



Which One is More Useful? Consolidated or Separate Financial Statements

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Abstract

This paper demonstrates how one of accounting requirements confuses investors, using one listed company, Asian Insulator Pcl., as a case study.

Asian Insulator Pcl., restated its 2013 financial statements which were already made public in order to comply with an Accounting Standard. The restatement excluded the gain on its subsidiary spin-off i.e. AI Energy Public Company Limited, from the consolidated financial statements but its separate financial statements still recognized the gain. The restated financial statements would lead to the loss in retained earnings if the company paid dividend to its shareholders. In its clarification to the Stock Exchange of Thailand (SET), the company's chief executive officer assured that though the dividend payment appeared to result in retained loss, the company was capable of paying the dividend because the payment was made from retained earnings reported in the separate not consolidated financial statements.

This case study demonstrates the effect of different treatments of accounting standard regarding the recognition of gain / loss on disposal of / spin-off subsidiary on the consolidated and separate financial statements.

Keywords: Consolidated Financial Statements, Separate Financial Statements, Corporate Spin-Off, Accounting Standard, Restated Financial Statements

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งบการเงินประเภทใดมีประโยชน์มากกว่า งบการเงินรวมหรืองบการเงินเฉพาะกิจการ

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บทคัดย่อ

บทความนี้แสดงให้เห็นว่าข้อกำหนดเรื่องหนึ่งของมาตรฐานการบัญชีทำให้ผู้ลงทุนเกิดความสับสนโดยใช้ตัวอย่างจากกรณีของบริษัท เอเชีย นินซูเลเตอร์ จำกัด (มหาชน)

บริษัท เอเชีย นินซูเลเตอร์ จำกัด (มหาชน) ทำการปรับแก้ไขงบการเงินสำหรับปี 2556 ซึ่งได้เผยแพร่ต่อสาธารณชนแล้วเพื่อให้เป็นไปตามข้อกำหนดของมาตรฐานการบัญชี โดยงบการเงินที่มีการปรับแก้ไขใหม่นี้ไม่รวมผลกำไรจากการขายหุ้นบริษัทย่อย (บริษัท เอไอ เอนเนอจี จำกัด (มหาชน)) เพื่อนำเข้าจดทะเบียนในตลาดหลักทรัพย์ (spin-off) ไว้ในงบการเงินรวม แต่ยังคงรายงานผลกำไรดังกล่าวในงบการเงินเฉพาะกิจการเช่นเดิม ทำให้งบการเงินที่มีการแก้ไขใหม่นั้นแสดงขาดทุนสะสมเมื่อมีการจ่ายเงินปันผลให้แก่ผู้ถือหุ้นในการชี้แจงต่อตลาดหลักทรัพย์แห่งประเทศไทย ประธานเจ้าหน้าที่บริหารของบริษัทให้ความมั่นใจว่า ถึงแม้การจ่ายเงินปันผลจะส่งผลทำให้บริษัทต้องรายงานขาดทุนสะสม บริษัทยังคงสามารถจ่ายเงินปันผลได้เนื่องจากเป็นการจ่ายจากกำไรสะสมของงบการเงินเฉพาะกิจการไม่ใช่จากงบการเงินรวม

กรณีศึกษาี้แสดงให้เห็นถึงผลของวิธีปฏิบัติทางบัญชีที่แตกต่างกันในการรับรู้กำไรหรือขาดทุนจากการขายหุ้นของบริษัทย่อยเพื่อนำเข้าจดทะเบียนในตลาดหลักทรัพย์ในงบการเงินรวมและงบการเงินเฉพาะกิจการ

คำสำคัญ งบการเงินรวม งบการเงินเฉพาะกิจการ การขายหุ้นบริษัทย่อยเพื่อนำเข้าจดทะเบียนในตลาดหลักทรัพย์ มาตรฐานการบัญชี งบการเงินที่ปรับปรุงใหม่

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Background

On 5 March 2014, about two weeks after the financial statements of Asian Insulator, Pcl. (AI) were made public, the company submitted restated financial statements. The gain of Baht 861.44 million from subsidiary spin-off¹ was removed from the statement of comprehensive income and reported under “other components of shareholders’ equity” in the Shareholders’ Equity section. This brought the decrease in consolidated profit from Baht 1,125.61 million to Baht 264.17 million. To notify complete information to the investors, Stock Exchange of Thailand (SET) requested AI to clarify the transaction and the reasons why the profit in the 2013 consolidated financial statements was adjusted. SET also asked for potential effects on AI’s financial status and the dividend payment of Baht 2 per share as announced earlier.

