Asian Insulators Public Company Limited, which comprise the statement of financial position as at December 31, 2014, and the related 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.

### 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

- (a) The consolidated financial statements of Asian Insulators Public Company Limited and subsidiaries

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.

- (b) The separate financial statements of Asian Insulators Public Company Limited

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.

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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 qualified opinion.

**Basis for Disclaimer of Opinion (The consolidated financial statements of Asian Insulators Public Company Limited and subsidiaries)**

Because of auditor of AI Energy Public Company Limited is unable to obtain sufficient appropriate audit evidence of inventories shown in the consolidated statement of financial position as at December 31, 2014 amount of Baht 471.81 million and cost of sales and production contract shown in the consolidated statement of comprehensive income for the year ended December 31, 2014, amount of Baht 4,127.52 million. Due to the Company has 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. Therefore, the auditor is unable to conclude the evidence and information that he has got are accurate, adequate and reasonable or not. The auditor is unable to determine whether any adjustments might have been found necessary in respect of assets, income or expenses. If it has to be adjusted, how it will affect to the financial position and operating results of the current year including to obtain reasonable assurance about whether the financial statements are free from material misstatement.

From the above paragraph, the impact on the consolidated financial statements of Asian Insulators Public Company Limited and subsidiaries is significantly.

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**Basis for Qualified Opinion**

According to Note 13 to the financial statements of the associated company, PPC Asian Insulators Company Limited, for the year ended December 31, 2014, which are applied to record the investment for using the equity method for the consolidated financial statements and cost method for the separate financial statements are based on the financial information prepared by its management without audited from its auditor. The consolidated financial statements as at December 31, 2014, included the investments amount of Baht 17.29 million and share of loss of the associate for the year ended December 31, 2014, amount of Baht 7.10 million and the separate financial statements as at December 31, 2014, included the investments amount of Baht 26.40 million. I was unable to obtain sufficient appropriate audit evidence about investment and share of loss from investment in associate in the consolidated financial statements and set up provision for diminution in investment in the separate financial statements. I am unable to conclude whether any adjustment has to be made to these accounts or not.

**Disclaimer of Opinion (The consolidated financial statements of Asian Insulators Public Company Limited and subsidiaries)**

Because of the significance of the matters described in the basis of disclaimer of opinion paragraph and some part mentioned in the basis for qualified opinion paragraph regarding to the effect to consolidated financial statements, 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 financial statements of Asian Insulators Public Company Limited and subsidiaries.

**Qualified Opinion (The separate financial statements of Asian Insulators Public Company Limited)**

In my opinion, except for the effect which may happen as discussed in the basis for qualified opinion paragraph. The financial statements referred to above present fairly, in all material respects, the financial position of Asian Insulators Public Company Limited as at December 31, 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok : March 24, 2015

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

ASSETS

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		DECEMBER 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
<b>Current Assets</b>					
Cash and cash equivalents	4.2 and 5	204,456,053	197,837,389	12,433,105	117,983,967
Short-term investments	4.3 and 6	259,340,524	1,131,518,697	39,608,531	919,702,045
Trade and other receivables	4.4 and 7	569,434,824	367,627,190	136,610,609	92,568,659
Unbilled receivables	4.5 and 9	46,294	16,900,201	-	-
Inventories	4.6 and 10	580,705,079	507,433,510	108,897,222	136,848,443
Construction contracts in progress	4.7	588,100	357,476	-	-
Oil supplies	4.8 and 11	2,368,196	4,821,153	-	-
Advance payment to subcontractors		76,680	11,458,933	-	-
Other current assets		2,449,358	4,624,868	163,770	3,261,063
<b>Non-current assets classified as</b>					
held for sale	4.9 and 12	2,540,000	-	-	-
<b>Total Current Assets</b>		<b>1,622,005,108</b>	<b>2,242,579,417</b>	<b>297,713,237</b>	<b>1,270,364,177</b>
<b>Non-current Assets</b>					
Investments in associated company	4.10 and 13	17,290,878	24,392,814	26,400,000	26,400,000
Investments in subsidiaries	4.10 and 14	-	-	862,555,182	862,555,182
<b>Other long-term investments</b>					
Fixed deposits with obligation	15	2,000,000	2,000,000	-	-
Property, plant, vessel and equipment	4.11, 4.12 and 16	2,031,313,012	1,964,556,218	652,787,291	699,739,321
Intangible assets	4.13 and 17	5,041,183	6,894,566	4,896,137	6,789,388
Deferred tax assets	4.14 and 25	3,928,073	9,372,303	3,512,259	4,967,219
<b>Other non-current assets</b>					
Withholding tax		5,926,995	8,718,371	-	-
Deposit on assets		2,606,699	20,695,920	511,407	150,000
Others		8,521,717	507,998	311,892	327,592
Total other non-current assets		17,055,411	29,922,289	823,299	477,592
<b>Total Non-current Assets</b>		<b>2,076,628,557</b>	<b>2,037,138,190</b>	<b>1,550,974,168</b>	<b>1,600,928,702</b>
<b>TOTAL ASSETS</b>		<b>3,698,633,665</b>	<b>4,279,717,607</b>	<b>1,848,687,405</b>	<b>2,871,292,879</b>

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		DECEMBER 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	18	366,918,380	143,617,810	50,000,000	50,000,000
Trade and other payables	19	175,800,667	133,021,677	43,219,513	67,878,116
Current portion of long-term loans	20	22,080,000	32,343,000	-	-
Advance received from construction and deferred construction revenue	4.5 and 9	617,446	31,030,585	-	-
Retention payables		650,315	1,514,843	-	-
Accrued interest		489,142	676,568	156,027	150,000
Accrued income tax		34,281,256	154,735,805	2,272,041	154,341,492
Other current liabilities					
Undue value added tax		31,803,291	12,297,882	4,727,691	-
Undue sale tax		1,443,639	-	-	-
Others		1,773,895	3,478,573	420,698	1,837,692
Total other current liabilities		35,020,825	15,776,455	5,148,389	1,837,692
<b>Total Current Liabilities</b>		<b>635,858,031</b>	<b>512,716,743</b>	<b>100,795,970</b>	<b>274,207,300</b>
<b>Non-current Liabilities</b>					
Long-term loans from financial institutions	20	76,880,000	56,286,589	-	-
Provision for long-term employee benefits	4.15 and 21	30,809,593	36,785,004	17,685,656	25,020,990
<b>Total Non-current Liabilities</b>		<b>107,689,593</b>	<b>93,071,593</b>	<b>17,685,656</b>	<b>25,020,990</b>
<b>TOTAL LIABILITIES</b>		<b>743,547,624</b>	<b>605,788,336</b>	<b>118,481,626</b>	<b>299,228,290</b>

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		DECEMBER 31, 2014	DECEMBER 31, 2013	DECEMBER 31, 2014	DECEMBER 31, 2013
Shareholders' Equity					
Share capital					
Authorized share capital					
500,000,000 common stocks of Baht 1 par value		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share capital					
500,000,000 common stocks at Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Additional paid-in capital					
Premium on common stocks		902,769,092	902,769,092	902,769,092	902,769,092
Retained earnings					
Appropriated					
Legal reserve	22	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		(640,054,469)	117,991,298	277,436,687	1,119,295,497
Other components of shareholders' equity					
Difference on business combination					
under common control		(3,258,930)	(3,258,930)	-	-
Capital surplus from share premium					
of subsidiary		360,580,334	360,580,334	-	-
Gain on disposal of investment in subsidiaries	14	861,442,927	861,442,927	-	-
Total Equity of the Parent		2,031,478,954	2,789,524,721	1,730,205,779	2,572,064,589
Non-controlling interests		923,607,087	884,404,550	-	-
Total Shareholders' Equity		2,955,086,041	3,673,929,271	1,730,205,779	2,572,064,589
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,698,633,665	4,279,717,607	1,848,687,405	2,871,292,879

