

INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE FIRST QUARTER ENDED MARCH 31, 2015

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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors and Shareholders of Asian Insulators Public Company Limited:

I have reviewed the consolidated and separate statements of financial position as at March 31, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, consolidated and separate statements of cash flows for the three-month period ended March 31, 2015, and the condensed notes to the interim financial statements (Interim financial information) of Asian Insulators Public Company Limited and its subsidiaries and of Asian Insulators Public Company Limited, respectively. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

Except as mentioned in the Basis for disclaimer conclusion on the consolidated interim financial information paragraph and the Basis for qualified conclusion on the separate interim financial information paragraph, I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for Disclaimer Conclusion on the Consolidated Interim Financial Information

1. I am unable to obtain sufficient and appropriate audit evidence regarding the opening balances for the year 2015 for the following reasons;
 - 1.1 The predecessor auditor of Asian Insulators Public Company Limited, in his report dated March 24, 2015, expressed a disclaimer of opinion on the Company's consolidated financial statement because the predecessor auditor of AI Energy Public Company Limited, its subsidiary, expressed a disclaimer opinion on the consolidated financial statement for the year ended December 31, 2014 (before restatement), due to the fact that the subsidiary had no effective internal control regarding the cost of sales and inventories, including the misappropriation of assets utilization. As a result, there is no proper information or controls by which to assure the validity and completeness of the manufacturing information and stock movement. This affects the costs of goods sold, inventory balances and related accounts.



According to the above matter, the subsidiary's Management has restated the subsidiary's consolidated financial statement as at December 31, 2014 and the consolidated statement of profit or loss and other comprehensive income for the three-month ended March 31, 2014 in order to correct the errors as described in Note to Financial Statements No.32. I am unable to obtain sufficient and appropriate audit evidence for those transaction incurred in 2014 as there was no effective internal control as mentioned above.

- 1.2 As discussed in the Note to Financial Statements No.29.5, the subsidiary received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand, dated January 20, 2016, requesting for the facts about the subsidiary auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. The subsidiary's management provided a clarification of the facts to the Enforcement Department, Office of the Securities and Exchange Commission of Thailand. The subsidiary also sent a letter to request the status update with respect to this matter. The Enforcement Department, Office of the Securities and Exchange Commission of Thailand replied by a letter, dated February 28, 2017 that the outcome has not yet finalized.
2. From my audit on the subsidiary's financial statements for the year ended December 31, 2015, the subsidiary's production yield during the period of January to June 2015 was significantly lower than normal production yields. I received clarification letters of such events from the subsidiary's Audit Committee, Managing Director, Factory Manager, Accounting and Finance Manager, Quality Control Manager, and Logistics Supervisor.
3. As discussed in the Note to Financial Statements No, 12, the financial statements of PPC Asian Insulator Company Limited, an associated company, as at March 31, 2015, used for recording the investment under the equity method in the consolidated financial statement, is based on information from Management which had not been reviewed by an auditor. The Company's consolidated financial statements as at March 31, 2015, included an investment of Baht 12.72 million and a share of profit of the associated company for the three-month period ended March 31, 2015 in the amount of Baht 4.57 million. I am unable to satisfactorily review the appropriateness of the balance of such investment in the associated company.

Since the matters discussed in No.1, 2 and 3 above have significant effect on the interim financial information for the three-month period ended March 31, 2015, I am unable to express a conclusion on the consolidated interim financial information for the three-month period ended March 31, 2015.

Disclaimer Conclusion on the Consolidated Interim Financial Information

Because of the significance of the matters described in the Basis for disclaimer of conclusion, I expressed a disclaimer of conclusion on the accompanying consolidated interim financial information as to whether nothing has come to my attention that causes me to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".



Basis for Qualified Conclusion on the Separate Interim Financial Information

As discussed in the Notes to Financial Statements No. 12, the financial statements for the three-month period ended March 31, 2015 of PPC Asian Insulator Company Limited, an associated company, is based on information from Management which had not been reviewed by an auditor. The Company's separate financial statements as at March 31, 2015, included an investment at cost method amounted of Baht 26.40 million. I have not been able to obtain sufficient and appropriate audit evidence about the appropriateness of the investments and the provision for the impairment in the separate financial statement. Accordingly, I was unable to conclude whether any adjustments may have been necessary to these accounts.

Qualified Conclusion on the Separate Interim Financial Information

Except for the possible effect of the matter described in the Basis for qualified conclusion on the separate interim financial information, based on my review, nothing has come to my attention that causes me to believe that the accompanying separate interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Other Matter

The consolidated and separate financial statements of financial position as at December 31, 2014 (before restatement), of Asian Insulators Public Company Limited and its subsidiaries were audited by another auditor, whose report dated on March 24, 2015, expressed a disclaimer of opinion on the consolidated financial statements regarding the matter discussed in the paragraph 1.1 of Basis for disclaimer conclusion on the consolidated interim financial information and expressed a qualified opinion on the separate financial statements regarding the financial statement of an associated company is based on the management's information which had not been audited by an auditor.

The consolidated and separated statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, consolidated and separate statements of cash flows for the three-month period ended March 31, 2014 (before restatement), were reviewed by another auditor whose report dated May 13, 2014, expressed a qualified conclusion regarding the financial statement of an associated company is based on the management's information which had not been reviewed by an auditor.



Vichai Ruchitanont

Certified Public Accountant

Registration Number 4054

ANS Audit Co., Ltd

Bangkok, February 28, 2017

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2015

| Unit: Thousand Baht | | | | | | |
|---------------------|---|-----------------------------------|-------------------|-------------------------------|-------------------|-----------|
| | | Consolidated financial statements | | Separate financial statements | | |
| | | March 31, 2015 | December 31, 2014 | March 31, 2015 | December 31, 2014 | |
| | | "UNAUDITED" | (RESTATED) | "UNAUDITED" | "AUDITED" | |
| Notes | | "REVIEWED" | | "REVIEWED" | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| | Cash and cash equivalents | 5 | 125,756 | 204,456 | 28,004 | 12,433 |
| | Short-term investments | 6 | 297,675 | 259,341 | 64,794 | 39,609 |
| | Trade and other receivables - net | 4, 7, 32 | 365,344 | 636,762 | 64,209 | 137,286 |
| | Unbilled receivables | 8, 32 | 18,469 | 17,718 | - | - |
| | Inventories - net | 9, 32 | 674,375 | 543,629 | 166,855 | 108,897 |
| | Oil supplies | 10 | 1,398 | 2,368 | - | - |
| | Non-current assets held for sale - net | 11 | 100 | 2,540 | - | - |
| | Total current assets | | 1,483,117 | 1,666,814 | 323,862 | 298,225 |
| Non-current assets | | | | | | |
| | Investments in associated company - net | 12 | 12,724 | 17,291 | 26,400 | 26,400 |
| | Investments in subsidiaries | 13 | - | - | 862,555 | 862,555 |
| | Pledged deposits at financial institution | 14 | 3,137 | 2,000 | - | - |
| | Property, plant, vessel and equipment - net | 15, 32 | 2,022,850 | 2,030,765 | 638,223 | 652,787 |
| | Intangible assets - net | 16 | 4,584 | 5,040 | 4,450 | 4,896 |
| | Deferred tax assets | 23 | 10,014 | 3,928 | 3,648 | 3,512 |
| | Other non-current assets | | 15,830 | 17,056 | 312 | 312 |
| | Total non-current assets | | 2,069,139 | 2,076,080 | 1,535,588 | 1,550,462 |
| | Total assets | | 3,552,256 | 3,742,894 | 1,859,450 | 1,848,687 |

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2015

Unit: Thousand Baht

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-----------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | March 31, 2015 | December 31, 2014 | March 31, 2015 | December 31, 2014 |
| | | "UNAUDITED" "REVIEWED" | (RESTATED) | "UNAUDITED" "REVIEWED" | "AUDITED" |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from financial institutions | | | | | |
| | 17 | 329.904 | 366.918 | 40.000 | 50.000 |
| | 4. 18. 32 | 240.559 | 257.864 | 63.893 | 48.524 |
| Current portion of long-term loans from financial institutions | | | | | |
| | 19 | - | 22.080 | - | - |
| | 8. 32 | - | 617 | - | - |
| | 32 | 39.821 | 38.850 | 2.913 | 2.272 |
| | | <u>610.284</u> | <u>686.329</u> | <u>106.806</u> | <u>100.796</u> |
| Non-current liabilities | | | | | |
| | 19 | - | 76.880 | - | - |
| | 20 | 32.250 | 30.810 | 18.424 | 17.686 |
| | | <u>32.250</u> | <u>107.690</u> | <u>18.424</u> | <u>17.686</u> |
| | | <u>642.534</u> | <u>794.019</u> | <u>125.230</u> | <u>118.482</u> |