Mr. Thanit Thareratanavibool, Managing Director and Chief Executive Officer, confirmed that this profit adjustment did not have any impact on the separate financial statements for the year ending 31 December 2013 and posed zero effect on the financial status of the company. The company, accordingly, assured that the dividend would be made on 17 March 2014 with the rate of Baht 2 per share.

Why AI could not recognize the gain on subsidiary spin-off in the consolidated financial statements but could still recognize this gain in the separate financial statements? Also, as most financial analysts / investors believe that consolidated financial statements provide better information for decision-making regarding the company’s financial status and performance, the case of AI seems to suggest the opposite as the company based its dividend payment on profits reported in separate financial statements. Which one is more useful: Consolidated or Separate Financial Statements?²

¹ Spin-off is a corporate divestiture accomplished through separation of a division or subsidiary from its parent firm to create a new corporate entity by issuing new shares. These shares are distributed to the current shareholders in proportion to their current shareholdings, and may also be sold to the public. (www.businessdictionary.com)

² Consolidated financial statements are financial statements of a group presented as those of a single economic entity. Separate financial statements are those presented by a parent, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of investees. In case of AI, information in the consolidated financial statements shows revenues, profit, assets, and liabilities of AI and all subsidiaries after the elimination of intercompany transactions. AI’s separate financial statements would only reflect the transactions of AI.



This paper discusses on an issue of how the requirements of an accounting standard caused confusion to users of financial statements using AI as a case study.

Asian Insulator Public Company Limited

Company Background

Establishment in 1981, Asian Insulator Public Company Limited (AI) is a progressive porcelain manufacturing plant with production flow and state-of-the-art raw materials preparation, pug mills and kilns with ISO-9001 Quality Assurance Program. It is known as a leading designer and manufacturer of high-quality porcelain insulator products for electricity distribution and transmission lines. In 2004, AI listed its shares in the Stock Exchange of Thailand (SET) with the registered and paid-in capital of Baht 500 million.

After listing its share in the stock market, AI has expanded its business through its subsidiaries:

AI Engineering Service Company Limited (AIES) providing the services for design, supply and installation of high voltage substation, distribution and transmission line system, along with maintenance services;

AI Energy Company Limited (AIE) producing and distributing biodiesel from crude palm oil;

AI logistic Company Limited (AIL) conducting the services for sea and land logistics with specializing in transport of lubrication oil, crude palm oil, refine palm oil as a sea coast vessel;

AI Ports and Terminals Company Limited (AIPT) providing the service of the storage tanks farm for petroleum, crude palm oil and lubrication oil mainly for AIE.

Since its listing in the stock market in 2004, AI has continuously reported profits. Table 1 compares AI's revenues and profits in consolidated financial statements with those in separated financial statements over the past five years (2008-2012) before the spin-off of AIE in 2013. Except for year 2010 that the profit in the consolidated financial statements was higher than the profit in the separate financial statements, the other four years reported the opposite results.

The results suggest that even though AI group operated in various businesses, porcelain insulator business of a parent, (AI only) was the most profitable. The overall past performance



of AI's subsidiaries had not been successful as the group's profits were lower than that of AI only.

Table 1 Asian Insulators Pcl.: 2008-2012 Performance of Group and Company Only

Million Baht

	2012	2011	2010	2009	2008
Consolidated Financial Statements					
Revenues	4,350.61	3,013.05	2,461.16	2,376.92	2,410.90
Profit	188.61	34.84	243.29	105.55	134.02
% Profit Margin	4.32%	1.12%	9.87%	4.42%	5.56%
Separate Financial Statements					
Revenues	886.02	658.68	760.81	671.57	968.84
Profit	301.12	153.57	203.53	129.800	318.02
% Profit Margin	33.97%	23.25%	26.71%	19.22%	32.85%

In addition, the profit margin ratios of the group were quite low ranging 1.12%-9.87% whereas the profit margin ratios of AI only were much higher ranging 19.22%-33.97%. This implied that AI's subsidiaries operated in very competitive environments.

AIE Spin-Off

In February 2012, as a preparation for the spin-off of biodiesel business, AI restructured its investments in subsidiaries resulting in AIL and AIPT be subsidiaries of AIE and AI held 98% in AIE shares.

In the business restructuring and the AIE spin-off plans proposed to its shareholders for approval, AI explained that this share swap transaction was part of the effort for business restructuring to pave the way for listing AIE in the stock market. AI also stated that restructuring and spin-off transactions would create the synergy and drive the biodiesel and vegetable oil business for sustainable growth without dependence of financial support from AI. Shareholders of AI overwhelmingly approved both plans.