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
		2014	2013	2014	2013
<b>REVENUES</b>					
Sales		5,083,181,178	4,859,637,987	750,086,327	808,491,670
Revenues from production contract		54,469,397	93,834,113	-	-
Construction contract		297,270,666	45,824,462	-	-
Vessel operating income		35,291,157	45,662,616	-	-
Port service		1,000,000	-	-	-
Other incomes					
Interest income		2,388,574	1,104,458	1,640,855	5,736,136
Dividend income	14	-	-	21,964,643	-
Unrealized gain on investments in Open-end Fund		3,056,471	1,479,956	124,360	184,897
Gain on disposal of Open-end Fund		3,726,795	2,985,199	2,782,126	99,752
Gain on disposal of investment in subsidiaries	14	-	-	-	761,806,677
Rental and services income rendered to related parties	31.1	2,681,970	2,604,436	6,215,072	6,087,751
Others		16,906,690	14,978,433	1,219,499	1,793,378
Total other incomes		28,760,500	23,152,482	33,946,555	775,708,591
<b>Total Revenues</b>		<b>5,499,972,898</b>	<b>5,068,111,660</b>	<b>784,032,882</b>	<b>1,584,200,261</b>
<b>EXPENSES</b>					
Cost of sales		4,577,093,415	4,216,901,813	490,747,972	498,449,753
Cost of production contract		37,155,419	46,739,417	-	-
Cost of construction contract		222,103,860	34,303,199	-	-
Cost of vessel operating		47,143,226	38,861,607	-	-
Cost of port service		496,687	-	-	-
Selling expenses		62,040,327	69,896,830	5,976,763	9,525,614
Administrative expenses		134,215,096	130,710,177	67,769,777	69,559,370
Directors' remuneration	23	5,503,400	4,868,100	3,073,400	2,983,200
Finance costs		27,818,098	63,450,034	3,726,217	19,765,424
<b>Total Expenses</b>	24	<b>5,113,569,528</b>	<b>4,605,731,177</b>	<b>571,294,129</b>	<b>600,283,361</b>
Share of loss from investments in associate		(7,101,936)	(6,092,199)	-	-
<b>Profit before income tax expenses</b>		<b>379,301,434</b>	<b>456,288,284</b>	<b>212,738,753</b>	<b>983,916,900</b>
Income tax expenses	25	48,170,477	192,120,915	4,658,733	154,100,751
<b>Profit for the years</b>		<b>331,130,957</b>	<b>264,167,369</b>	<b>208,080,020</b>	<b>829,816,149</b>

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



ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL	
				STATEMENTS	
Note		2014	2013	2014	2013
Other Comprehensive Loss :-					
	Actuarial losses from employee benefit plan	-	(1,577,531)	-	(1,080,319)
	Components of income tax	-	404,960	-	216,064
	Actuarial losses from employee benefit plan-net of tax	-	(1,172,571)	-	(864,255)
	Other comprehensive loss for the periods-net of tax	-	(1,172,571)	-	(864,255)
	<b>Total comprehensive income for the years</b>	<b>331,130,957</b>	<b>262,994,798</b>	<b>208,080,020</b>	<b>828,951,894</b>
Profit Attributable to					
	Equity holders of the parent	291,893,063	259,680,005	208,080,020	829,816,149
	Non-controlling interests	39,237,894	4,487,364		
		<u>331,130,957</u>	<u>264,167,369</u>		
Total Comprehensive Income Attributable to					
	Equity holders of the parent	291,893,063	258,702,865	208,080,020	828,951,894
	Non-controlling interests	39,237,894	4,291,933		
		<u>331,130,957</u>	<u>262,994,798</u>		
Earnings per Share of the Parent					
	Basic Earnings per Share	4.16	0.58	0.52	0.42
	Issued and paid-up 500,000,000 common stocks				1.66

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

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**CONSOLIDATED**

BAHT

	Shareholders' equity of the parent										Total shareholders' equity	
	Retained earnings			Other components of equity				Total equity of the parent	Non-controlling interests			
	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Unappropriated	Difference on business combination under common control	Capital surplus from share premium of subsidiary	Gain on disposal of investment in subsidiaries					
<b>Year 2013</b>												
Beginning balances as at January 1, 2013 - before restated	500,000,000	902,769,092	50,000,000	32,852,167	-	-	-	-	-	1,485,621,259	5,541,324	1,491,162,583
Cummulative effect of the change in accounting policy				52,879,747	-	-	-	-	-	52,879,747	820,466	53,700,213
Restated balances	500,000,000	902,769,092	50,000,000	85,731,914	-	-	-	-	-	1,538,501,006	6,361,790	1,544,862,796
Increase (decrease) in non-controlling interests												
- from increase share capital purchase				-	-	360,580,334	-	-	-	360,580,334	418,779,293	779,359,627
- from share purchase from old shareholders				-	-	-	-	-	-	-	403,514,473	403,514,473
- from change in investments ratio of subsidiaries				(51,457,061)	-	-	-	-	-	(51,457,061)	51,457,061	-
Comprehensive income (loss) for the year 2013 :-												
Total comprehensive income (loss) for the year				259,680,005	-	-	-	-	-	259,680,005	4,487,364	264,167,369
Actuarial losses from employee benefit plan				(977,140)	-	-	-	-	-	(977,140)	(195,431)	(1,172,571)
Total comprehensive income (loss) for the year 2013				258,702,865	-	-	-	-	-	258,702,865	4,291,933	262,994,798
Dividend payment				(174,986,420)	-	-	-	-	-	(174,986,420)	-	(174,986,420)
Difference on business combination under common control				-	-	-	(3,258,930)	-	-	(3,258,930)	-	(3,258,930)
Disposal of investment in a subsidiary				-	-	-	-	-	861,442,927	861,442,927	-	861,442,927
Ending balances as at December 31, 2013	500,000,000	902,769,092	50,000,000	117,991,298	(3,258,930)	360,580,334	861,442,927	861,442,927	884,404,550	2,789,524,721	884,404,550	3,673,929,271

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**SEPARATE FINANCIAL STATEMENTS**

**BAHT**

	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of equity	Total shareholders' equity
				Legal reserve	Unappropriated		
<b>Year 2013</b>							
Beginning balances as at January 1, 2013 - before restated		500,000,000	902,769,092	50,000,000	461,105,668	-	1,913,874,760
Cummulative effect of the change in accounting policy	3				4,224,355	-	4,224,355
Restated balances		500,000,000	902,769,092	50,000,000	465,330,023	-	1,918,099,115
Comprehensive income for the year 2013 :-							
Total comprehensive income for the year					829,816,149	-	829,816,149
Actuarial losses from employee benefit plan					(864,255)	-	(864,255)
Total comprehensive income for the year 2013					828,951,894	-	828,951,894
Dividend payment	23				(174,986,420)	-	(174,986,420)
Ending balances as at December 31, 2013		500,000,000	902,769,092	50,000,000	1,119,295,497	-	2,572,064,589
<b>Year 2014</b>							
Beginning balances as at January 1, 2014		500,000,000	902,769,092	50,000,000	1,119,295,497	-	2,572,064,589
Total comprehensive income for the year 2014					208,080,020	-	208,080,020
Dividend payment	23				(1,049,938,830)	-	(1,049,938,830)
Ending balances as at December 31, 2014		500,000,000	902,769,092	50,000,000	277,436,687	-	1,730,205,779

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX EXPENSES	379,301,434	456,288,284	212,738,753	983,916,900
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME				
TAX EXPENSES TO NET CASH PROVIDED FROM				
(USED IN) OPERATION :				
Depreciation	139,546,526	129,548,734	67,842,073	67,132,402
Amortization of computer softwares	1,934,575	1,935,470	1,893,251	1,918,499
Amortization of other non-current assets	733,681	-	-	-
Gain on equipment disposal	(124,128)	(685,192)	(162,561)	(645,005)
Loss on unused equipment	524,810	17,136	-	-
Unrealized gain on investments in Open-end Fund	(3,056,471)	(1,479,956)	(124,360)	(184,897)
(Reverse) doubtful debts	(431,851)	319,534	-	-
Bad debts	18,518	-	-	-
(Reverse) loss on diminution of inventories	120,260	(8,594,010)	-	-
Gain on non-current assets classified				
as held for sale disposal	-	(35)	-	(35)
Loss on diminution of non-current assets				
classified as held for sale	1,934,990	-	-	-
Gain on disposal of investment in subsidiaries	-	-	-	(761,806,677)
Share of loss from investments in associate	7,101,936	6,092,199	-	-
Dividend income	-	-	(21,964,643)	-
Unrealized (gain) loss on exchange rates	133,347	(32,021)	14,552	14,759
Long-term employee benefit expenses	4,941,619	5,190,344	2,726,236	2,754,867
Interest income	(2,388,574)	(1,104,458)	(1,640,855)	(5,736,136)
Interest expenses	24,404,595	60,286,761	2,636,075	18,879,801
Amortization of withholding tax	80,992	258	-	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES ITEMS	554,776,259	647,783,048	263,958,521	306,244,478
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Short-term investments	875,234,644	(956,284,949)	880,217,874	(916,349,502)
Trade and other receivables	(201,448,893)	151,292,539	(44,041,838)	130,348,346
Unbilled receivables	16,853,907	5,149,345	-	-
Inventories	(73,391,829)	394,316,836	27,951,221	(31,636,989)
Construction contract in progress	(230,624)	(357,476)	-	-
Oil supplies	2,452,957	(2,521,134)	-	-