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2015

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|---|---------------------------------|---|--------------------------------|
| | March 31, 2015 "UNAUDITED" "REVIEWED" | December 31, 2014 (RESTATED) | March 31, 2015 "UNAUDITED" "REVIEWED" | December 31, 2014 "AUDITED" |
| Shareholders' equity | | | | |
| Authorized share capital | | | | |
| Common shares 500.000.000 shares at Baht 1 each | 500.000 | 500.000 | 500.000 | 500.000 |
| Issued and fully paid-up share capital | | | | |
| Common shares 500.000.000 shares at Baht 1 each | 500.000 | 500.000 | 500.000 | 500.000 |
| Premiums on share capital | 902.769 | 902.769 | 902.769 | 902.769 |
| Retained earnings (deficits) | | | | |
| Appropriated | | | | |
| Legal reserve | 50.000 | 50.000 | 50.000 | 50.000 |
| Unappropriated | (491.897) | (467.936) | 281.451 | 277.436 |
| Other components of shareholders' equity | | | | |
| Difference on business combination under common control | (3.259) | (3.259) | - | - |
| Capital surplus from share premium of subsidiary | 360.580 | 360.580 | - | - |
| Gain on disposal of investment in subsidiaries | 861.443 | 861.443 | - | - |
| Total shareholders' equity of the company | 2.179.636 | 2.203.597 | 1.734.220 | 1.730.205 |
| Non-controlling interests | 730.086 | 745.278 | - | - |
| Total shareholders' equity | 2.909.722 | 2.948.875 | 1.734.220 | 1.730.205 |
| Total liabilities and shareholders' equity | 3.552.256 | 3.742.894 | 1.859.450 | 1.848.687 |

.....Director
(Narong Thareratanavibool)

.....Director
(Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

"UNAUDITED"

"REVIEWED"

| | | Unit: Thousand Baht | | | |
|---|---------------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2015 | 2014 | 2015 | 2014 |
| | | (RESTATEd) | | | |
| Notes | | | | | |
| | 4, 26, 28, 32 | | | | |
| Revenues | | | | | |
| | | 908,164 | 1,397,779 | 83,227 | 189,835 |
| | | 6,993 | 43,915 | - | - |
| | | 2,950 | 110,947 | - | - |
| | | 5,913 | 11,538 | - | - |
| | | 5,795 | 9,535 | 2,364 | 5,832 |
| | 13 | - | - | - | 1,997 |
| | | <u>929,815</u> | <u>1,573,714</u> | <u>85,591</u> | <u>197,664</u> |
| Expenses | | | | | |
| | | (892,206) | (1,235,984) | (55,539) | (119,222) |
| | | (5,902) | (30,625) | - | - |
| | | (2,084) | (93,009) | - | - |
| | | (9,935) | (9,183) | - | - |
| | | (11,783) | (14,488) | (1,063) | (2,159) |
| | | (42,988) | (39,649) | (23,782) | (18,397) |
| | | (4,211) | (4,041) | (614) | (470) |
| | 12 | (4,566) | (3,338) | - | - |
| | | <u>(973,675)</u> | <u>(1,430,317)</u> | <u>(80,998)</u> | <u>(140,248)</u> |
| | | <u>(43,860)</u> | <u>143,397</u> | <u>4,593</u> | <u>57,416</u> |
| | 24 | 4,707 | (19,965) | (578) | (2,153) |
| | | <u>(39,153)</u> | <u>123,432</u> | <u>4,015</u> | <u>55,263</u> |
| | | - | - | - | - |
| | | <u>(39,153)</u> | <u>123,432</u> | <u>4,015</u> | <u>55,263</u> |
| Profit (loss) attributable to: | | | | | |
| | | (23,961) | 99,671 | 4,015 | 55,263 |
| | | (15,192) | 23,761 | - | - |
| | | <u>(39,153)</u> | <u>123,432</u> | <u>4,015</u> | <u>55,263</u> |
| Total comprehensive income (loss) attributable to: | | | | | |
| | | (23,961) | 99,671 | 4,015 | 55,263 |
| | | (15,192) | 23,761 | - | - |
| | | <u>(39,153)</u> | <u>123,432</u> | <u>4,015</u> | <u>55,263</u> |
| Earnings (Loss) per share | | | | | |
| | | (0.05) | 0.20 | 0.01 | 0.11 |
| | | <u>500,000,000</u> | <u>500,000,000</u> | <u>500,000,000</u> | <u>500,000,000</u> |

.....Director

(Narong Thareeratanavibool)

.....Director

(Thanit Thareeratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

"UNAUDITED"
 "REVIEWED"

Unit: Thousand Baht

| | | Consolidated financial statements | | | | | | | | | |
|-------|----------------------------------|---|-------------------------------|----------------|---|--|--|--|------------------------------------|---------------------------|----------------------------|
| | | Equity attributable to equity holders of the parent | | | | | Other components of shareholders' equity | | | | |
| Notes | Issued and paid-up share capital | Premiums on share capital | Retained earnings (deficits) | | Difference on business combination under common control | Capital surplus from share premium of subsidiary | Gain on disposal of investment in subsidiaries | Total other components of shareholders' equity | Total Equity holders of the parent | Non-controlling interests | Total Shareholders' Equity |
| | | | Appropriated to legal reserve | Unappropriated | | | | | | | |
| 32 | 500,000 | 902,769 | 50,000 | (640,054) | (3,259) | 360,580 | 861,443 | 1,218,764 | 2,031,479 | 923,607 | 2,955,086 |
| | - | - | - | 172,118 | - | - | - | - | 172,118 | (178,329) | (6,211) |
| | 500,000 | 902,769 | 50,000 | (467,936) | (3,259) | 360,580 | 861,443 | 1,218,764 | 2,203,597 | 745,278 | 2,948,875 |
| | - | - | - | (23,961) | - | - | - | - | (23,961) | (15,192) | (39,153) |
| | 500,000 | 902,769 | 50,000 | (491,897) | (3,259) | 360,580 | 861,443 | 1,218,764 | 2,179,636 | 730,086 | 2,909,722 |
| | 500,000 | 902,769 | 50,000 | 293,810 | (3,259) | 360,580 | 861,443 | 1,218,764 | 2,965,343 | 708,586 | 3,673,929 |
| | - | - | - | (999,944) | - | - | - | - | (999,944) | (3) | (999,947) |
| | - | - | - | 99,671 | - | - | - | - | 99,671 | 23,761 | 123,432 |
| | 500,000 | 902,769 | 50,000 | (606,463) | (3,259) | 360,580 | 861,443 | 1,218,764 | 2,065,070 | 732,344 | 2,797,414 |

..... Director
 (Narong Tharetanavibool)

..... Director
 (Thanit Tharetanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

| | Unit: Thousand Baht | | | | | | | "UNAUDITED" "REVIEWED" |
|---|-------------------------------|----------------------------------|---------------------------|-------------------|---|----------------|--|---------------------------|
| | Separate financial statements | | | | | | | |
| | Note | Issued and paid-up share capital | Premiums on share capital | Retained earnings | | Unappropriated | other components of shareholders' equity | |
| Appropriated to legal reserve | | | | Appropriated | | | | |
| Balance as at January 1, 2015 | 500,000 | 902,769 | 50,000 | 277,436 | - | - | 1,730,205 | |
| Changes in shareholders' equity for the period: | | | | | | | | |
| Total comprehensive income for the period | - | - | - | 4,015 | - | - | 4,015 | |
| Balance as at March 31, 2015 | 500,000 | 902,769 | 50,000 | 281,451 | - | - | 1,734,220 | |
| Balance as at January 1, 2014 | 500,000 | 902,769 | 50,000 | 1,119,296 | - | - | 2,572,065 | |
| Changes in shareholders' equity for the period: | | | | | | | | |
| Dividend paid | - | - | - | (999,944) | - | - | (999,944) | |
| Total comprehensive income for the period | - | - | - | 55,263 | - | - | 55,263 | |
| Balance as at March 31, 2014 | 500,000 | 902,769 | 50,000 | 174,615 | - | - | 1,627,384 | |

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.....Director
 (Narong Tharatanavibool)

.....Director
 (Thanit Tharatanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