In May 2013, AI turned AIE into a public company and reduced the par value of the share to Baht 1, bringing the total amount of registered shares to 960 million shares. At the same time, another 170 million shares were also added in as registered capital of AIE, making the total shares of 1,130 million shares. Later, on 21-24 December 2013, AI offered 445 million shares of AIE (170 million shares from the newly registered capital and 275 million shares AI previously held) to the existing AI’s shareholders in proportion to their shareholdings (pre-emptive rights) and to the public at Baht 4.75 per share. As of 31 December 2013, AI still held 59.59% in AIE and therefore maintained the status of AIE as its subsidiary.

Exhibit 1 and Exhibit 2 show business structure of AI before and after the restructuring and the spin-off transactions.

Exhibit 1 Business Structure of AI: Before Restructuring and Spin-Off

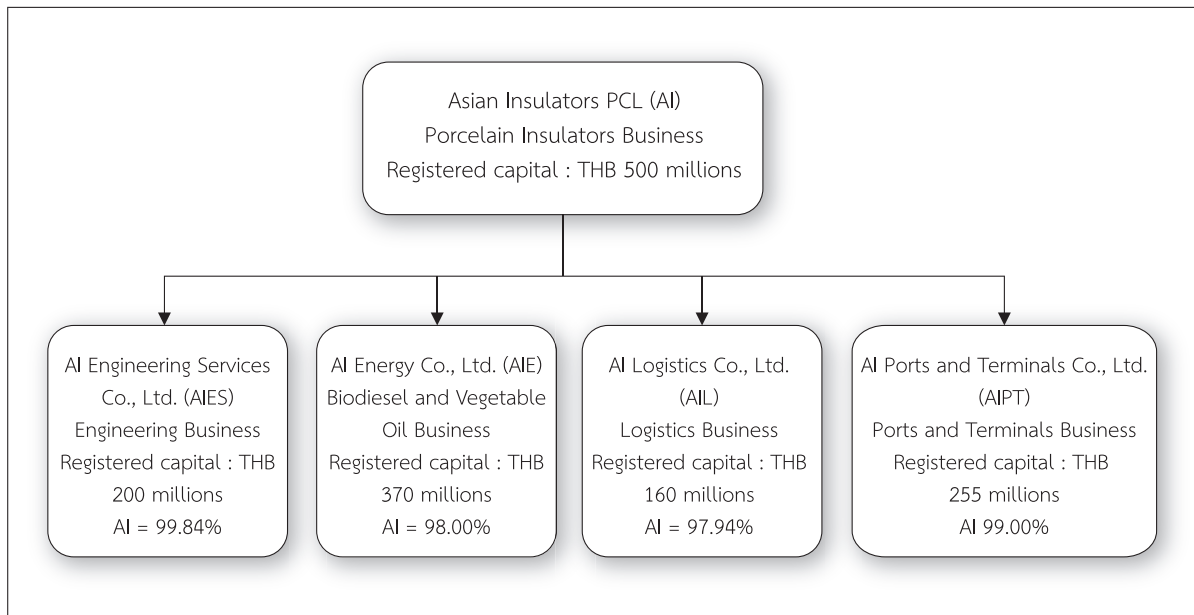
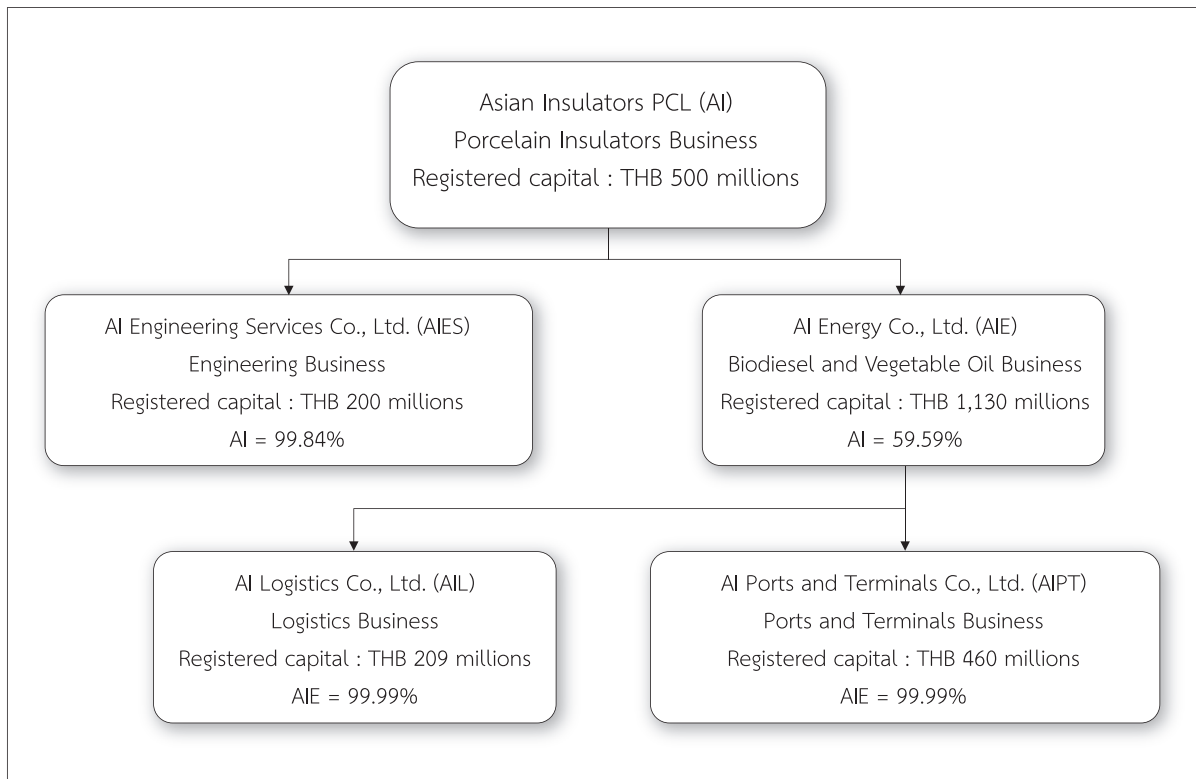