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

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Advance payment to subcontractors	11,382,253	(10,153,719)	-	-
Other current assets	2,175,510	(3,704,968)	3,097,293	(3,237,432)
Non-current assets classified as held for sale	(2,440,000)	-	-	-
Other non-current assets	(8,747,400)	(56,000)	15,700	-
<b>INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS</b>				
Trade and other payables	35,932,720	(72,253,152)	(26,566,897)	10,950,271
Advance received from construction and deferred construction revenue	(30,413,139)	26,126,332	-	-
Retention payables	(864,528)	88,134	-	(2,490,752)
Other current liabilities	19,244,370	(5,944,480)	3,310,697	(2,779,055)
Provision for long-term employee benefits	(10,917,030)	-	(10,061,570)	-
<b>CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>1,189,599,177</b>	<b>173,480,356</b>	<b>1,097,881,001</b>	<b>(508,950,635)</b>
Income tax refunded	3,106,833	2,116,510	-	-
Income tax expenses paid	(163,577,246)	(9,570,090)	(155,273,224)	(5,782,459)
<b>NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>1,029,128,764</b>	<b>166,026,776</b>	<b>942,607,777</b>	<b>(514,733,094)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in short-term loans to related parties	-	-	-	394,000,000
Interest received	2,394,134	1,086,337	1,640,855	5,736,136
Proceeds from non-current assets classified as held for sale disposal	-	1,869	-	1,869
Increase in fixed deposits with obligation	-	(2,000,000)	-	-
Dividend income from investments in subsidiary	-	-	21,964,643	-
Purchase of property, plant, vessel and equipment	(174,581,518)	(150,948,653)	(17,777,577)	(36,127,980)
Interest payment for plant construction and equipment installation	-	(266,628)	-	(18,551)
Proceeds from disposal of equipment	168,126	797,570	201,246	657,383
Increase in intangible assets	(81,191)	-	-	-
Payment deposit on assets	(2,676,301)	(20,695,920)	(511,407)	(150,000)
Payment assets payable	(6,798,123)	(5,724,725)	(1,107,521)	(1,360,606)
<b>NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(181,574,873)</b>	<b>(177,750,150)</b>	<b>4,410,239</b>	<b>362,738,251</b>

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

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (3/3)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL	
	STATEMENTS			
	2014	2013	2014	2013
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	223,300,570	(1,519,379,746)	-	(350,000,000)
Interest expenses paid	(24,592,021)	(62,184,345)	(2,630,048)	(19,401,845)
Increase in long-term loans from financial institutions	110,000,000	-	-	-
Payment for long-term loans from financial institutions	(99,669,589)	(164,218,840)	-	(99,987,810)
Payment for increase shares capital in subsidiaries	-	-	-	(839,754,090)
Difference on business combination under common control	-	(3,258,930)	-	-
Proceeds from disposal of investment in subsidiaries	-	1,264,957,400	-	1,696,771,610
Dividend payment	(1,049,938,830)	(174,986,420)	(1,049,938,830)	(174,986,420)
Subsidiary dividend paid to non-controlling interests	(35,357)	-	-	-
Capital surplus from share premium of subsidiary	-	360,580,334	-	-
Increase in non-controlling interest	-	418,779,293	-	-
<b>NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(840,935,227)</b>	<b>120,288,746</b>	<b>(1,052,568,878)</b>	<b>212,641,445</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,618,664</b>	<b>108,565,372</b>	<b>(105,550,862)</b>	<b>60,646,602</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>197,837,389</b>	<b>89,272,017</b>	<b>117,983,967</b>	<b>57,337,365</b>
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,</b>	<b>204,456,053</b>	<b>197,837,389</b>	<b>12,433,105</b>	<b>117,983,967</b>

**ADDITIONAL DISCLOSURE ITEMS TO**

**CASH FLOWS STATEMENTS**

Non-cash flows items consist of :

Assets payable for plant and equipment	13,629,680	8,795,866	3,001,151	3,172,764
Assets payable for intangible assets	-	67,500	-	-
Transferred deposit to plant and equipment	20,695,920	13,164,537	150,000	11,260,036
Transferred machinery to non-current assets classified as held for sale	2,034,990	-	-	-
Increase in non-controlling interests from change in investments ratio of parent company in subsidiaries	-	51,457,061	-	-
Gain on disposal of investment in subsidiaries	-	861,442,927	-	-
Effect of adjusted actuarial losses from employee benefit plan				
Increase in deferred tax assets	-	404,960	-	216,064
Increase in provision for long-term employee benefits	-	(1,577,531)	-	(1,080,319)
Decrease in retained earnings	-	977,140	-	864,255
Decrease in non-controlling interests	-	195,431	-	-

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

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**1. GENERAL INFORMATION**

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	254 Serithai Road, Kwaeng Kannayao, Khet Kannayao, Bangkok.
Factory location	99 Moo 2, Asia Highway Road, Km. 70-71 Tambol Banmor, Amphur Promburi, Singburi Province.
1.3 Type of business	<p>1. Producing and selling porcelain insulators and electrical equipment.</p> <p>2. Invested in associated and subsidiary companies which operate business according to Notes 13 and 14 to the financial statements.</p>

**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) and 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 Asian Insulators Public Company Limited and its subsidiaries and its equity in associate as follows :

COMPANIES	% HOLDING	
	2014	2013
<b><u>Associate</u></b>		
PPC Asian Insulators Company Limited	25.10	25.10
<b><u>Subsidiaries directly held by the Company</u></b>		
AI Engineering Services Company Limited	99.84	99.84
AI Energy Public Company Limited	59.59	59.59



COMPANIES	% HOLDING	
	2014	2013
<b><u>Subsidiaries held by AI Energy Public Company Limited</u></b>		
AI Logistics Company Limited	100.00	100.00
AI Ports and Terminals Company Limited	100.00	100.00

- 2.3 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated in 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 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 Rate

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 36 (revised 2012) Impairment of Assets

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 Economies
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

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

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

(a) Become effective to the financial statements for periods beginning on or after January 1, 2015.

TAS 1 (revised 2014) Presentation of Financial Statements

TAS 2 (revised 2014) Inventories

TAS 7 (revised 2014) Statement of Cash Flows

TAS 8 (revised 2014) Accounting Policies, Changes in Accounting Estimates and Errors

TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grant and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2014)	Borrowing Cost
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plan
TAS 27 (revised 2014)	Consolidated and Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Venture
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

- TSIC 10 (revised 2014) Government Assistance - No Specific Relation to Operating Activities
- TSIC 15 (revised 2014) Operating Leases - Incentives
- TSIC 25 (revised 2014) Income Taxes - Changes in the Tax Status of an Entity of Its Shareholders
- TSIC 27 (revised 2014) Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 (revised 2014) Service Concession Arrangements: Disclosures
- TSIC 31 (revised 2014) Revenue - Barter Transactions Involving Advertising Services
- TSIC 32 (revised 2014) Intangible Assets - Web Site Costs
- TFRIC 1 (revised 2014) Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 (revised 2014) Determining whether an Arrangement Contains a Lease
- TFRIC 5 (revised 2014) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 (revised 2014) Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 (revised 2014) Interim Financial Reporting and Impairment
- TFRIC 12 (revised 2014) Service Concession Arrangements
- TFRIC 13 (revised 2014) Customer Loyalty Programmes
- TFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction for TAS 19 Employee Benefits
- TFRIC 15 (revised 2014) Agreements for the Construction of Real Estate
- TFRIC 17 (revised 2014) Distributions of Non-cash Assets to Owners
- TFRIC 18 (revised 2014) Transfers of Assets from Customers
- TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- (b) Become effective to the financial statements for periods beginning on or after January 1, 2016.
- TFRS 4 (revised 2014) Insurance Contracts

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 and subsidiaries have adopted accounting policy of deferred tax in accordance with Thai Accounting Standard No. 12: Income Taxes. To adopt this accounting policy, the Company and subsidiaries have to restate the financial statements, as if the Company and subsidiaries have recorded deferred tax assets or deferred tax liabilities by adjusted to the beginning retained earnings of the period in the year 2013, for the consolidated financial statements in the equity holders of the parent amount of Baht 52.88 million, the non-controlling interests amount of Baht 0.82 million, and for the separate financial statements in amount of Baht 4.22 million.