"UNAUDITED"
 "REVIEWED"

| | Unit: Thousand Baht | | | |
|--|-----------------------------------|------------|-------------------------------|----------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| | | (RESTATED) | | |
| Cash Flows from Operating Activities: | | | | |
| Profit (loss) before income tax expenses | (43,860) | 143,397 | 4,593 | 57,416 |
| Adjustments to reconcile profit (loss) before income tax expense to cash provided by (used in) operating activities: | | | | |
| Depreciation | 36,637 | 34,106 | 16,528 | 16,794 |
| Amortization of computer softwares | 474 | 480 | 464 | 471 |
| Gain on disposal asset | (60) | (3) | (39) | (3) |
| Unrealized gain on investment in Open-end Fund | (1,116) | (794) | (93) | (15) |
| Allowance for devaluation of inventories | 40,749 | 1,853 | - | - |
| Share of loss from investments in associate | 4,566 | 3,338 | - | - |
| Dividend income | - | - | - | (1,997) |
| Unrealized (gain) loss on exchange rates | (180) | 94 | (268) | (2) |
| Long-term employee benefit expenses | 1,440 | 1,299 | 738 | 700 |
| Interest income | (221) | (1,249) | (26) | (1,231) |
| Interest expenses | 3,596 | 3,496 | 383 | 130 |
| Amortization of withholding tax | - | 79 | - | - |
| Gain from operating activities before changes in operating assets and liabilities | 42,025 | 186,096 | 22,280 | 72,263 |
| Operating assets (increase) decrease | | | | |
| Short-term investments | (37,220) | 996,937 | (25,094) | 917,355 |
| Trade and other receivables | 255,631 | (379,533) | 73,077 | (96,885) |
| Unbilled receivables | (231) | (8,036) | - | - |
| Inventories | (170,524) | (364,534) | (57,959) | 8,831 |
| Construction contract in progress | - | 358 | - | - |
| Oil supplies | - | (435) | - | - |
| Advance payment to subcontractors | 77 | 175 | - | - |
| Withholding tax refundable | 62 | - | - | - |
| Other current assets | 111 | - | - | - |
| Non-current assets classified as held for sale | 2,440 | - | - | - |
| Other non-current assets | 324 | (50) | - | - |

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015

"UNAUDITED"
 "REVIEWED"

| | Unit: Thousand Baht | | | |
|--|-----------------------------------|------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| | | (RESTATED) | | |
| Operating liabilities increased (decrease) | | | | |
| Trade and other payable | (1,031) | 269,304 | 15,670 | 57,951 |
| Advance received from construction and deferred construction revenue | (618) | (10,119) | - | - |
| Retention payables | (269) | 243 | - | - |
| Other current liabilities | 11 | - | - | - |
| Provision for long-term employee benefits | - | (9,300) | - | (9,300) |
| Cash provided by operating activities | 90,788 | 681,106 | 27,974 | 950,215 |
| Income tax refunded | - | 1,789 | - | - |
| Paid income tax | (410) | (468) | (73) | (71) |
| Net cash provided by operating activities | 90,378 | 682,427 | 27,901 | 950,144 |
| Cash Flows from Investing Activities: | | | | |
| Increase in fixed deposits with obligation | (1,136) | - | - | - |
| Interest received | 221 | 1,239 | 26 | 1,231 |
| Dividend income from investments in subsidiary | - | - | - | 1,997 |
| Payment for purchases of assets | (28,792) | (34,140) | (2,017) | (2,425) |
| Proceeds from disposal of equipment | 116 | 11 | 75 | 11 |
| Payment deposit on assets | - | (5,709) | - | (1,712) |
| Payment assets payable | - | (6,105) | - | (75) |
| Net cash used in investing activities | (29,591) | (44,704) | (1,916) | (973) |
| Cash Flows from Financing Activities: | | | | |
| Increase (decrease) in bank overdrafts and short-term loan from financial institutions | (37,015) | 343,071 | (10,000) | (50,000) |
| Interest paid | (3,512) | (3,813) | (414) | (280) |
| Payment for long-term loans from financial institution | (98,960) | (8,709) | - | - |
| Dividend payment | - | (999,944) | - | (999,944) |
| Subsidiary dividend paid to non-controlling interests | - | (3) | - | - |
| Net cash used in financing activities | (139,487) | (669,398) | (10,414) | (1,050,224) |
| Net increase (decrease) in cash and cash equivalents | (78,700) | (31,675) | 15,571 | (101,053) |
| Cash and cash equivalents at beginning of the periods | 204,456 | 197,837 | 12,433 | 117,984 |
| Cash and cash equivalents at end of the periods | 125,756 | 166,162 | 28,004 | 16,931 |
| Supplemental disclosures of cash flows information | | | | |
| Non-cash transactions consisted of: | | | | |
| Assets payable for plant and equipment | 10,306 | 4,153 | 2,537 | 223 |
| Transferred deposit to plant and equipment | - | 19,137 | - | 150 |
| Transferred machinery to non-current assets classified as held for sale | - | 2,034 | - | - |

.....Director
 (Narong Thareratanavibool)

.....Director
 (Thanit Thareratanavibool)

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2015 (UNAUDITED) (REVIEWED)

1. GENERAL INFORMATION

Asian Insulators Public Company Limited (“the Company”) was registered as a company under the Civil and Commercial Code of Thailand on May 12, 1981, and was registered as a public company limited with the Ministry of Commerce on March 19, 2004. The Company was listed on the Stock Exchange of Thailand on September 9, 2004.

The Company’s main businesses are as producing and selling porcelain insulators and electrical equipment.

The Company’s registered office is located at No. 254 Seri Thai Road, Khan na yao Sub-District, Khan na yao District, Bangkok and The Factory located at No. 99 Moo 2, Asia Highway Km. 70 -71 Road, Tambol Banmor, Amphur Promburi, Singburi Province.

2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34, Interim Financial Reporting (revised 2014), including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and the regulations of the Securities and Exchange Commission.

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

Other than those specified in the notes to the annual and interim financial statements, all other balances presented in these interim financial statements are prepared under the historical cost basis.

The interim financial statements have been prepared to provide information additional to that included in the financial statements for the year ended December 31, 2014. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2014.

The preparation of the interim financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements, related to the Company and its subsidiary (together referred to as the “Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2014.

There is no change in the structure of the Group during the current period.

Accounting standards that became effective in the current accounting year

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after January 1, 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they have no any significant impact on the financial statements in the year in which they are adopted. However, some of these accounting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

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

In the past, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there is no impact to financial statements of the Company and subsidiaries.

TFRS 10 Consolidated Financial Statements

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

The management of the Company and its subsidiaries believes that the standard has no any significant impact on the Company and its subsidiaries' financial statements.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard has no any significant impact on the Company and its subsidiaries' financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2014.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market value or, where no market value exists, at contractually agreed prices. Sale of hybrid clay and repurchase of scrap clay with PPC Asian Insulators Company Limited are conducted at agreed prices on the basis determined by both parties.

Significant transactions between the Company and related parties for the three-month periods ended March 31, 2015 and 2014 were as follows:



..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------|-------------------------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| Sales of products and raw materials | | | | |
| PPC Asian Insulators Co., Ltd. | 955 | 925 | 955 | 925 |
| AI Engineering Services Co., Ltd. | - | - | - | 7,933 |
| AI Logistics Co., Ltd. | - | - | 3,500 | - |
| AI Ports and Terminals Co., Ltd. | - | - | 5,250 | - |
| Sales of hybrid clay | | | | |
| PPC Asian Insulators Co., Ltd. | 40,819 | 43,071 | 40,819 | 43,071 |
| Dividend income | | | | |
| AI Engineering Services Co., Ltd. | - | - | - | 1,997 |
| Other income - rental and services | | | | |
| PPC Asian Insulators Co., Ltd. | 459 | 653 | 670 | 653 |
| AI Engineering Services Co., Ltd. | - | - | 299 | 317 |
| AI Energy Public Co., Ltd. | - | - | 265 | 322 |
| AI Logistics Co., Ltd. | - | - | 178 | 155 |
| AI Ports and Terminals Co., Ltd. | - | - | 136 | 149 |
| Purchase of goods | | | | |
| Samart Palm Co., Ltd. | 8,705 | 4,497 | - | - |
| Samart Palm oil Co., Ltd. | 9,374 | 4,547 | - | - |
| Samart Palm Industry Co., Ltd. | 10,287 | - | - | - |
| Purchases of scrap clay | | | | |
| PPC Asian Insulators Co., Ltd. | 16,134 | 21,993 | 16,134 | 21,993 |
| Purchases of raw materials and consumed supply | | | | |
| PPC Asian Insulators Co., Ltd. | 1 | - | 1 | - |
| AI Energy Public Co., Ltd. | - | - | 26 | 1 |

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Directors and management's remuneration