Exhibit 2 Business Structure of AI: After Restructuring and Spin-Off



Source: AI’s Information Memorandum on Disposition of Assets for AI Energy Co. Ltd., March 1, 2013.

AI recognized the loss of Baht 231.34 million on the share swap transaction in the separate statement of comprehensive income but no loss was recognized in the consolidated statement of comprehensive income as this was an intra-group transaction³ from the business restructuring.

AIE listed its shares on the Market for Alternative Investment on January 6, 2015.

³ In the process of preparing consolidated financial statements, it is necessary to eliminate intra-group balances and transactions to reflect the single economic entity concept.



AI Reissuance of Financial Statements

2013 Original Financial Statements

Appendix 1A and Appendix 1B show the partial 2013 consolidated and separate statements of comprehensive income and the equity sections of consolidated and separate statements of financial position at December 31, 2013 as originally reported. The 2013 consolidated statements of comprehensive income reported gain on disposal of investment in subsidiaries Baht 861.44 million and the profit for the year Baht 1,125.61 million. The 2013 consolidated statements of financial position reported the amount of unappropriated retained earnings in the shareholder's equity section at Baht 979.43 million. The 2013 separate statements of comprehensive income reported gain on disposal of investment in subsidiaries Baht 761.80⁴ million and the profit of Baht 829.81 million. The 2013 separate statements of financial position reported the amount of unappropriated retained earnings in the shareholder's equity section at Baht 1,119.29 million. AI's Financial Statements for year 2013 were submitted to SET on 17 February, 2014.

2013 Restated Financial Statements

Only 16 days after submitting its 2013 financial statements to SET, AI restated its 2013 financial statements. AI's consolidated profit for 2013 was adjusted downward to Baht 264.16 million as the Baht 861.44 million gains on disposal of investment in subsidiaries was transferred to report as a part of other components of comprehensive income in the shareholders' equity section in the consolidated statements of financial position. The unappropriated retained earnings were accordingly reduced to Baht 117.99 million. However, there was no change in 2013 separate financial statements. The amounts of gain from disposal of subsidiaries and the unappropriated retained earnings remained the same at Baht 761.80 million and 1,119.29 million, respectively. The 2013 restated consolidated and separate statements of comprehensive income and the restated shareholders' equity sections are presented in Appendix 2A and Appendix 2B. AI explained reasons for its restatements in Notes to Financial Statements as follows:

⁴ AI's net gain on disposal of investment Baht 761.81 million comprised of Baht 993.15 million gains from disposal of AIE and Baht 231.34 million earlier losses from swapping AIL and AIPT shares for AIE shares.