### **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 construction contract under percentage of completion method. Current portion of additional income and other contracts with working period within one year are recognized in proportion to the completed construction and being billed for collection.

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 Short-term investments**

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of trading securities disposed during the year is calculated by the weighted average method.

#### **4.4 Allowance for doubtful accounts**

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

#### **4.5 Unbilled receivables / Deferred construction revenue**

Unbilled receivables consist of the cost of materials and labour, cost of sub-contract, other services and expenses including both net profit or loss computed net from the amount collected from customers.

The contracts which have construction value more than amount billed to customers will be presented under current assets. For those contracts which have the amount billed more than the construction value will be presented as “Deferred construction revenue” under current liabilities.

#### **4.6 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.

In 2014, the subsidiaries set up the provision for diminution in inventories for the deteriorated goods and expected to be unsalable.

#### **4.7 Construction contracts in progress**

Construction contracts in progress consist of the cost of materials and labour, cost of sub-contract, other services and expenses of project.

#### **4.8 Oil supplies**

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

#### **4.9 Non-current assets classified as held for sale**

Saleable assets are stated at book value or net fair value, whichever is the lower. The Company set up the provision for diminution in saleable assets by estimating from the realizable sale value.

#### **4.10 Investments**

Investments in associate mean that company in which the group company has shareholding and significant influence over the group company. That is, the parent company has power to participate in determining the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associate are stated by equity method for the consolidation and by cost method after provision for diminution in investment for the separate financial statements.

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.

Cost of investments in subsidiaries disposed during the year is calculated by the weighted average method.

#### **4.11 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	USEFUL LIFE (YEARS)	
	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
No depreciation is provided on land and assets under construction and installation		
Land improvement	5	5
Building and structures	5-40	20
Building improvement	10	10
Utility systems	5	5
Machinery and accessories	5-10	5-10
Vessel and improvement	3-10	-
Tools and instruments	5	5
Office furniture and equipment	5-10	5-10
Motor vehicles	5	5

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.

#### 4.12 Borrowing cost

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

#### 4.13 Intangible assets

Intangible assets are computer system development expenses and deferred computer softwares to be amortized by the straight-line method within 5 - 10 years.



#### **4.14 Income Taxes**

##### **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**

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.

#### **4.15 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.

#### **4.16 Basic earnings per share**

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

#### **4.17 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.

#### **4.18 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, provision for diminution in investment, provision for diminution in value of non-current assets classified as held for sale, allowance for depreciation of plant, vessel and equipment, amortization of intangible assets, deferred tax assets/liabilities 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	
	2014	2013	2014	2013
Cash	605,152	336,060	105,000	145,000
Savings account	200,702,895	194,609,522	11,786,485	117,024,215
Current account	596,682	867,100	541,620	814,752
Fixed deposit	2,551,324	2,024,707	-	-
Total cash and cash equivalents	204,456,053	197,837,389	12,433,105	117,983,967

## 6. SHORT-TERM INVESTMENTS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Investments in Open-end Fund-Debt securities	256,195,492	1,129,988,741	39,484,171	919,517,148
<u>Add</u> Allowance for adjustment	3,056,471	1,479,956	124,360	184,897
Investments in Open-end Fund - fair value	259,251,963	1,131,468,697	39,608,531	919,702,045
Fixed deposit	88,561	50,000	-	-
Total short-term investments	259,340,524	1,131,518,697	39,608,531	919,702,045

Investments in Open-end Fund are trading securities. The unrealized gain from difference between fair value and cost is shown as allowance for investment adjustment in Open-end Fund. Gains on investments in Open-end Fund incurred during the years were duly presented in the statements of comprehensive income.

**7. TRADE AND OTHER RECEIVABLES**

BAHT

PARTICULARS	CONSOLIDATED					
	2014			2013		
	State enterprises	Others	Total	State enterprises	Others	Total
Note receivables	-	7,348,300	7,348,300	-	-	-
Trade accounts receivable						
- Current	109,820,760	364,706,699	474,527,459	36,755,065	245,801,691	282,556,756
- Overdue within 3 months	747,100	61,623,929	62,371,029	2,539,707	62,701,023	65,240,730
- Over 3 to 6 months	-	-	-	260,652	-	260,652
- Over 12 months	-	3,334,211	3,334,211	296,400	3,766,062	4,062,462
Total trade accounts receivable	110,567,860	437,013,139	547,580,999	39,851,824	312,268,776	352,120,600
<u>Less</u> Allowance for doubtful accounts	-	(3,334,211)	(3,334,211)	-	(3,766,062)	(3,766,062)
Total trade accounts receivable	110,567,860	433,678,928	544,246,788	39,851,824	308,502,714	348,354,538
Retention receivables	17,671,983	-	17,671,983	-	-	-
Trade accounts receivable - net	128,239,843	433,678,928	561,918,771	39,851,824	308,502,714	348,354,538
Other receivables	-	7,822,403	7,822,403	-	19,579,002	19,579,002
<u>Less</u> Allowance for doubtful accounts	-	(306,350)	(306,350)	-	(306,350)	(306,350)
Other receivables - net	-	7,516,053	7,516,053	-	19,272,652	19,272,652
Total trade and other receivables - net	128,239,843	441,194,981	569,434,824	39,851,824	327,775,366	367,627,190

BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	2014			2012		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	87,959,946	25,369,848	113,329,794	36,755,065	17,219,212	53,974,277
- Overdue within 3 months	747,100	20,231,729	20,978,829	2,539,707	24,760,692	27,300,399
- Over 3 to 6 months	-	-	-	260,652	-	260,652
- Over 12 months	-	-	-	296,400	-	296,400
Total trade accounts receivable	88,707,046	45,601,577	134,308,623	39,851,824	41,979,904	81,831,728
Other receivables	-	2,301,986	2,301,986	-	10,736,931	10,736,931
Total trade and other receivables	88,707,046	47,903,563	136,610,609	39,851,824	52,716,835	92,568,659

## 8. SHORT-TERM LOANS TO RELATED PARTIES

BAHT

PARTICULARS	2013			
	AI Logistics Co., Ltd.	AI Energy Public Co., Ltd.	AI Ports and Terminals Co., Ltd.	Total
Beginning principal balances	49,000,000	150,000,000	195,000,000	394,000,000
<u>Add:</u> Additional loans extended during the year	-	100,000,000	10,000,000	110,000,000
<u>Less:</u> Settlement during the year	(49,000,000)	(250,000,000)	(205,000,000)	(504,000,000)
Ending principal balances	-	-	-	-
Interest income	598,068	2,143,932	2,458,356	5,200,356
Interest rates	4.50 %	3.55 - 4.25 %	4.50 %	3.55 - 4.50 %

In year 2013, the Company has settled loans by investing in the share capital increase of AI Logistics Company Limited amount of Baht 49 million, AI Energy Public Company Limited amount of Baht 150 million and AI Ports and Terminals Company Limited amount of Baht 205 million (see Note 14).