Directors and management's remuneration for the three-month periods ended March 31, 2015 and 2014 consisted of:

| | Unit: Thousand Baht | | | |
|---|-----------------------------------|--------|-------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Short-term employee benefits | 11,056 | 11,399 | 6,054 | 6,732 |
| Long-term post-employment benefits | 331 | 284 | 144 | 177 |
| Total directors and management's remuneration | 11,387 | 11,683 | 6,198 | 6,909 |

Significant balances with related parties as at March 31, 2015 and December 31, 2014 were as follows:

| | Unit: Thousand Baht | | | |
|-----------------------------------|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Trade receivable | | | | |
| PPC Asian Insulators Co., Ltd. | 41,535 | 35,043 | 41,535 | 35,043 |
| AI Logistics Co., Ltd. | - | - | 3,745 | - |
| AI Ports and Terminals Co., Ltd. | - | - | 3,745 | - |
| Other receivable | | | | |
| PPC Asian Insulators Co., Ltd. | 80 | 547 | 80 | 547 |
| AI Engineering Services Co., Ltd. | - | - | 18 | 12 |
| AI Logistics Co., Ltd. | - | - | 4 | 3 |
| Related person | 23,855 | 23,855 | - | - |
| Trade payable | | | | |
| PPC Asian Insulators Co., Ltd. | 25,015 | 20,554 | 25,015 | 20,528 |
| Samart Palm Co., Ltd. | 733 | - | - | - |
| Samart Palm oil Co., Ltd. | 347 | - | - | - |
| Samart Palm Industry Co., Ltd. | 638 | 1,681 | - | - |
| Other payable | | | | |
| AI Energy Public Co., Ltd. | - | - | 26 | 47 |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|------------------------------------|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Cash on hand | 614 | 605 | 105 | 105 |
| Deposit at bank - saving | 123,604 | 200,703 | 27,770 | 11,786 |
| - current | 232 | 597 | 129 | 542 |
| Fixed deposits due within 3 months | 1,306 | 2,551 | - | - |
| Total cash and cash equivalents | 125,756 | 204,456 | 28,004 | 12,433 |

6. SHORT-TERM INVESTMENTS

Short-term investments as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit : Thousand Baht | | | |
|---|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Investment in Open-end Fund-Debt securities | 296,231 | 256,196 | 64,661 | 39,484 |
| <u>Add</u> Allowance for adjustment | 1,239 | 3,056 | 133 | 125 |
| Investment in Open-end Fund-Fair value | 297,470 | 259,252 | 64,794 | 39,609 |
| Fixed deposits | 205 | 89 | - | - |
| Total short-term investments | 297,675 | 259,341 | 64,794 | 39,609 |

Investments in the Open-end Fund are trading securities. The unrealized profits from the difference between fair value and cost are shown as allowance for adjustment investment in the Open-end Fund. Profits from investments in the Open-end Fund during the period were presented in the statements of profit or loss.

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Trade receivables | | | | |
| Trade receivable - related parties | 41,535 | 35,043 | 49,025 | 35,043 |
| Trade receivable - state enterprises | 7,491 | 110,568 | 5,800 | 88,707 |
| Trade receivable - other | 272,321 | 453,292 | 4,213 | 10,559 |
| Post date cheques | 12,591 | 7,348 | - | - |
| Total trade receivables | 333,938 | 606,251 | 59,038 | 134,309 |
| <u>Less</u> Allowance for doubtful accounts | (3,334) | (3,334) | - | - |
| Total trade receivables - net | 330,604 | 602,917 | 59,038 | 134,309 |
| Other receivables | | | | |
| Other receivables - related person | 23,855 | 23,855 | - | - |
| Other receivables | 80 | 547 | 102 | 562 |
| Prepaid expense | 5,425 | 6,541 | 2,477 | 1,740 |
| Deposit for inventories | 459 | 511 | 459 | 511 |
| Revenue Department receivable | 3,020 | 931 | 2,133 | 164 |
| Advance payment to subcontractors | - | 76 | - | - |
| Others | 2,207 | 1,690 | - | - |
| Total other receivables | 35,046 | 34,151 | 5,171 | 2,977 |
| <u>Less</u> Allowance for doubtful accounts | (306) | (306) | - | - |
| Total other receivables - net | 34,740 | 33,845 | 5,171 | 2,977 |
| Total trade and other receivables - net | 365,344 | 636,762 | 64,209 | 137,286 |

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

As at March 31, 2015 and December 31, 2014, outstanding balances of trade receivables aged by number of months are as follows:

| | Unit: Thousand Baht | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Related parties | | | | |
| Current | 20,301 | 14,930 | 24,046 | 14,930 |
| Overdue | | | | |
| Within 3 months | 21,234 | 20,113 | 24,979 | 20,113 |
| Total | 41,535 | 35,043 | 49,025 | 35,043 |
| State enterprises | | | | |
| Current | 5,847 | 109,821 | 4,156 | 87,960 |
| Overdue | | | | |
| Within 3 months | 897 | 747 | 897 | 747 |
| Over 3 months to 12 months | 747 | - | 747 | - |
| Total | 7,491 | 110,568 | 5,800 | 88,707 |
| Other | | | | |
| Current | 183,370 | 410,451 | 1,489 | 10,440 |
| Overdue | | | | |
| Within 3 months | 38,034 | 46,855 | 2,724 | 119 |
| Over 3 months to 12 months | 60,174 | - | - | - |
| Over 12 months | 3,334 | 3,334 | - | - |
| Total | 284,912 | 460,640 | 4,213 | 10,559 |
| <u>Less Allowance for doubtful accounts</u> | <u>(3,334)</u> | <u>(3,334)</u> | <u>-</u> | <u>-</u> |
| Total trade receivables - net | 330,604 | 602,917 | 59,038 | 134,309 |

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

8. UNBILLED RECEIVABLES/ADVANCE RECEIVED AND DEFERRED CONSTRUCTION REVENUE

Unbilled receivables/advance received and deferred construction revenue as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | |
|---|-----------------------------------|-----------|
| | Consolidated financial statements | |
| | 2015 | 2014 |
| Unbilled receivables | | |
| Contract value | 180,675 | 186,240 |
| Recognition of income by the percentage of completion | 180,675 | 186,240 |
| <u>Less</u> Value of billing construction | (162,206) | (168,522) |
| Unbilled receivables | 18,469 | 17,718 |
| Advance received and deferred construction revenue | | |
| Contract value | - | 130,603 |
| Value of billing construction | - | 128,548 |
| <u>Less</u> Recognition of income by the percentage of completion | - | (127,931) |
| Advance received and deferred construction revenue | - | 617 |

9. INVENTORIES - NET

Inventories as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Raw materials | 368,716 | 349,285 | 87,827 | 72,555 |
| Work in process | 181,699 | 99,498 | 33,537 | 24,360 |
| Finished goods | 145,418 | 75,030 | 38,080 | 5,623 |
| Supplies | 13,505 | 14,657 | 1,505 | 1,080 |
| Goods in transit | 5,906 | 5,279 | 5,906 | 5,279 |
| Total | 715,244 | 543,749 | 166,855 | 108,897 |
| <u>Less</u> Allowance for devaluation of inventories | (40,869) | (120) | - | - |
| Total inventories - net | 674,375 | 543,629 | 166,855 | 108,897 |

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

10. OIL SUPPLIES

Oil supplies as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | |
|--------------------|-----------------------------------|-------|
| | Consolidated financial statements | |
| | 2015 | 2014 |
| Bunker oil | 557 | 1,725 |
| Lubricants | 841 | 643 |
| Total oil supplies | 1,398 | 2,368 |

11. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|---|-----------------------------------|----------|------------|---------|
| | Consolidated financial statements | | | |
| | 2014 | Increase | (Decrease) | 2015 |
| Non-current assets held for sale | 4,475 | - | (2,440) | 2,035 |
| <u>Less</u> Allowance for diminution in value | (1,935) | - | - | (1,935) |
| Non-current assets held for sale - net | 2,540 | - | (2,440) | 100 |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

12. INVESTMENTS IN ASSOCIATED COMPANY - NET

Investments in associated company as at March 31, 2015 and December 31, 2014 consisted of:

| | Company | Nature of business | Percentage of investment (%) | | Unit: Million Baht | | Unit: Thousand Baht | | | |
|---|---------|--|------------------------------|-------|--------------------|------|-------------------------------|--------|----------|----------|
| | | | 2015 | 2014 | 2015 | 2014 | Separate financial statements | | | |
| | | | Invested share capital | | Equity method | | Cost method | | | |
| | | | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | | |
| PPC Asian Insulators Company Limited | | Producing and distributing electronics insulators and ceramics | 25.10 | 25.10 | 263 | 263 | 12,724 | 17,291 | 66,000 | 66,000 |
| Less Provision for diminution in investment | | | | | | | - | - | (39,600) | (39,600) |
| Total investments in associate - net | | | | | | | 12,724 | 17,291 | 26,400 | 26,400 |

The consolidated and separate financial statements for the three-month periods ended March 31, 2015 and 2014, of Asian Insulators Public Company Limited and its subsidiaries, and of Asian Insulators Public Company Limited, respectively, included an investment in the associated company based on financial statements of the associated company which had not been review by an auditor. The carrying value of the investment in the consolidated financial statements as at March 31, 2015 and December 31, 2014, amounted to Baht 12.72 million and Baht 17.29 million, respectively, representing 0.36% and 0.46% of total assets in the consolidated financial statements, respectively.