37. Reissued Financial Statements

During the year 2013, the Company had partially sold investment in AI Energy Public Company Limited, a subsidiary, and had recognized gain from disposal of investment in subsidiary in the consolidated statement of comprehensive income for the year ended December 31, 2013, which were audited and issued on February 17, 2014. However according to Thai Accounting Standard 27 (revised 2009): Consolidated and Separate Financial Statements, indicate that changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Company has revised to adjust gain on disposal of investment in subsidiary to recognize in equity attributable to shareholders of the parent in the consolidated financial statements as mentioned in Note 14, and reissued these consolidated financial statements for the year ended December 31, 2013 to replace the previously issued financial statements. The impact to the consolidated statement of financial position and the consolidated statements of comprehensive income are as follows:

BAHT

Statement of financial position as at December 31, 2013	Retained earnings – unappropriated	Other components of shareholders’ equity - gain on disposal of investment in subsidiary
Previous report	979,434,225	-
Correction of errors	(861,442,927)	861,442,927
As restated	117,991,298	861,442,927

BAHT

Statement of comprehensive income for the year ended December 31, 2013	Gain on disposal of investment in subsidiary	Profit for the year	Difference on business combination under common control	Profit Attributable to Equity holders of the parent	Total Comprehensive Income Attributable to Equity holders of the parent	Basic Earnings per share (Baht per share)
Previous report	861,442,927	1,125,610,296	(3,258,930)	1,121,122,932	1,116,886,862	2.24
Correction of errors	(861,442,927)	(861,442,927)	3,258,930	(861,442,927)	(858,183,997)	(1.72)
As restated	-	264,167,369	-	259,680,005	258,702,865	0.52

The adjustment as discussed in the above does not have any impact to the separate financial statements for the year ended December 31, 2013.



Dividend Payment for 2013

On 17 February 2014, the same date AI released the original 2013 financial statements, AI's board of directors also announced the payment of annual dividend for the year 2013 performance to AI's shareholders at the rate of Baht 2 per share, totaling Baht 1 billion. The closing date of the share registration book for the right to receive the dividend payment would be on 4 March 2014 and the dividend payment date would be on 17 March 2014. In the original 2013 consolidated financial statements, the company had the unappropriated retained earnings of Baht 979.43 million which was not adequate for the Baht 1 billion dividend payment. However, the small shortage of retained earnings would be covered if the profit for the first quarter was more than Baht 21 million. After the restatement, the unappropriated retained earnings went down to Baht 117.99 million which was significantly below the Baht 1 billion dividend. In contrast, there was no issue in the separate financial statements as AI reported the same 2013 unappropriated retained earnings of Baht 1,119.29 million, which exceed the Baht 1 billion dividends, either before or after the restatement.

After AI's submission of restated financial statements on 5 March 2014, SET sought clarification from the company regarding the significant decrease in the 2013 annual profit as well as its impact on the dividend payment previously announced to investors.

Mr.Thanit Thareratanavibool, Managing Director and Chief Executive Officer of AI responded by citing information provided in the notes to financial statement on Reissued Financial Statements. He affirmed the dividend payment of Baht 2 per share to be paid from the unappropriated retained earnings in the separate financial statements which stood at Baht 1,119.29 million.

Appendix 3A and Appendix 3B show the profit and the equity section for the first quarter of 2014 consolidated and separate financial statements. After the dividend payment, the consolidated financial statements reported the profit and the negative unappropriated retained earnings of Baht 149.91 and (766.50) million whereas the separate financial statements reported the profit and retained earnings of Baht 55 million and 174 million, respectively.

Did AI violate the Commercial or Public Company Law in paying such dividend? The answer is no. By law, dividends must be paid from profits and may not exceed the corporation's retained earnings as shown in its statement of financial position. However, for public companies that issue both consolidated and separate financial statements,



the Department of Business Development, Ministry of Commerce clarified that dividend must be paid from the profit of separate financial statements.⁵

Issue Discussion

Due to the requirements of an accounting standard, AI could not recognize gain from its subsidiary spin-off in its consolidated statements of comprehensive income despite the fact that AI did receive cash from the sale of its investment in a subsidiary to investors in an independent transaction. While it had to restate its consolidated financial statements which led to the lower profit, accounting standard allows AI to report that gain in the separate financial statements. Why the same transaction was accounted differently in consolidated and separate financial statements? Which statement is more useful for investors in making their investment decisions?

Why the Same Transaction was Differently Accounted?