## 9. UNBILLED RECEIVABLES / ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

BAHT

CONSOLIDATED		
PARTICULARS	2014	2013
<b>Contract value</b>	186,240,314	393,708,637
Recognition of income by the percentage of completion	186,240,314	94,527,138
<u>Less</u> Value of billing construction	(186,194,020)	(77,626,937)
Unbilled receivables	46,294	16,900,201
<b>Contract value</b>	130,603,256	-
Value of billing construction	128,522,485	-
<u>Less</u> Recognition of income by the percentage of completion	(127,930,553)	-
Deferred construction revenue	591,932	-
Advance received from construction	25,514	31,030,585
Advance received and deferred construction revenue	617,446	31,030,585

**10. INVENTORIES**

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Raw materials	344,306,303	368,146,088	72,555,204	77,842,911
Goods in process	140,475,296	60,059,604	24,359,579	33,122,270
Finished goods	76,107,401	60,212,888	5,623,415	21,301,300
Consumed supplies	14,657,033	15,929,069	1,079,718	1,496,101
Raw materials in transit	5,279,306	3,085,861	5,279,306	3,085,861
<b>Total</b>	<b>580,825,339</b>	<b>507,433,510</b>	<b>108,897,222</b>	<b>136,848,443</b>
<u>Less</u> Provision for diminution in inventories	(120,260)	-	-	-
<b>Inventories - net</b>	<b>580,705,079</b>	<b>507,433,510</b>	<b>108,897,222</b>	<b>136,848,443</b>

**11. OIL SUPPLIES**

BAHT

CONSOLIDATED		
PARTICULARS	2014	2013
Bunker oil	1,725,114	4,218,866
Lubricants	643,082	602,287
<b>Total</b>	<b>2,368,196</b>	<b>4,821,153</b>

**12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

BAHT

CONSOLIDATED	Jan. 1, 13	Sold	Dec 31, 13	Increase	Dec 31, 14
Non-current assets classified as held for sale	18,344	(18,344)	-	4,474,990	4,474,990
<u>Less</u> Allowance for diminution in value	(16,510)	16,510	-	(1,934,990)	(1,934,990)
<b>Non-current assets classified as held for sale - net</b>			-		<b>2,540,000</b>

BAHT

SEPARATE FINANCIAL STATEMENTS	Jan. 1, 13	Sold	Dec 31, 13	Increase	Dec 31, 14
Non-current assets classified as held for sale	18,344	(18,344)	-	-	-
<u>Less</u> Allowance for diminution in value	(16,510)	16,510	-	-	-
<b>Non-current assets classified as held for sale - net</b>			-		-

### 13. INVESTMENTS IN ASSOCIATE

BAHT

ASSOCIATE	% HOLDING		CONSOLIDATED BY EQUITY METHOD		SEPARATE FINANCIAL STATEMENTS BY COST METHOD	
	2014	2013	2014	2013	2014	2013
PPC Asian Insulators Company Limited	25.10	25.10	17,290,878	24,392,814	66,000,000	66,000,000
<u>Less</u> Provision for diminution in investment			-	-	(39,600,000)	(39,600,000)
Investments in Associate - net			17,290,878	24,392,814	26,400,000	26,400,000

BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		2014	2013	2014	2013
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	263,000,000	263,000,000	-	-

The financial statements of PPC Asian Insulators Company Limited for the year ended December 31, 2014, applied for recording the investments for using the equity method in the consolidated financial statements are based on the information prepared by its management without audited from the auditor.

The financial statements of PPC Asian Insulators Company Limited for the year ended December 31, 2013, applied for recording the investments for using the equity method in the consolidated financial statements are based on the financial information audited by other auditor.

### 14. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
AI Engineering Services Company Limited	99.84	99.84	197,000,025	197,000,025
AI Energy Public Company Limited	59.59	59.59	665,555,157	665,555,157
Total Investments in Subsidiaries			862,555,182	862,555,182

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		2014	2013	2014	2013
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	200,000,000	200,000,000	21,964,643	-
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	1,130,000,000	1,130,000,000	-	-
AI Logistics Company Limited (Subsidiary of AI Energy Public Company Limited)	Local and overseas logistics for passenger, merchandise, parcel and other materials	209,000,000	209,000,000	-	-
AI Ports and Terminals Company Limited (Subsidiary of AI Energy Public Company Limited)	Producing and distributing ice, servicing port and trading electrical equipment vegetable oil and other fuel oil	460,000,000	460,000,000	-	-

In April 2013, the swap shares by selling common stocks of AI Logistics Company Limited and AI Ports and Terminals Company Limited to AI Energy Company Limited. The Company has recognized loss on disposal of investment in subsidiaries in the statement of comprehensive income for the separate financial statements amount of Baht 231.34 million.

In May 2013, AI Energy Company Limited has transformed from Company Limited to Public Company Limited and has changed the par value from initial Baht 10 to be Baht 1 par value. And increase the authorized share capital of 170,000,000 shares to be authorized share capital 1,130,000,000 shares at Baht 1 par value.

After restructuring, AI Energy Public Company Limited has listed its shares on Market for Alternative Investment (mai) with Initial Public Offering of 445,000,000 shares with the price Baht 4.75 per share consist of :

1. Pre-emptive right of the Company's shareholders to subscribe for shares of AI Energy Public Company Limited amount 275,000,000 shares, offering of shares on December 21-22, 2013.
2. Newly issued common stock of AI Energy Public Company Limited amount 170,000,000 shares, offering of shares on December 23-24, 2013.



The Company has proceeded from selling shares of AI Energy Public Company Limited, net of the cost of public offering on December 25, 2013, amount of Baht 1,264.96 million. The Company recognized gain on disposal of investment in subsidiary to equity shareholders of the parent for the consolidated financial statements amount of Baht 861.44 million and recognized in the statement of comprehensive income for the separate financial statements amount of Baht 993.15 million.

As at December 31, 2013, the Company has investment in AI Energy Public Company Limited total 673,354,060 shares to be 59.59% in shareholding proportion.

#### **15. FIXED DEPOSITS WITH OBLIGATION**

The subsidiary has pledged deposit at bank as collateral for the issuance of bank guarantee for the work retention.

## 16. PROPERTY, PLANT, VESSEL AND EQUIPMENT

		BAHT									
CONSOLIDATED		Land	Land improvement	Building and improvement	Utility system	Machinery, equipment and instrument	Vessel and improvement	Office furniture and equipment	Vehicles	Fixed assets under construction and installation	Total
<u>Cost</u>											
As at January 1, 2013		352,827,457	15,072,060	912,298,455	42,640,627	931,115,553	180,639,343	31,432,972	70,990,812	131,592,661	2,668,609,940
Purchases		-	-	2,151,268	8,750	25,511,066	2,352,759	1,904,350	17,500,093	123,480,770	172,909,056
Interest payment for fixed assets		-	-	-	-	-	-	-	-	266,628	266,628
Sold and amortization		-	-	-	-	(787,874)	(9,854,140)	(1,956,135)	(4,998,008)	-	(17,596,157)
Transfer to/from		-	2,697,560	3,955,567	(13,654)	175,254,426	-	256,900	-	(182,150,799)	-
As at December 31, 2013		352,827,457	17,769,620	918,405,290	42,635,723	1,131,093,171	173,137,962	31,638,087	83,492,897	73,189,260	2,824,189,467
Purchases		4,328,633	-	158,703	486,550	10,578,589	5,908,138	1,021,850	322,430	186,102,225	208,907,118
Sold and amortization		-	-	-	-	(8,441,271)	(2,315,046)	(207,372)	-	-	(10,963,689)
Transfer to/from		-	-	8,031,017	11,855,497	180,041,495	-	1,329,280	6,112,503	(211,540,792)	(4,171,000)
As at December 31, 2014		357,156,090	17,769,620	926,595,010	54,977,770	1,313,271,984	176,731,054	33,781,845	89,927,830	47,750,693	3,017,961,896
<u>Accumulated depreciation</u>											
As at January 1, 2013		-	14,880,216	185,961,389	22,751,455	374,119,258	92,729,333	25,871,812	31,237,695	-	747,551,158
Depreciation for the year 2013		-	121,933	29,676,187	2,332,980	75,073,129	16,369,010	2,157,908	3,817,587	-	129,548,734
Sold and amortization		-	-	-	-	(758,789)	(9,854,140)	(1,955,717)	(4,897,997)	-	(17,466,643)
As at December 31, 2013		-	15,002,149	215,637,576	25,084,435	448,433,598	99,244,203	26,074,003	30,157,285	-	859,633,249
Depreciation for the year 2014		-	322,956	32,445,380	2,379,227	79,726,031	18,482,091	2,208,354	3,982,487	-	139,546,526
Sold and amortization		-	-	-	-	(7,892,863)	(2,315,046)	(186,972)	-	-	(10,394,881)
Transfer to/from		-	-	-	-	(2,136,010)	-	-	-	-	(2,136,010)
As at December 31, 2014		-	15,325,105	248,082,956	27,463,662	518,130,756	115,411,248	28,095,385	34,139,772	-	986,648,884
<u>Net book value</u>											
As at December 31, 2013		352,827,457	2,767,471	702,767,714	17,551,288	682,659,573	73,893,759	5,564,084	53,335,612	73,189,260	1,964,556,218
As at December 31, 2014		357,156,090	2,444,515	678,512,054	27,514,108	795,141,228	61,319,806	5,686,460	55,788,058	47,750,693	2,031,313,012

In 2013, one subsidiary has calculated depreciation of building and improvement to reflect the new estimated useful life and residual value (see Note 4.11), which had the effect to decrease of depreciation of building and improvement of subsidiary estimated amount of Baht 9.44 million.