The equity of net loss of the associated company in the consolidated financial statements for the three-month periods ended March 31, 2015 and 2014, amounted to Baht 4.57 million and Baht 3.34 million respectively, representing (1.66%) and 2.70% of consolidated net profit (loss), respectively.

The carrying value of the investment in the separate financial statements as at March 31, 2015 and December 31, 2014, amounted to Baht 26.40 million, 1.42% and 1.43%, respectively, of total assets in the separate financial statements.

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2015 and December 31, 2014, and dividend income from the investment during for the three-month periods ended March 31, 2015 and 2014, consisted of:

| Company | Industries | Percentage of investment (%) | | Unit : Million Baht | | Unit: Thousand Baht | | | | |
|--|--|------------------------------|--------|----------------------|-------|-------------------------------|---------|------|------|-------|
| | | 2015 | 2014 | 2015 | 2014 | Separate financial statements | | | | |
| | | | | Issued share capital | | Cost method-net | 2015 | 2014 | 2015 | 2014 |
| Subsidiaries directly held by the Company | | | | | | | | | | |
| AI Engineering Services Company Limited | Undertake construction and install electrical transmission power sub-station and trading electrical equipment | 99.84 | 99.84 | 200 | 200 | 197,000 | 197,000 | - | - | 1,997 |
| AI Energy Public Company Limited | Producing and distributing biodiesel, vegetable oil and other fuel oil | 59.59 | 59.59 | 1,130 | 1,130 | 665,555 | 665,555 | - | - | - |
| Subsidiaries held by AI Energy Public Company Limited | | | | | | | | | | |
| AI Logistics Company Limited | Local and overseas logistics for passenger, merchandise, parcel and other materials | 100.00 | 100.00 | 209 | 209 | - | - | - | - | - |
| AI Ports and Terminals Company Limited | (1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable oil and other fuel oil | 100.00 | 100.00 | 460 | 460 | - | - | - | - | - |
| Total investments in subsidiaries | | | | | | | | | | |
| | | | | | | 862,555 | 862,555 | - | - | 1,997 |

14. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

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

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

15. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at March 31, 2015 and December 31, 2014 consisted of:

| | | Unit: Thousand Baht | | | | | | | | | |
|---|--|-----------------------------------|------------------|-----------------------------------|----------------|----------------------------------|------------------------|--------------------------------|----------------|--|-----------|
| | | Consolidated financial statements | | | | | | | | | |
| | | Land | Land improvement | Building and building improvement | Utility system | Machinery, accessories and tools | Vessel and improvement | Office furniture and equipment | Motor vehicles | Fixed assets under construction and installation | Total |
| At cost | | | | | | | | | | | |
| As at December 31, 2014 | | 357,156 | 17,769 | 936,507 | 54,991 | 1,313,561 | 179,322 | 33,868 | 90,128 | 47,751 | 3,031,053 |
| Purchases during period | | - | - | 394 | - | 4,025 | - | 79 | - | 24,280 | 28,778 |
| Transfers in (Transfer out) during period | | - | - | - | - | 97 | - | - | - | (97) | - |
| Disposal /written off during period | | - | - | - | - | (1,701) | - | (328) | - | - | (2,029) |
| As at March 31, 2015 | | 357,156 | 17,769 | 936,901 | 54,991 | 1,315,982 | 179,322 | 33,619 | 90,128 | 71,934 | 3,057,802 |
| Accumulated Depreciation | | | | | | | | | | | |
| As at December 31, 2014 | | - | 15,325 | 257,975 | 27,474 | 518,967 | 118,002 | 28,226 | 34,319 | - | 1,000,288 |
| Depreciation for the period | | - | 80 | 8,412 | 894 | 21,218 | 4,621 | 464 | 948 | - | 36,637 |
| Depreciation - disposals for the period | | - | - | - | - | (1,645) | - | (328) | - | - | (1,973) |
| As at March 31, 2015 | | - | 15,405 | 266,387 | 28,368 | 538,540 | 122,623 | 28,362 | 35,267 | - | 1,034,952 |
| Book value | | | | | | | | | | | |
| As at December 31, 2014 | | 357,156 | 2,444 | 678,532 | 27,517 | 794,594 | 61,320 | 5,642 | 55,809 | 47,751 | 2,030,765 |
| As at March 31, 2015 | | 357,156 | 2,364 | 670,514 | 26,623 | 777,442 | 56,699 | 5,257 | 54,861 | 71,934 | 2,022,850 |

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

Unit: Thousand Baht

| | Separate financial statements | | | | | | | | Total |
|---|-------------------------------|------------------|-----------------------------------|----------------|----------------------------------|--------------------------------|----------------|--|-----------|
| | Land | Land improvement | Building and building improvement | Utility system | Machinery, accessories and tools | Office furniture and equipment | Motor vehicles | Fixed assets under construction and installation | |
| At cost | | | | | | | | | |
| As at December 31, 2014 | 61,576 | 14,822 | 414,071 | 19,516 | 646,614 | 22,603 | 11,880 | 5,233 | 1,196,315 |
| Purchases during period | - | - | - | - | 916 | 11 | - | 1,073 | 2,000 |
| Transfers in (Transfer out) during period | - | - | - | - | 97 | - | - | (97) | - |
| Disposal /written off during period | - | - | - | - | (1,344) | (32) | - | - | (1,376) |
| As at March 31, 2015 | 61,576 | 14,822 | 414,071 | 19,516 | 646,283 | 22,582 | 11,880 | 6,209 | 1,196,939 |
| Accumulated Depreciation | | | | | | | | | |
| As at December 31, 2014 | - | 14,818 | 144,577 | 17,360 | 336,796 | 20,361 | 9,616 | - | 543,528 |
| Depreciation for the period | - | 1 | 4,501 | 288 | 11,383 | 222 | 133 | - | 16,528 |
| Depreciation - disposals for the period | - | - | - | - | (1,308) | (32) | - | - | (1,340) |
| As at March 31, 2015 | - | 14,819 | 149,078 | 17,648 | 346,871 | 20,551 | 9,749 | - | 558,716 |
| Book value | | | | | | | | | |
| As at December 31, 2014 | 61,576 | 4 | 269,494 | 2,156 | 309,818 | 2,242 | 2,264 | 5,233 | 652,787 |
| As at March 31, 2015 | 61,576 | 3 | 264,993 | 1,868 | 299,412 | 2,031 | 2,131 | 6,209 | 638,223 |



..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Depreciations in the statements of profit or loss for the three-month periods ended March 31, 2015 and 2014 were as follows:

| | Unit: Thousand Baht | | | |
|-------------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Cost of sale and service | 31,790 | 28,719 | 12,782 | 12,516 |
| Selling and administrative expenses | 4,847 | 5,416 | 3,746 | 4,278 |
| | <u>36,637</u> | <u>34,135</u> | <u>16,528</u> | <u>16,794</u> |

AI Ports and Terminals Company Limited had mortgaged all land, existing and future buildings and structures thereon as collateral for credit facilities obtained from a financial institution with their net book value as at March 31, 2015 and December 31, 2014, of Baht 423.93 million and Baht 426.44 million, respectively. (Note 19)

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Group as at March 31, 2015 and December 31, 2014, in the consolidate financial statement totaling approximately Baht 271.37 million and Baht 260.75 million respectively, and separate financial statements totaling approximately Baht 245.27 million and Baht 245.78 million, respectively.