The answer is quite simple: because accounting standards requires so. Thai companies are required by the Thailand Accounting Law, Accounting Act, B.E. 2543 (2000), to prepare their financial statements as prescribed by Thai Accounting Standards. Violating such law may cause management to be liable to imprisonment or to a fine or to both. In the case of listed companies, Thailand Securities and Exchange Commission also requires any listed company that does not follow accounting standard to restate its financial statements and/or to pay a fine. The auditor of that listed company may also be penalized if giving an unqualified opinion for financial statements that did not follow the accounting standards. Therefore, it is unlikely that any company will intentionally not prepare financial statements according to accounting standards' requirements.

For the case of AI, the company disposed its investment in AIE, its subsidiary. The proceeds from the disposition were received in cash from investors therefore reporting the gain in both consolidated and separate financial statements seemed reasonable. However, accounting standard has a different view. Thai Accounting Standard No.27: Consolidated and

⁵ Notification of the Department of Business Development: Accounting Guideline for Dividend Payment as stipulated by Public Company Act B.E. 2535.



Separate Financial Statements, paragraph 30 and 31 stated that “Changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling (note: shares of AIE held by AI) and non-controlling interests (note: shares of AIE held by other shareholders) shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent”.

Accounting views that the separate financial statements are those presented by a parent as a separate entity from the group. The parent’s investments are to be accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of investees as required for consolidated financial statements. When the parent disposes its investment it will need to report gain or loss from disposal in its net income.

AI’s 2013 original consolidated financial statements did not follow the accounting standard requirement therefore needed to be restated.

Which Statements are More Useful: Consolidated or Separate?

The answer is both are useful but for different purposes. Consolidated financial statements give an overview result of the group’s business decisions either performed by the parent company itself or through its subsidiaries. The shareholders of the parent company are the ultimate beneficiaries of both parent and subsidiaries performances. When making investment decisions, investors should use consolidated financial statements.

However, the law does not recognized consolidated financial statements as it views the parent and its subsidiaries as separate legal entities. The law enforces its rules on legal entities only. Thai law requires that dividend must be paid from the profit of separate financial statements, investors must use the parent company’s retained earnings for the company’s ability to pay dividend for the period. The consolidated financial statements are still important for dividend payment as the parent can command subsidiaries to pay dividends to the parent at the level that it has enough retained earnings to distribute as dividends to its shareholders. Therefore both consolidated and separate financial statements should be used together when making investment decisions.



Any company that sells its share in its subsidiary but still can have control over the subsidiary would have to follow the same accounting requirements by reporting the gain from disposing investment in subsidiary in the separate income statement but as a part of other comprehensive income in the equity section of consolidated financial statements. In AI case, the issue was complicated because the dividend payment resulted in its consolidated financial statements reported negative retained earnings.

Accounting uses economic substance concept in setting accounting standards which in some cases are different from legal form. Investors must be aware of these differences in using financial statements for their investment decisions.

Epilogue

This paper discusses on one accounting issue related to different information reporting for different financial statements of the same company which may cause confusion to investors. The case study of AI emphasizes the significance of accounting standards. In preparing their financial statements, companies are bound by the accounting law to follow requirements of accounting standards but at the same time they have to observe other laws as well. If a company does not apply accounting requirements it must restate its financial statements. In some cases, it may also be penalized by regulators for violation of accounting requirements. The restatement may also lead to the credibility question of the company and its management. Investors and financial analysts who use financial statements as a source of information in making investment decisions should be aware of requirements of accounting standards for better understanding of both financial and non-financial information disclosed in financial statements as well as the limitation of financial statements. Adjustments of some figures reported may be needed to fit the decision model used.

References

Asian Insulators, Pcl., *Annual Reports 2004-2013*.

Federation of Accounting Professions, *Thai Accounting Standards No. 27 (revised 2009): Consolidated and Separate Financial Statements*.