SEPARATE FINANCIAL STATEMENTS	Land	Land improvement	Building and improvement	Utility system	Machinery, equipment and instrument	Office furniture and equipment	Vehicles	Fixed assets under construction and installation	Total
<b>Cost</b>									
As at January 1, 2013	61,576,168	14,822,060	414,051,986	18,829,299	586,650,513	24,091,784	16,625,936	1,904,262	1,138,552,008
Purchases	-	-	-	-	11,476,879	536,038	51,869	38,495,994	50,560,780
Interest payment for fixed assets	-	-	-	-	-	-	-	18,551	18,551
Sold	-	-	-	-	(597,327)	(1,956,135)	(4,798,008)	-	(7,351,470)
Transfer to/from	-	-	-	-	40,238,998	-	-	(40,238,998)	-
As at December 31, 2013	61,576,168	14,822,060	414,051,986	18,829,299	637,769,063	22,671,687	11,879,797	179,809	1,181,779,869
Purchases	-	-	-	486,550	6,890,615	93,797	-	13,457,765	20,928,727
Sold	-	-	-	-	(6,231,106)	(162,572)	-	-	(6,393,678)
Transfer to/from	-	-	18,781	199,869	8,185,274	-	-	(8,403,924)	-
As at December 31, 2014	61,576,168	14,822,060	414,070,767	19,515,718	646,613,846	22,602,912	11,879,797	5,233,650	1,196,314,918
<b>Accumulated depreciation</b>									
As at January 1, 2013	-	14,811,723	108,066,701	15,220,011	251,423,142	20,281,690	12,443,971	-	-422,247,238
Depreciation for the year 2013	-	3,200	18,255,099	1,040,264	45,487,117	1,182,823	1,163,899	-	67,132,402
Sold	-	-	-	-	(585,378)	(1,955,717)	(4,797,997)	-	(7,339,092)
As at December 31, 2013	-	14,814,923	126,321,800	16,260,275	296,324,881	19,508,796	8,809,873	-	482,040,548
Depreciation for the year 2014	-	3,200	18,255,310	1,099,358	46,663,746	1,014,860	805,599	-	67,842,073
Sold	-	-	-	-	(6,192,434)	(162,560)	-	-	(6,354,994)
As at December 31, 2014	-	14,818,123	144,577,110	17,359,633	336,796,193	20,361,096	9,615,472	-	543,527,627
<b>Net book value</b>									
As at December 31, 2013	61,576,168	7,137	287,730,186	2,569,024	341,444,182	3,162,891	3,069,924	179,809	699,739,321
As at December 31, 2014	61,576,168	3,937	269,493,657	2,156,085	309,817,653	2,241,816	2,264,325	5,233,650	652,787,291

Under the terms of the loan contract, the Company can not pledge its assets as collateral for other loan (Negative Pledge).

Subsidiaries have mortgaged land, plant, port and terminal with structure with the commercial bank as collateral for bank overdrafts and for short and long-term loans from the financial institutions with various commitments as specified in the loan contract, for example: the transfer of beneficiary to the lender, etc.

As at December 31, 2014 and 2013, land, plant, ports and terminals with structure of subsidiaries which used as collateral for loans from financial institutions having estimated net book value amount of Baht 459.73 million and Baht 847.85 million, respectively.

## 17. INTANGIBLE ASSETS

BAHT					
CONSOLIDATED	Jan. 1, 13	Increase	Dec. 31, 13	Increase	Dec. 31, 14
Deferred computer softwares	24,364,822	67,500	24,432,322	81,192	24,513,514
<u>Less</u> Accumulated amortization of computer softwares	(15,602,286)	(1,935,470)	(17,537,756)	(1,934,575)	(19,472,331)
Deferred computer softwares-net			6,894,566		5,041,183
Amortization expenses for the years			1,935,470		1,934,575

BAHT					
SEPARATE FINANCIAL STATEMENTS	Jan. 1, 13	Increase	Dec. 31, 13	Increase	Dec. 31, 14
Deferred computer softwares	23,811,611	-	23,811,611	-	23,811,611
<u>Less</u> Accumulated amortization of computer softwares	(15,103,724)	(1,918,499)	(17,022,223)	(1,893,251)	(18,915,474)
Deferred computer softwares-net			6,789,388		4,896,137
Amortization expenses for the years			1,918,499		1,893,251

## 18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

BAHT				
PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Bank overdrafts	1,918,380	3,617,810	-	-
Short - term loans from financial institutions	365,000,000	140,000,000	50,000,000	50,000,000
Total	366,918,380	143,617,810	50,000,000	50,000,000

Bank overdrafts and short-term loans from financial institutions of subsidiaries are guaranteed by mortgaging land with structure and some machinery of the subsidiaries (see Note 16), and jointly guaranteed by AI Energy Public Company Limited and AI Ports and Terminals Company Limited.

**19. TRADE AND OTHER PAYABLES**

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Trade accounts payable	121,942,439	84,861,704	32,728,477	37,186,476
Assets payable	15,694,923	8,863,366	5,066,394	3,172,764
Advance received from customers	18,661,521	1,905,953	1,157,003	1,118,753
Accrued expenses	19,501,784	37,390,654	4,267,639	26,400,123
Total trade and other payables	175,800,667	133,021,677	43,219,513	67,878,116

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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (BAHT)	
		2014	2013
Baht 90 million started on April 4, 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 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
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 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
Baht 110 million started on June 30, 2014 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in July 2014 and will be finished within June 2019. - Monthly payment of interest rate at MLR-1 per annum.	98,960,000	-
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 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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (BAHT)	
		2014	2013
Baht 56 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 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
Long-term loans from financial institutions	Consolidated	98,960,000	88,629,589
<u>Less</u> Current portion of long-term loans		(22,080,000)	(32,343,000)
Long-term loans from financial institutions-net	Consolidated	76,880,000	56,286,589

During quarter 2/2014, AI Energy Public Company Limited and AI Ports and Terminals Company Limited have made repayment the principal before due date of contract, and have to pay the fee of prepayment and the different of interest rate according to interest rate swap contracts.

On June 30, 2014, AI Ports and Terminals Company Limited has borrowed long-term loan from new financial institution with credit line amount of Baht 110 million. The significant conditions under loan contract with the financial institution are summarized as follows :

- Will not create any obligation to the machinery and equipment in the port and terminal (Negative Pledge).
- 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.
- Will maintain the ratio of debt to equity not exceeding 2 : 1 including loan from director as part of capital.
- Will maintain the debt coverage ratio at minimum ratio of 1.25 : 1

Long-term loans of subsidiary have collateral by mortgaging land with structure and ports and terminals of AI Ports and Terminals Company Limited, and jointly guaranteed by AI Energy Public Company Limited.

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

## 21. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<u>Defined benefit obligation</u>				
Balances as at January 1,	36,785,004	30,017,129	25,020,990	21,185,804
Current service cost	4,066,924	4,144,832	2,228,209	2,022,335
Interest cost	874,695	1,045,512	498,027	732,532
Benefit paid during the year	(10,917,030)	-	(10,061,570)	-
Actuarial losses (recognized in other comprehensive income)	-	1,577,531	-	1,080,319
Balances as at December 31,	30,809,593	36,785,004	17,685,656	25,020,990

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

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Discount rate	3.18-3.39% per annum	3.29 % per annum
Future salary increase rate	5.00 % per annum	5.00 % per annum
Average staff turnover rate	5.00 % per annum	5.00 % per annum

## 22. LEGAL RESERVE

The Company has set up legal reserve which duly met 10% of authorized share capital, to be in compliance with the Public Company Act. This reserve is forbidden for dividend payment.

### **23. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION**

On August 18, 2014, the Board of Directors' Meeting No. 5/2014 was held and had a resolution to pay interim dividend from the BOI business to the shareholders of 500 million shares at Baht 0.10 per share, amount Baht 50 million. The interim dividend was paid on September 15, 2014.

On March 26, 2014, the Ordinary General Shareholders' Meeting for 2014 of the Company was held and approved a resolution to pay dividend for 2014 from the BOI business operating result of year 2013 and interim special dividend to the shareholders of 500 million shares at Baht 2.00 per share, amount Baht 1 billion, of which the interim special dividend was duly paid on March 17, 2014. The Meeting also approved to pay the directors' remuneration for 2014 at the maximum of Baht 3.50 million.