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16. INTANGIBLE ASSETS - NET

Intangible assets as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | |
|---------------------------------|--------------------------------------|----------------------------------|
| | Computer Software | |
| | Consolidated financial statements | Separate financial statements |
| At cost | | |
| As at December 31, 2014 | 24,512 | 23,811 |
| Purchases during period | 18 | 18 |
| Disposal during period | (4,211) | (4,211) |
| As at March 31, 2015 | <u>20,319</u> | <u>19,618</u> |
| Accumulated amortisation | | |
| As at December 31, 2014 | 19,472 | 18,915 |
| Amortization for the period | 474 | 464 |
| Disposals for the period | (4,211) | (4,211) |
| As at March 31, 2015 | <u>15,735</u> | <u>15,168</u> |
| Net booked value | | |
| As at December 31, 2014 | <u>5,040</u> | <u>4,896</u> |
| As at March 31, 2015 | <u><u>4,584</u></u> | <u><u>4,450</u></u> |

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

Bank overdrafts and short-term loans from financial institutions as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|---|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Bank overdraft | 2,904 | 1,918 | - | - |
| Short-term loans from financial institutions | 327,000 | 365,000 | 40,000 | 50,000 |
| Total bank overdraft and short-term loans from financial institutions | 329,904 | 366,918 | 40,000 | 50,000 |

| | Credit line (Unit: Million Baht) | | | |
|------------------|-----------------------------------|-------|-------------------------------|------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Bank overdraft | 67 | 67 | 12 | 12 |
| Promissory notes | 1,870 | 1,870 | 430 | 430 |
| Total | 1,937 | 1,937 | 442 | 442 |

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loan (Note 19).

These loans are secured by mortgage land with structure and part of a subsidiary (Note 15). Under the terms of loan contract, the Company cannot pledge its assets as collateral for other loan.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

18. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|----------------------------------|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Trade payables | | | | |
| Trade payables - related parties | 26,733 | 22,209 | 25,015 | 20,528 |
| Trade payables - others | 92,542 | 96,381 | 27,387 | 12,153 |
| Total trade payables | 119,275 | 118,590 | 52,402 | 32,681 |
| Other payables | | | | |
| Payables for purchase of assets | 2,536 | 16,437 | 2,536 | 5,066 |
| Other payables | 10,533 | 7,414 | 26 | 47 |
| Advances received for goods | 29,597 | 18,662 | 1,046 | 1,157 |
| Electricity payable | 4,619 | 5,265 | 1,500 | 1,137 |
| Accrued expenses | 13,070 | 9,591 | 5,545 | 2,939 |
| Retention | 2,213 | 2,381 | - | - |
| Revenue Department payable | 58,156 | 78,943 | 461 | 5,149 |
| Others | 560 | 581 | 377 | 348 |
| Total other payables | 121,284 | 139,274 | 11,491 | 15,843 |
| Total trade and other payables | 240,559 | 257,864 | 63,893 | 48,524 |

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..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions as at March 31, 2015 and December 31, 2014 consisted of:

| Credit line | Repaymant conditions | Unit: Thousand Baht | |
|---|---|-----------------------------------|----------|
| | | Consolidated financial statements | |
| | | 2015 | 2014 |
| 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 |
| Total long-term loans from financial institutions | | - | 98,960 |
| <u>Less</u> Current portion of long-term loans | | - | (22,080) |
| Long-term loans from financial institutions - net | | - | 76,880 |

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loans prior to maturity in amount of Baht 97.12 million (Note 17).

20. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefit obligations and employee benefit expenses in the statements of profit or loss for the three-month periods ended March 31, 2015 and 2014 were as follows:

| | Unit: Thousand Baht | | | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | Post-employment benefit plan | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Defined benefit obligations at beginning as at January 1, | 30,810 | 36,785 | 17,686 | 25,021 |
| Employee benefit expenses in the statements of profit or loss: | | | | |
| Current service cost | 1,185 | 1,081 | 593 | 581 |
| Cost of interest | 255 | 218 | 145 | 119 |
| Benefit paid during the period | - | (9,300) | - | (9,300) |
| Defined benefit obligations as at March 31, | 32,250 | 28,784 | 18,424 | 16,421 |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

21. DIVIDEND PAYMENT

The 2014 Annual General Meeting of Shareholders of the Company held on March 26, 2014, passed a resolution to pay dividend for the year 2013 from the BOI business operating result and special dividend to the shareholders of 500 million shares at Baht 2.00 per share, amount Baht 1 billion. The interim dividend was paid on March 17, 2014.

The Board of Directors' Meeting No.1/2014 held on March 5, 2014 of AI Engineering Services Company Limited, passed a resolution to pay dividends from the operation for the year 2013 to the shareholders of 20 million shares at Baht 0.10 per share, amount Baht 2 million. The 2014 Annual General Shareholders' Meeting held on April 30, 2014, passed a resolution to pay such dividends. The dividend was paid to the shareholders on March 20, 2014.

22. LEGAL RESERVE

Legal reserve is set up under the Public Limited Companies Act B.E. 2535. The Company is required to set aside to a statutory reserve at least 5 percent of its net income, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution

23. DEFERRED TAX

Deferred tax as at March 31, 2015 and December 31, 2014 consisted of:

| | Unit: Thousand Baht | | | |
|---------------------------|-----------------------------------|---------|-------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Deferred tax assets | 12,059 | 6,799 | 3,685 | 3,537 |
| Deferred tax liabilities | (2,045) | (2,871) | (37) | (25) |
| Deferred tax assets - net | 10,014 | 3,928 | 3,648 | 3,512 |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

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

| | Unit: Thousand Baht | | | | | |
|--|-----------------------------------|------------------|-------------------------|-------------------------------|------------------|-------------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | As at January 1, 2015 | Profit (Loss) | As at March 31, 2015 | As at January 1, 2015 | Profit (Loss) | As at March 31, 2015 |
| Deferred tax assets | | | | | | |
| Allowance for doubtful trade accounts receivable | 728 | - | 728 | - | - | - |
| Allowance for devaluation of inventories | 24 | 2,046 | 2,070 | - | - | - |
| Allowance for diminution in non-current assets held for sale | 387 | (387) | - | - | - | - |
| Provision for long-term employee benefits | 5,660 | 254 | 5,914 | 3,537 | 148 | 3,685 |
| Tax loss carried forward | - | 3,347 | 3,347 | - | - | - |
| Total | 6,799 | 5,260 | 12,059 | 3,537 | 148 | 3,685 |
| Deferred tax liability | | | | | | |
| Unrealized gain on investments in Open-end Fund | (611) | 574 | (37) | (25) | (12) | (37) |
| Depreciation | (2,260) | 252 | (2,008) | - | - | - |
| Total | (2,871) | 826 | (2,045) | (25) | (12) | (37) |
| Deferred tax assets - net | 3,928 | 6,086 | 10,014 | 3,512 | 136 | 3,648 |

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------|-------------------------------|---------|
| | As at January 1, | Profit | As at January 1, | Profit |
| | 2014 | (Loss) | 2014 | (Loss) |
| Deferred tax assets | | | | |
| Allowance for doubtful trade accounts receivable | 814 | - | 814 | - |
| Allowance for devaluation of inventories | - | 371 | 371 | - |
| Provision for long-term employee benefits | 6,533 | (1,216) | 5,317 | 4,788 |
| Tax loss carried forward | 1,916 | (58) | 1,858 | - |
| Temporary differences in the retained earnings | | | | |
| Provision for long-term employee benefits | 405 | (405) | - | 216 |
| Total | 9,668 | (1,308) | 8,360 | 5,004 |
| Deferred tax liability | | | | |
| Unrealized gain on investments in Open-end Fund | (296) | 146 | (150) | (37) |
| Total | (296) | 146 | (150) | (37) |
| Deferred tax assets - net | 9,372 | (1,162) | 8,210 | 4,967 |
| | | | | (1,686) |
| | | | | 3,281 |

As at March 31, 2015, the Subsidiary had the deferred tax asset for the carry forward of unrecorded tax losses of separate financial statements Baht 3.35 million. The Subsidiary's management believes that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

24. INCOME TAX EXPENSES

Income tax expenses the three-month periods ended March 31, 2015 and 2014 were as follow:

| | Unit: Thousand Baht | | | |
|-----------------------------------|-----------------------------------|-----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2015 | 2014 | 2015 | 2014 |
| Current tax expense | | | | |
| Current periods | (1,379) | (18,803) | (714) | (467) |
| Deferred tax expense | | | | |
| Movement in temporary differences | 6,086 | (1,162) | 136 | (1,686) |
| Total | 4,707 | (19,965) | (578) | (2,153) |

Income tax reduction

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

25. FOREIGN CURRENCY TRANSACTIONS

As at March 31, 2015 and December 31, 2014, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging were as follows:

| Particulars | Consolidated financial statements | | | | Separate financial statements | | | |
|--------------------|-----------------------------------|-------------------|--------------------|-------------------|-------------------------------|-------------------|--------------------|-------------------|
| | 2015 | | 2014 | | 2015 | | 2014 | |
| | Foreign Currencies | Converted to Baht | Foreign Currencies | Converted to Baht | Foreign Currencies | Converted to Baht | Foreign Currencies | Converted to Baht |
| Assets | | | | | | | | |
| USD | 102.14 | 3,309.99 | 361.01 | 12,186.65 | 2.27 | 73.70 | 2.27 | 74.62 |
| Total | | 3,309.99 | | 12,186.65 | | 73.70 | | 74.62 |
| Liabilities | | | | | | | | |
| USD | 170.98 | 5,591.52 | 170.73 | 5,653.42 | 170.98 | 5,591.52 | 170.48 | 5,645.14 |
| EUR | 234.00 | 8,311.94 | - | - | 234.00 | 8,311.94 | - | - |
| Total | | 13,903.46 | | 5,653.42 | | 13,903.46 | | 5,645.14 |

(Unit: Thousand)

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

26. PROMOTIONAL PRIVILEGES

The Company and Three subsidiaries have received promotional Privileges of Investment Promotion Act, B.E. 2520 (1977).