APPENDIX 1A
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
		(RESTATED)		(RESTATED)	
REVENUES	Notes				
Sales		4,859,637,987	4,237,505,065	808,491,670	854,733,877
Revenues from production contract		93,834,113	18,164,803	-	-
Construction contract		45,824,462	42,724,396	-	-
Vessel operating income		45,662,616	28,583,749	-	-
Other incomes					
Interest income		1,104,458	768,831	5,736,136	18,529,384
Dividend income	14	-	-	-	2,995,179
Unrealized gain on investments in Open-end Fund		1,479,956	4,467,866	184,897	80,537
Gain on disposal of Open-end Fund		2,985,199	1,094,469	99,752	618,907
Gain on disposal of investment in subsidiaries	14	861,442,927	-	761,806,677	-
Rental and services income rendered to related parties	31.1	2,604,436	2,710,030	6,087,751	6,173,856
Others		14,978,433	14,588,210	1,793,378	2,890,717
Total other incomes		884,595,409	23,629,406	775,708,591	31,288,580
Total Revenues		5,929,554,587	4,350,607,419	1,584,200,261	886,022,457
EXPENSES					
Cost of sales		4,216,901,813	3,791,935,944	498,449,753	468,124,527
Cost of production contract		46,739,417	15,126,350	-	-
Cost of construction contract		34,303,199	34,959,634	-	-
Cost of vessel operating		38,861,607	21,066,626	-	-
Selling expenses		69,896,830	65,155,705	9,525,614	8,094,168
Administrative expenses		130,710,177	125,246,668	69,559,370	70,115,784
Directors' remuneration	23	4,868,100	2,394,000	2,983,200	2,394,000
Loss on diminution in investment	13	-	-	-	6,600,000
Finance costs		63,450,034	67,533,258	19,765,424	17,695,175
Total Expenses	24	4,605,731,177	4,123,418,185	600,283,361	573,023,654
Share of loss from investments in associate		(6,092,199)	(6,199,316)	-	-
Profit before income tax expenses		1,317,731,211	220,989,918	983,916,900	312,998,803
Income tax expenses	25	(192,120,915)	(1,388,029)	(154,100,751)	(11,710,682)
Profit for the years		1,125,610,296	219,601,889	829,816,149	301,288,121



APPENDIX 1B
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT					
		CONSOLIDATED			SEPARATE FINANCIAL STATEMENTS		
		DECEMBER 31,	DECEMBER 31,	JANUARY 1,	DECEMBER 31,	DECEMBER 31,	JANUARY 1,
		2013	2012	2012	2013	2012	2012
Notes		(RESTATED)	(RESTATED)	(RESTATED)	(RESTATED)	(RESTATED)	(RESTATED)
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	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	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	902,769,092	902,769,092
Retained earnings							
Appropriated							
	Legal reserve	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	Unappropriated	979,434,225	85,731,914	9,740,026	1,119,295,497	465,330,023	289,039,882
	Other components of shareholders' equity	(3,258,930)	-	-	-	-	-
	Total Equity of the Parent	2,428,944,387	1,538,501,006	1,462,509,118	2,572,064,589	1,918,099,115	1,741,808,974
	Non-controlling interests	1,244,984,884	6,361,790	27,054,590	-	-	-
	Total Shareholders' Equity	3,673,929,271	1,544,862,796	1,489,563,708	2,572,064,589	1,918,099,115	1,741,808,974
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,279,717,607	3,728,961,100	3,379,858,443	2,871,292,879	2,507,649,600	2,342,468,500



APPENDIX 2A
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Notes		(RESTATED)	(RESTATED)		(RESTATED)
REVENUES					
	Sales	4,859,637,987	4,237,505,065	808,491,670	854,733,877
	Revenues from production contract	93,834,113	18,164,803	-	-
	Construction contract	45,824,462	42,724,396	-	-
	Vessel operating income	45,662,616	28,583,749	-	-
	Other incomes				
	Interest income	1,104,458	768,831	5,736,136	18,529,384
	Dividend income	-	-	-	2,995,179
	Unrealized gain on investments in Open-end Fund	1,479,956	4,467,866	184,897	80,537
	Gain on disposal of Open-end Fund	2,985,199	1,094,469	99,752	618,907
	Gain on disposal of investment in subsidiaries	-	-	761,806,677	-
	Rental and services income rendered to related parties	2,604,436	2,710,030	6,087,751	6,173,856
	Others	14,978,433	14,588,210	1,793,378	2,890,717
	Total other incomes	23,152,482	23,629,406	775,708,591	31,288,580
	Total Revenues	5,068,111,660	4,350,607,419	1,584,200,261	886,022,457
EXPENSES					
	Cost of sales	4,216,901,813	3,791,935,944	498,449,753	468,124,527
	Cost of production contract	46,739,417	15,126,350	-	-
	Cost of construction contract	34,303,199	34,959,634	-	-
	Cost of vessel operating	38,861,607	21,066,626	-	-
	Selling expenses	69,896,830	65,155,705	9,525,614	8,094,168
	Administrative expenses	130,710,177	125,246,668	69,559,370	70,115,784
	Directors' remuneration	23 4,868,100	2,394,000	2,983,200	2,394,000
	Loss on diminution in investment	-	-	-	6,600,000
	Finance costs	63,450,034	67,533,258	19,765,424	17,695,175
	Total Expenses	4,605,731,177	4,123,418,185	600,283,361	573,023,654
	Share of loss from investments in associate	(6,092,199)	(6,199,316)	-	-
	Profit before income tax expenses	456,288,284	220,989,918	983,916,900	312,998,803
	Income tax expenses	25 (192,120,915)	(1,388,029)	(154,100,751)	(11,710,682)
	Profit for the years	264,167,369	219,601,889	829,816,149	301,288,121