On March 24, 2014, the Ordinary General Shareholders' Meeting for 2014 of AI Energy Public Company Limited was held and has resolution to pay the directors' remuneration for 2014 at the maximum of Baht 2.50 million.

On April 10, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved a resolution to pay dividend for 2013 from the BOI business operating result of year 2012 to the shareholders of 500 million shares at Baht 0.45 per share, amount Baht 225 million, of which the interim dividend was duly paid on September 7, 2012 at Baht 0.10 per share, amount Baht 50 million, and to pay additional dividend to the shareholders at Baht 0.35 per share, amount Baht 175 million. The dividend was paid on May 9, 2013. The Meeting also approved to pay the directors' remuneration for 2013 at the maximum of Baht 2.80 million.

On April 9, 2013, the Ordinary General Shareholders' Meeting for 2013 of AI Energy Public Company Limited was held and has approved to pay the directors' remuneration for 2013 at the maximum of Baht 1.54 million. Later on May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 was held and has resolution to change the directors' remuneration for 2013 to the maximum of Baht 2.20 million, which has been approved by the Ordinary General Shareholders' Meeting on April 9, 2013.



**24. EXPENSES BY NATURE**

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(Increase) decrease in change of finishes goods and work in progress	(96,310,205)	191,588,617	24,440,576	(29,861,110)
Raw materials and consumables used	4,246,519,131	3,460,366,542	317,666,135	342,666,534
Construction materials and subcontractors	219,181,213	32,272,760	-	-
Vessel operating expenses	23,178,566	20,123,060	-	-
Purchase of goods for sale	141,880,284	294,526,133	10,376,695	33,662,416
Director and management benefit expenses	35,761,396	22,062,626	20,674,995	18,331,768
Employee benefit expenses	159,855,491	166,062,206	77,860,261	88,995,282
Depreciation and amortization expenses	142,214,782	131,484,204	69,735,324	69,050,901
Finance costs	27,818,098	63,450,034	3,726,217	19,765,424
(Reverse) loss on diminution of inventories	120,260	(8,594,010)	-	-
Other expenses	213,350,512	232,389,005	46,813,926	57,672,146
<b>Total expenses</b>	<b>5,113,569,528</b>	<b>4,605,731,177</b>	<b>571,294,129</b>	<b>600,283,361</b>

**25. INCOME TAX**

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2014 and 2013 were calculated from the accounting profit, 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 2014 and 2013.

The BOI business, the income tax computation of the Company and subsidiaries was calculated according to the promotional privileges which are granted (see also Note 27).

Income taxes expenses recognized in statements of comprehensive income consist:

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
The corporate income tax for the periods	42,726,247	156,051,294	3,203,773	154,627,551
Amortisation of temporary differences assets/liabilities on temporary differences	5,444,230	36,069,621	1,454,960	(526,800)
<b>Income tax expenses</b>	<b>48,170,477</b>	<b>192,120,915</b>	<b>4,658,733</b>	<b>154,100,751</b>

The deferred tax assets/liabilities arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<b>Accumulated temporary differences in the statements of income</b>				
Unrealized gain on investments in Open-end Fund	(3,056,471)	(1,479,956)	(124,360)	(184,897)
Allowance for doubtful trade accounts receivable	3,640,561	4,072,412	-	-
Provision for diminution in inventories	120,260	-	-	-
Allowance for diminution in non-current assets classified as held for sale	1,934,990	-	-	-
Calculate depreciation difference from tax rate	(11,300,885)	-	-	-
Provision for long-term employee benefits	28,301,908	32,664,505	17,685,656	23,940,671
Tax deficits	-	9,579,754	-	-
<b>Total</b>	<b>19,640,363</b>	<b>44,836,715</b>	<b>17,561,296</b>	<b>23,755,774</b>
<b>Temporary differences in the retained earnings</b>				
Provision for long-term employee benefits	-	2,024,801	-	1,080,319
<b>Total</b>	<b>19,640,363</b>	<b>46,861,516</b>	<b>17,561,296</b>	<b>24,836,093</b>
<b>Deferred tax assets calculated from tax rate of 20%</b>	<b>3,928,073</b>	<b>9,372,303</b>	<b>3,512,259</b>	<b>4,967,219</b>

## 26. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2014 and 2013, 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			
	2014		2013		2014		2013	
	Foreign currency	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currency	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	361.01	12,186.65	150.42	4,915.48	2.27	74.62	8.86	289.52
Total		12,186.65		4,915.48		74.62		289.52
<u>Liabilities</u>								
- Portion due within one year								
USD	170.73	5,653.42	192.15	6,331.31	170.48	5,645.14	80.76	2,660.99
EUR	-	-	2.83	128.26	-	-	2.83	128.26
Total		5,653.42		6,459.57		5,645.14		2,789.25

## 27. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company and three subsidiaries were granted promotional certificates 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
Asian Insulators Plc.	1025/2541	January 24, 2001	Producing porcelain insulators	January 23, 2009
	1115(2)/2548	February 28, 2005	Producing finished hybrid clay	February 27, 2013
	1116(2)/2549	January 30, 2009	Producing porcelain insulators	January 29, 2017
	1478(2)/2553	June 12, 2012	Producing porcelain insulators	June 11, 2020
AI Energy Public Co., Ltd.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
	2777(1)/2556	Not yet implemented	Producing biodiesel	-
AI Logistics Co., Ltd.	2029(2)/2549	June 27, 2006	Ship transportation	June 26, 2014
	1434(2)/2550	June 11, 2007	Ship transportation	June 10, 2015
AI Ports and Terminals Co., Ltd.	1373(2)/2552	July 1, 2009	Ports and terminals service	June 30, 2017
	1374(2)/2552	August 7, 2009	Ports and terminals service	August 6, 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. 1115(2)/2548, 1116(2)/2549, 1478(2)/2553, 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 11.01 million, Baht 75.18 million, Baht 495.91 million, 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. 1025/2541, 1922(1)/2553 and 2777(1)/2556.</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. 1025/2541, 1922(1)/2553 and 2777(1)/2556.</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 2014 and 2013, 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	
	2014	2013	2014	2013
Local revenues	3,351,119,110	1,026,807,768	523,977,820	588,976,380
Foreign revenues	241,161,859	69,869,337	1,655,155	16,062
Total	3,592,280,969	1,096,677,105	525,632,975	588,992,442

## 28. PROVIDENT FUND

The Company and its subsidiaries 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 subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2014 and 2013 are as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2013	2013
Asian Insulators Public Company Limited	1,688,820	1,764,879	1,688,820	1,764,879
AI Engineering Services Company Limited	228,192	207,099		
AI Energy Public Company Limited	1,091,357	185,944		
AI Logistics Company Limited	9,282	15,357		
Total	3,017,651	2,173,279		

**29. FINANCIAL INFORMATION BY SEGMENT**

The information by segment is as follows :

	FOR THE YEAR ENDED DECEMBER 31, 2014						Total	
	GROUP OF AI ENERGY PUBLIC COMPANY LIMITED							
<b>CONSOLIDATED</b>	Sale of electrical equipment	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of ice cube	Vessel operating	Port services	
Revenues from sales and services	752,739	297,271	4,298,993	54,469	31,449	35,291	1,000	5,471,212
Cost of sales and services	(489,770)	(222,104)	(4,062,021)	(37,155)	(25,302)	(47,143)	(497)	(4,883,992)
Gross profit (loss) by segment	262,969	75,167	236,972	17,314	6,147	(11,852)	503	587,220
Non-allocation expenses								(201,759)
Profit from operation								385,461
Other income								28,761
Finance costs								(27,818)
Share of loss from investments in associate								(7,102)
Income tax expenses								(48,171)
Profit for the period								331,131
Profit attributable to								
Equity holders of the parent								291,893
Non-controlling interests								39,238
Property, plant, vessel and equipment-net	652,787	65	851,352	21,585	62,415	443,109		2,031,313

THOUSAND BAHT

THOUSAND BAHT

FOR THE YEAR ENDED DECEMBER 31, 2013								
CONSOLIDATED	GROUP OF AI ENERGY PUBLIC COMPANY LIMITED							
	Sale of electrical equipment	Construction undertaking	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	819,542	45,824	4,012,198	93,834	27,898	45,663	-	5,044,959
Cost of sales and services	(497,806)	(34,303)	(3,695,562)	(46,739)	(23,534)	(38,862)	-	(4,336,806)
Gross profit by segment	321,736	11,521	316,636	47,095	4,364	6,801	-	708,153
Non-allocation expenses								(205,475)
Profit from operation								502,678
Other income								23,152
Finance costs								(63,450)
Share of loss from investments in associate								(6,092)
Income tax expenses								(192,121)
Profit for the period								264,167
Profit attributable to								
Equity holders of the parent								259,680
Non-controlling interests								4,487
Property, plant, vessel and equipment-net	699,739	101		714,782	21,224	75,350	453,360	1,964,556

### 30. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Letters of guarantee issued by commercial bank	309.24	285.23	76.98	125.94

30.2 As at December 31, 2014 and 2013, the Company and subsidiaries have capital expenditure commitment as follows:

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
The purchase of machinery and equipment	8.17	48.32	3.19	0.35

30.3 As at December 31, 2014 and 2013, the subsidiary has outstanding commitments with major subcontractors and the purchase of construction equipment for construction work amount of Baht 1.27 million and Baht 178.22 million, respectively.