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

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

The Company and subsidiaries have revenue from sales of goods, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates for the three-month periods ended March 31, 2015 and 2014, as follows:

| | Unit: Thousand Baht | | | | | |
|--|-----------------------------------|----------------------------|-----------|-------------------------------|----------------------------|---------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Promoted Activities | Non-promoted Activities | Total | Promoted Activities | Non-promoted Activities | Total |
| For the three-month period ended March 31, 2015 | | | | | | |
| Revenue from sales of goods | 456,828 | 451,336 | 908,164 | 32,664 | 50,563 | 83,227 |
| Revenue from production contract | - | 6,993 | 6,993 | - | - | - |
| Revenue from construction contract | - | 2,950 | 2,950 | - | - | - |
| Revenue from vessel operating | 5,913 | - | 5,913 | - | - | - |
| Other incomes | - | 5,795 | 5,795 | - | 2,364 | 2,364 |
| Total | 462,741 | 467,074 | 929,815 | 32,664 | 52,927 | 85,591 |
| For the three-month period ended March 31, 2014 | | | | | | |
| Revenue from sales of goods | 138,413 | 1,259,366 | 1,397,779 | 138,413 | 51,422 | 189,835 |
| Revenue from production contract | - | 43,915 | 43,915 | - | - | - |
| Revenue from construction contract | - | 110,947 | 110,947 | - | - | - |
| Revenue from vessel operating | 11,538 | - | 11,538 | - | - | - |
| Other incomes | - | 9,535 | 9,535 | - | 5,832 | 5,832 |
| Dividend income | - | - | - | - | 1,997 | 1,997 |
| Total | 149,951 | 1,423,763 | 1,573,714 | 138,413 | 59,251 | 197,664 |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

27. PROVIDENT FUND

The Company and subsidiaries' contributions for the employees provident fund and recorded as expenses in the statements of profit or loss for the three-month periods ended March 31, 2015 and 2014, were as follows:

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------|-------------------------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| Asian Insulators Public Company Limited | 448 | 444 | 448 | 444 |
| AI Engineering Services Company Limited | 60 | 56 | - | - |
| AI Energy Public Company Limited | 335 | 175 | - | - |
| AI Logistics Company Limited | 6 | 1 | - | - |
| Total | 849 | 676 | 448 | 444 |

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28. SEGMENT INFORMATION

The segment information for the three-month periods ended March 31, 2015 and 2014 were as follow:

| | | Unit: Thousand Baht | | | | | | | |
|---|--|--|-----------------------------|--|--------------------------------------|------------------|------------------|---------------|-----------|
| | | Consolidated financial statements | | | | | | | |
| | | For the three-month period ended March 31, 2015 | | | | | | | |
| | | Group of AI Energy Public Company Limited | | | | | | | |
| | | Sale of porcelain insulators and component | Construction undertaking | Sale of biodiesel and vegetable oil and by product | Contract of refind crude palm oil | Sale of ice cube | Vessel operating | Port services | Total |
| Revenues from sales and services | | 85,701 | 2,950 | 815,725 | 6,993 | 6,738 | 5,913 | - | 924,020 |
| Cost of sales and services | | (55,539) | (2,084) | (830,823) | (5,902) | (5,844) | (9,935) | - | (910,127) |
| Gross profit (loss) by segment | | 30,162 | 866 | (15,098) | 1,091 | 894 | (4,022) | - | 13,893 |
| Other income | | | | | | | | | 5,795 |
| Selling expenses | | | | | | | | | (11,783) |
| Administrative expenses | | | | | | | | | (42,988) |
| Finance costs | | | | | | | | | (4,211) |
| Share of loss from investments in associate | | | | | | | | | (4,566) |
| Income tax expenses | | | | | | | | | 4,707 |
| Loss for the period | | | | | | | | | (39,153) |
| Equity holders of the parent | | | | | | | | | (23,961) |
| Non-controlling interests | | | | | | | | | (15,192) |
| Property, plant, vessel and equipment - net | | 638,223 | 59 | | 865,415 | 21,446 | 58,192 | 439,515 | 2,022,850 |

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Thousand Baht

| Consolidated financial statements | | | | | | | | |
|---|--|--------------------------|--|------------------------------------|------------------|------------------|---------------|-------------|
| For the three-month period ended March 31, 2014 | | | | | | | | |
| Group of AI Energy Public Company Limited | | | | | | | | |
| | Sale of porcelain insulators and component | Construction undertaking | Sale of biodiesel and vegetable oil and by product | Contract of refined crude palm oil | Sale of ice cube | Vessel operating | Port services | Total |
| Revenues from sales and services | 201,416 | 110,947 | 1,189,451 | 43,915 | 6,912 | 11,538 | - | 1,564,179 |
| Cost of sales and services | (128,603) | (93,009) | (1,102,251) | (30,625) | (5,130) | (9,183) | - | (1,368,801) |
| Gross profit by segment | 72,813 | 17,938 | 87,200 | 13,290 | 1,782 | 2,355 | - | 195,378 |
| Other income | | | | | | | | 9,535 |
| Selling expenses | | | | | | | | (14,488) |
| Administrative expenses | | | | | | | | (39,649) |
| Finance costs | | | | | | | | (4,041) |
| Share of loss from investments in associate | | | | | | | | (3,338) |
| Income tax expenses | | | | | | | | (19,965) |
| Profit for the period | | | | | | | | 123,432 |
| Equity holders of the parent | | | | | | | | 99,671 |
| Non-controlling interests | | | | | | | | 23,761 |
| Property, plant, vessel and equipment - net | 683,735 | 90 | 754,885 | | 21,118 | 74,463 | 449,618 | 1,985,909 |

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..... Director

(Narong Tharatanavibool)

..... Director

(Thanit Tharatanavibool)

29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 As at March 31, 2015 and December 31, 2014, The Company and subsidiaries have commitment and contingent liabilities were as follows:

Unit: Million Baht

| Particulars | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|--------|-------------------------------|-------|
| | 2015 | 2014 | 2015 | 2014 |
| Letters of guarantee issued by commercial bank | 299.82 | 309.24 | 86.56 | 76.98 |

29.2 As at March 31, 2015 and December 31, 2014, the Company and subsidiaries have capital expenditure commitment were as follows:

Unit: Million Baht

| Particulars | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------|-------------------------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| The purchase of machinery and equipment | 14.42 | 8.17 | 0.16 | 3.19 |

29.3 As at March 31, 2015 and December 31, 2014, the Company is the guarantor for the repayment of loans from financial institutions to AI Engineering Services Company Limited amount of Baht 545 million.

29.4 The subsidiary has entered a lease contract of 15 tanks, comprise 5 tanks at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon and 10 tanks at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon. The lease period was 12 months, commencing from January 1, 2016 to December 31, 2016. The Company has to pay monthly rental amount of Baht 4.20 million per month.

29.5 The subsidiary received a letter from the Enforcement Department, Office of the Securities and Exchange Commission of Thailand, dated January 20, 2016, requesting for the facts about the subsidiary auditor's disclaimer of opinion in the subsidiary's financial statements for the year 2014. The subsidiary's management provided a clarification of the facts to the Enforcement Department, Office of the Securities and Exchange Commission of Thailand. The subsidiary also sent a letter to request the status update with respect to this matter. The Enforcement Department, Office of the Securities and Exchange Commission of Thailand replied by a letter, dated February 28, 2017 that the outcome has not yet finalized.

30. LITIGATION

AI Energy Public Company Limited ("the subsidiary") was sued by the Official Receiver of Pamola Company Limited for transferring back the trademark "Pamola" to the debtor's assets and pays the compensation amount of Baht 3.75 million with an interest rate of 7.50% per annum. On June 8, 2016, the Supreme Court has ordered to dismiss the case.