APPENDIX 2B
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		BAHT					
		CONSOLIDATED			SEPARATE FINANCIAL STATEMENTS		
		DECEMBER 31,	DECEMBER 31,	JANUARY 1,	DECEMBER 31,	DECEMBER 31,	JANUARY 1,
		2013	2012	2012	2013	2012	2012
Notes		(RESTATED)	(RESTATED)	(RESTATED)		(RESTATED)	(RESTATED)
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	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	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	902,769,092	902,769,092
Retained earnings							
Appropriated							
	Legal reserve	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	Unappropriated	117,991,298	85,731,914	9,740,026	1,119,295,497	465,330,023	289,039,882
Other components of shareholders' equity							
	Gain on disposal of investment in subs:	861,442,927	-	-	-	-	-
	Difference on business combination under common control	(3,258,930)	-	-	-	-	-
	Total Equity of the Parent	2,428,944,387	1,538,501,006	1,462,509,118	2,572,064,589	1,918,099,115	1,741,808,974
	Non-controlling interests	1,244,984,884	6,361,790	27,054,590	-	-	-
	Total Shareholders' Equity	3,673,929,271	1,544,862,796	1,489,563,708	2,572,064,589	1,918,099,115	1,741,808,974
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,279,717,607	3,728,961,100	3,379,858,443	2,871,292,879	2,507,649,600	2,342,468,500



APPENDIX 3A

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

	Notes	THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
REVENUES					
Sales		1,407,694	1,249,086	199,750	169,382
Revenues from production contract		13,184	22,226	-	-
Construction contract		110,947	13,581	-	-
Vessel operating income		11,538	14,028	-	-
Other incomes					
Interest income		1,249	-	1,231	4,347
Dividend income		-	-	1,997	-
Unrealized gain on investments in Open-end Fund		794	1,145	15	80
Gain on disposal of Open-end Fund		3,063	26	2,645	-
Rental and services income rendered to related parties	21.1	653	642	1,596	1,524
Others		3,776	1,758	345	823
Total other incomes		9,535	3,571	7,829	6,774
Total Revenues		1,552,898	1,302,492	207,579	176,156
EXPENSES					
Cost of sales		1,229,779	1,107,325	129,137	103,402
Cost of production contract		9,383	9,600	-	-
Cost of construction contract		93,009	10,948	-	-
Cost of vessel operating		9,183	10,482	-	-
Selling expenses		14,488	17,437	2,159	2,294
Administrative expenses		32,701	24,495	17,547	19,057
Directors' remuneration	14	1,528	567	850	567
Finance costs		4,111	17,558	470	4,558
Total Expenses	15	1,394,182	1,198,412	150,163	129,878
Share of loss from investments in associate		(3,338)	(2,311)	-	-
Profit before income tax expenses		155,378	101,769	57,416	46,278
Income tax expenses	16	(5,468)	(12,687)	(2,153)	(488)
Profit for the periods		149,910	89,082	55,263	45,790

APPENDIX 3B
ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

		THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		MARCH 31, 2014	DECEMBER 31, 2013	MARCH 31, 2014	DECEMBER 31, 2013
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
Note		REVIEWED		REVIEWED	
	Shareholders' Equity				
	Share capital				
	Authorized share capital				
	500,000,000 common stocks of Baht 1 par value	500,000	500,000	500,000	500,000
	Issued and paid-up share capital				
	500,000,000 common stocks at Baht 1 each	500,000	500,000	500,000	500,000
	Additional paid-in capital				
	Premium on common stocks	902,769	902,769	902,769	902,769
	Retained earnings (deficits)				
	Appropriated				
	Legal reserve	50,000	50,000	50,000	50,000
	Unappropriated	(766,504)	117,991	174,615	1,119,296
	Other components of shareholders' equity				
	Gain on disposal of investment in subsidiary	861,443	861,443	-	-
	Surplus on business combination under common control	(3,259)	(3,259)	-	-
	Total Equity of the Parent	1,544,449	2,428,944	1,627,384	2,572,065
	Non-controlling interests	1,279,443	1,244,985	-	-
	Total Shareholders' Equity	2,823,892	3,673,929	1,627,384	2,572,065
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,873,150	4,279,718	1,926,355	2,871,293