30.4 As at December 31, 2014 and 2013, the Company is the guarantor for the repayment of loans from financial institutions for AI Engineering Services Company Limited amount of Baht 545 million. In 2013, the Company had withdrawn the guarantee for AI Energy Public Company Limited, AI Logistics Company Limited and AI Ports and Terminals Company Limited, totally Baht 3,025 million. Nevertheless, AI Energy Public Company Limited has jointly guaranteed all credit facilities.

As at December 31, 2013, two subsidiaries in the group have made inter-guarantee amount of Baht 410 million.



### 31. TRANSACTIONS WITH RELATED PARTIES

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

RELATED PARTIES	RELATIONSHIP
1. Associate	
PPC Asian Insulators Company Limited	See also Note 13
2. Subsidiaries	
AI Engineering Services Company Limited	See also Note 14
AI Energy Public Company Limited	See also Note 14
AI Logistics Company Limited	See also Note 14
AI Ports and Terminals Company Limited	See also Note 14
2. Related companies	
Samart Palm Company Limited	Director is relative of the directors of the Company
Samart Palmoil Company Limited	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Director is relative of the directors of the Company

The significant transactions with related parties are as follows:

#### 31.1 Sales or services, other income and expenses rendered to related parties for the years ended December 31,

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<b>Sales of products and raw materials</b>				
PPC Asian Insulators Co., Ltd.	4,292,441	3,700,599	4,272,114	3,700,599
AI Engineering Services Co., Ltd.	-	-	10,227,752	5,550,000
AI Energy Public Co., Ltd.	-	-	-	7,400,000
AI Ports and Terminals Co., Ltd.	-	-	2,960,000	26,159,000
<b>Sales of hybrid clay</b>				
PPC Asian Insulators Co., Ltd.	207,557,000	174,152,368	207,557,000	174,152,368
<b>Dividend income</b>				
AI Engineering Services Co., Ltd.	-	-	21,964,643	-
<b>Other income - rental</b>				
PPC Asian Insulators Co., Ltd.	1,238,400	1,238,400	1,238,400	1,238,400
AI Engineering Services Co., Ltd.	-	-	456,000	456,000
AI Logistics Co., Ltd.	-	-	100,800	100,800

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<b>Other income - services</b>				
PPC Asian Insulators Co., Ltd.	1,443,570	1,366,036	1,443,570	1,366,036
AI Engineering Services Co., Ltd.	-	-	782,515	741,315
AI Energy Public Co., Ltd.	-	-	1,159,955	1,118,305
AI Logistics Co., Ltd.	-	-	473,842	462,342
AI Ports and Terminals Co., Ltd.	-	-	559,990	604,553
<b>Other income - interest income</b>				
AI Energy Public Co., Ltd.	-	-	-	2,143,932
AI Logistics Co., Ltd.	-	-	-	598,068
AI Ports and Terminals Co., Ltd.	-	-	-	2,458,356
<b>Other income - sales of equipment</b>				
AI Energy Public Co., Ltd.	-	-	38,999	-
<b>Purchases good</b>				
Samart Palm Co., Ltd.	17,436,582	22,424,335	-	-
Samart Palmoil Co., Ltd.	19,745,072	19,509,163	-	-
Samart Palm Industry Co., Ltd.	4,670,505	-	-	-
<b>Purchases of scrap clay</b>				
PPC Asian Insulators Co., Ltd.	131,529,109	103,504,037	131,529,109	103,504,037
<b>Purchase of consumed supply</b>				
PPC Asian Insulators Co., Ltd.	91,550	47,199	91,550	47,199
AI Energy Public Co., Ltd.	-	-	45,065	42,916

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

Sale of hybrid clay and repurchase of scrap clay with PPC Asian Insulators Company Limited are under the mutual agreement as the Company has to repurchase the scrap clay under the agreed price and condition.

**31.2 Balances of receivable, payable and accrued income from sales, purchase and service rendered to related parties**

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<b>Trade accounts receivable</b>				
PPC Asian Insulators Co., Ltd.	35,042,877	35,922,648	35,042,877	35,922,648
AI Engineering Services Co., Ltd.	-	-	-	1,979,500
<b>Related parties receivable</b>				
PPC Asian Insulators Co., Ltd.	546,593	8,233,071	546,593	8,233,071
AI Engineering Services Co., Ltd.	-	-	12,258	11,876
AI Energy Public Co., Ltd.	-	-	-	105,238
AI Logistics Co., Ltd.	-	-	2,661	2,389
AI Ports and Terminals Co., Ltd.	-	-	-	1,445
<b>Electrical system installation and supervising construction of factory</b>				
AI Engineering Services Co., Ltd.	-	-	-	5,978,280
<b>Accounts payable</b>				
PPC Asian Insulators Co., Ltd.	20,527,585	24,654,036	20,527,585	24,654,036
Samart Palm Co., Ltd.	-	359,150	-	-
Samart Palmoil Co., Ltd.	-	390,775	-	-
Samart Palm Industry Co., Ltd.	1,681,350	-	-	-
<b>Related parties payable</b>				
AI Energy Public Co., Ltd.	-	-	47,300	23,920

**32. DISCLOSURE OF FINANCIAL INSTRUMENTS**

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

**32.1 Accounting policies**

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

### **32.2 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 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.

### **32.3 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.

### **32.4 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.

### **32.5 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.

### **33. LITIGATION**

AI Energy Public Company Limited (subsidiary) 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 subsidiary 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.

### **34. EVENTS AFTER THE REPORTING PERIOD**

On March 24, 2015, the Board of Directors of the Company meeting No.1/2015 was held and approved 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 2,000 million shares.

**34.2** To increase the Company's authorized capital from Baht 500 million (amount 2,000 million shares at Baht 0.25 par value) to be Baht 700 million (amount 2,800 million shares at Baht 0.25 par value).

**34.3** Dividend payout at Baht 0.11111 per share comprise of :

- Stock dividend to shareholders considered from the payout ratio of 5 existing ordinary shares for 2 shares dividend which shall not exceed than 800 million shares at a par value of Baht 0.25 per share or shall be equivalent at Baht 0.10 per share.
- Cash dividends to shareholders at Baht 0.01111 per share amounting not exceed than Baht 22.22 million.

On March 24, 2015, the Board of Directors' Meeting No.1/2015 of AI Energy Public Company Limited was held and approved 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. And increase the Company's authorized capital from Baht 1,130 million (amount 4,520 million shares at Baht 0.25 par value) to be Baht 1,356 million (amount 5,424 million shares at Baht 0.25 par value) in order to reserve for the exercise of the warrant No. 1. To issue warrants No. 1 at 904 million units for purchasing ordinary shares of the company. The warrants allocated to the old shareholders at the ratio of 5 existing shares to 1 warrant. The warrants are mature at 3 years from the date of issuance. Exercise price is Baht at 0.25 per share.

### **35. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS**

The Company has reclassified some accounting transactions of financial statements for the year 2013, to conform with the current year presentation.

The Company has reclassified certain items in the statement of financial position as at December 31, 2013, which is other current assets to other non-current assets amount of Baht 8,718,371 and non-controlling interests to capital surplus from share premium of subsidiary amount of Baht 360,580,334.

### **36. FINANCIAL STATEMENTS APPROVAL**

These financial statements have been duly approved by the Company's directors on March 24, 2015.