..... Director

(Narong Thareratanavibool)

..... Director

(Thanit Thareratanavibool)

31. CAPITAL MANAGEMENT

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

32. CORRECTION OF ACCOUNTING ERROR AND RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company's consolidated financial statements for the three-month period ended March 31, 2014 and for the year ended December 31, 2015 had been prepared and issued on May 13, 2014 and March 24, 2015, respectively. During the year 2015, the subsidiary retroactively adjusted the accounting errors in the consolidated financial statements for the three-month period ended March 31, 2014 and for the year ended December 31, 2014.

The Company has reclassified some accounting transactions in the separate statements of financial position as at December 31, 2014 and the separate statements of profit or loss and other comprehensive income for the three-month period ended March 31, 2014 to conform to the current period presentation, of which no impact net income or shareholders' equity.

The correction of accounting error and reclassifications of accounting transaction were as follows:

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Unit: Thousand Baht

| | Consolidated financial statements | | | | |
|---|---|----------------------|-----------------------|---|--|
| | Before adjustment and reclassifications | The first adjustment | The second adjustment | After adjustment and before reclassifications | After adjustment and reclassifications |
| Statements of financial position as at December 31, 2014 | | | | | |
| Current assets | | | | | |
| Trade and other receivables - net | 569,435 | 82,473 | - | 651,908 | 636,762 |
| Unbilled receivables | 46 | - | - | 46 | 17,718 |
| Inventories - net | 580,705 | (47,533) | 9,869 | 543,041 | 543,629 |
| Construction contracts in progress | 588 | - | - | 588 | - |
| Advance payment to subcontractors | 77 | - | - | 77 | - |
| Other current assets | 2,449 | - | - | 2,449 | - |
| Non-Current assets | | | | | |
| Property, plant, vessel and equipment - net | 2,031,313 | (548) | - | 2,030,765 | 2,030,765 |

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Thousand Baht

| | Consolidated financial statements | | | | | |
|--|---|----------------------|-----------------------|---|----------|-----------|
| | Before adjustment and reclassifications | The first adjustment | The second adjustment | After adjustment and before reclassifications | | |
| | | | | Reclassifications | | |
| | | | | After adjustment and reclassifications | | |
| Statements of financial position as at December 31, 2014 (Continue) | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | (175,801) | (45,903) | - | (221,704) | (36,160) | (257,864) |
| Accrued interest expenses | (489) | - | - | (489) | 489 | - |
| Retention payables | (650) | - | - | (650) | 650 | - |
| Income tax payable | (34,281) | (1,644) | (2,925) | (38,850) | - | (38,850) |
| Revenue Department payable | (33,247) | - | - | (33,247) | 33,247 | - |
| Other | (1,774) | - | - | (1,774) | 1,774 | - |
| Shareholders' equity | | | | | | |
| Non-controlling interests | (923,607) | - | 178,329 | (745,278) | - | (745,278) |
| Deficits decrease | (640,054) | (13,155) | 185,273 | (467,936) | - | (467,936) |

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Thousand Baht

| | Consolidated financial statements | | | | |
|---|---|----------------------|-----------------------|---|--|
| | Before adjustment and reclassifications | The first adjustment | The second adjustment | After adjustment and before reclassifications | |
| | | | | Reclassifications | After adjustment and reclassifications |
| Statements of profit or loss for the three-month period ended March 31, 2014 | | | | | |
| Revenues | | | | | |
| Revenue from sales of goods | 1,407,694 | - | - | 1,407,694 | 1,397,779 |
| Revenues from production contract | 13,184 | 36,839 | (6,108) | 43,915 | 43,915 |
| Expenses | | | | | |
| Cost of sales | (1,229,779) | (37,139) | 21,019 | (1,245,899) | (1,235,984) |
| Cost of production contract | (9,383) | (7,452) | (13,790) | (30,625) | (30,625) |
| Selling expenses | (14,488) | - | - | (14,488) | (14,488) |
| Administrative expenses | (32,701) | (4,737) | (613) | (38,051) | (39,649) |
| Management's remuneration | (1,528) | - | - | (1,528) | - |
| Finance costs | (4,111) | - | - | (4,111) | (4,041) |
| Income tax expenses | (5,468) | (14,174) | (323) | (19,965) | (19,965) |
| Profit for the period decrease | 149,910 | (26,663) | 185 | 123,432 | 123,432 |

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..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

Unit: Thousand Baht

| | Consolidated financial statements | | | |
|---|---|---------------|---|--|
| | Before adjustment and reclassifications | Adjustment | After adjustment and before reclassifications | Reclassifications |
| | | | | After adjustment and reclassifications |
| Statements of cash flows for the three-month period ended March 31, 2014 | | | | |
| Cash Flows from Operating Activities | | | | |
| Depreciation | 34,014 | 92 | 34,106 | 34,106 |
| Trade and other receivables | (259,043) | (116,633) | (375,676) | (379,533) |
| Inventories | (348,790) | (15,744) | (364,534) | (364,534) |
| Other current assets | (3,857) | - | (3,857) | - |
| Trade and other payables | 45,126 | 144,266 | 189,392 | 269,304 |
| Other current liabilities | 79,912 | - | 79,912 | - |
| | | <u>11,981</u> | <u>-</u> | <u>-</u> |

Q

..... Director
(Narong Tharatanavibool)

..... Director
(Thanit Tharatanavibool)

| | Unit: Thousand Baht | | |
|---|-------------------------------|-------------------|-------------------|
| | Separate financial statements | | |
| | Before | | After |
| | reclassifications | Reclassifications | reclassifications |
| Statements of financial position as at December 31, 2014 | | | |
| Current assets | | | |
| Trade and other receivables - net | 136,610 | 676 | 137,286 |
| Other currnt assets | 164 | (164) | - |
| Non-Current assets | | | |
| Other non-currnt assets | 824 | (512) | 312 |
| Current liabilities | | | |
| Trade and other payables | (43,220) | (5,304) | (48,524) |
| Accrued interest expenses | (156) | 156 | - |
| Revenue Department payable | (4,727) | 4,727 | - |
| Other | (421) | 421 | - |

| | Unit: Thousand Baht | | |
|---|-------------------------------|-------------------|-------------------|
| | Separate financial statements | | |
| | Before | | After |
| | reclassifications | Reclassifications | reclassifications |
| Statements of profit or loss for the three-month period ended March 31, 2014 | | | |
| Revenues | | | |
| Revenue from sales of goods | 199,750 | (9,915) | 189,835 |
| Other incomes | 7,829 | (1,997) | 5,832 |
| Dividend income | - | 1,997 | 1,997 |
| Expenses | | | |
| Cost of sales | (129,137) | 9,915 | (119,222) |
| Administrative expenses | (17,547) | (850) | (18,397) |
| Management's remuneration | (850) | 850 | - |

..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)

Unit: Thousand Baht

Separate financial statements

| | Before | Reclassifications | After |
|---|-------------------|-------------------|-------------------|
| | reclassifications | | reclassifications |
| Statements of cash flows for the three-month period ended March 31, 2014 | | | |
| Cash Flows from Operating Activities | | | |
| Trade and other receivables | (99,597) | 2,712 | (96,885) |
| Other current assets | 2,712 | (2,712) | - |
| Trade and other payables | (17,695) | 75,646 | 57,951 |
| Other current liabilities | 75,646 | (75,646) | - |

33. EVENTS AFTER THE REPORTING PERIOD

33.1 At November 3, 2016, the subsidiary made contracts for sale of land, buildings and machineries with a company for the amount of Baht 390 million. The subsidiary will receive monthly installment from July 2016 to June 2017. The transfer of ownership will take place once the full amount is paid. The subsidiary also made a rental agreement of land, buildings and machineries with such company for the period of 9 months from November 21, 2016 to June 20, 2017 for rental fee of Baht 0.5 million per month.

33.2 At November 1, 2016, the subsidiary made finance lease contracts for hire-purchase Vessel with a company. These agreements are repayable in 24 equal monthly installments up to the year 2018. The ownership of assets purchased under hire-purchase agreements will be transferred to buyer when last installment is paid

33.3 At October 24, 2016, the subsidiary made a 5-year contract with a company for manufacturing edible oil products and allowed the use of "Pamola" trademark.

34. APPROVAL OF INTERIM FINANCIAL STATEMENT

These interim financial statements have been approved to issue by the Company's Board of Directors on February 28, 2017.

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..... Director
(Narong Thareratanavibool)

..... Director
(Thanit Thareratanavibool)