

ASIAN INSULATORS PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010



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AUDITOR'S REPORT ON REVIEW OF FINANCIAL STATEMENTS

To The Shareholders and Board of Directors of Asian Insulators Public Company Limited

I have reviewed the consolidated statement of financial position of Asian Insulators Public Company Limited and subsidiaries as at September 30, 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2011 and 2010, changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2011 and 2010, and the separate financial statements of Asian Insulators Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my review.

Except as mentioned in the next paragraph, I conducted my review in accordance with the auditing standards applicable to review engagement. Those standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review has limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an examination in accordance with generally accepted auditing standards. Therefore, I do not express such an opinion to the reviewed financial statements.

According to Note 9 to the interim financial statements, the financial statements of the associated company, PPC Asian Insulators Company Limited, for the nine-month periods ended September 30, 2011 and 2010 which are applied to record the investment for using the equity method for the interim consolidated financial statements are based on the financial information prepared by its management without reviewing from its auditor. The interim consolidated financial statements as at September 30, 2011, included the investments amount of Baht 29.60 million and share of loss of the associate for the three-month periods ended September 30, 2011 and 2010, amount of Baht (0.74) million and Baht (3.31) million, respectively, and share of profit of the associate for the nine-month periods ended September 30, 2011 and 2010, amount of Baht 3.19 million and Baht 1.58 million, respectively.

Except as mentioned in the preceding paragraph, based on my review, nothing has come to my attention that causes me to believe that such consolidated and separate financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the financial statements of Asian Insulators Public Company Limited and its subsidiaries for the year ended December 31, 2010, and the separate financial statements of Asian Insulators Public Company Limited for the year then ended, in accordance with generally accepted auditing standards and presented with unqualified opinion according to the report on February 14, 2011. The statements of financial position as at December 31, 2010, shown herein as comparison are integral part of such audited and reported financial statements. I have not performed any other auditing procedures subsequent to the date of that report. And according to Note 2.4 to the interim financial statements, during the period ended September 30, 2011, the Company has adopted the new and revised accounting standards and financial reporting standards issued by the Federation of Accounting Professions, which are effective to the financial statements beginning on or after January 1, 2011, for applied these in preparation of the interim financial statements.

According to Note 3 to the interim financial statements, in 2011, the Company and subsidiaries have used the new accounting standards in accordance with Thai Accounting Standard No. 19: Employee Benefits. The Company and subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011, for the consolidated financial statements in amount of Baht 29.14 million and for the separate financial statements in amount of Baht 21.88 million.



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

November 2, 2011

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

		THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		SEPTEMBER 30, 2011	DECEMBER 31, 2010	SEPTEMBER 30, 2011	DECEMBER 31, 2010
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		REVIEWED	REVIEWED	REVIEWED	REVIEWED
	Notes				
Current Assets					
Cash and cash equivalents	5	88,909	101,373	51,398	18,944
Short-term investments	4.2 and 6	167,039	343,682	23,379	237,268
Trade accounts receivable-net	4.3 and 7	236,859	355,082	87,994	131,515
Related parties receivable	20.2	8,240	8,243	8,641	8,656
Short-term loans to related parties	8 and 20.2	-	-	524,000	474,000
Unbilled receivables	4.4	31,117	21,304	-	-
Inventories	4.5	1,007,591	262,488	116,576	87,483
Construction contract in progress	4.6	-	1,900	-	-
Oil supplies	4.7	2,944	3,078	-	-
Advance payment to subcontractors		1,530	1,760	-	-
Other current assets					
Refundable value added tax		3,131	215	1,655	-
Prepaid expenses		4,741	3,757	1,679	1,023
Others		4,643	2,822	1,459	621
Total other current assets		12,515	6,794	4,793	1,644
Total Current Assets		1,556,744	1,105,704	816,781	959,510
Non-current Assets					
Investments in associated company-net	4.8 and 9	29,599	26,816	33,000	33,000
Investments in subsidiaries	4.8 and 10	-	-	838,466	838,466
Saleable assets-net	4.9	579	579	2	2
Property, plant, vessel and equipment-net	4.10 and 4.11	1,672,399	1,456,367	447,763	272,724
Intangible assets-net	4.12	10,384	11,691	10,317	11,645
Other non-current assets					
Withholding tax		4,618	6,724	-	-
Deposit on assets		46,460	21,427	42,005	16,911
Others		474	493	347	357
Total other non-current assets		51,552	28,644	42,352	17,268
Total Non-current Assets		1,764,513	1,524,097	1,371,900	1,173,105
TOTAL ASSETS		3,321,257	2,629,801	2,188,681	2,132,615

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

		THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		SEPTEMBER 30, 2011	DECEMBER 31, 2010	SEPTEMBER 30, 2011	DECEMBER 31, 2010
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
Notes		REVIEWED		REVIEWED	
Current Liabilities					
Bank overdrafts and short-term loans					
	from financial institutions	1,250,000	582,421	300,000	350,000
	Trade accounts payable	91,576	47,038	29,363	30,316
	Current portion of long-term liabilities	206,712	119,748	75,000	-
11	Related parties payable	-	-	20,301	178
	Advances received from construction	3,319	5,044	-	-
	Retention payables	16,647	9,860	8,542	-
	Accrued interest	5,830	1,743	220	1,115
	Accrued income tax	3,710	9,343	3,250	8,123
Other current liabilities					
	Accrued expenses	19,819	8,973	7,054	3,262
	Advance received from customers	3,090	2,451	677	-
	Undue value added tax	8,882	13,196	-	507
	Undue sale tax	2,640	894	-	-
	Assets payable	31,149	14,603	22,364	5,143
	Others	6,671	2,846	6,362	2,269
	Total other current liabilities	72,251	42,963	36,457	11,181
	Total Current Liabilities	1,650,045	818,160	473,133	400,913
Non-current Liabilities					
Long-term loans from					
	financial institutions-net	200,433	245,496	14,503	660
11	Provision for long-term employee benefits	29,274	-	20,591	-
4.13					
	Total Non-current Liabilities	229,707	245,496	35,094	660
	TOTAL LIABILITIES	1,879,752	1,063,656	508,227	401,573

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

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
		SEPTEMBER 30, 2011	DECEMBER 31, 2010	SEPTEMBER 30, 2011	DECEMBER 31, 2010
		UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
Shareholders' Equity	Note				
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	12	50,000	50,000	50,000	50,000
Unappropriated		(41,345)	77,781	227,685	278,273
Total Equity of the Parent		1,411,424	1,530,550	1,680,454	1,731,042
Non-controlling interests		30,081	35,595	-	-
Total Shareholders' Equity		1,441,505	1,566,145	1,680,454	1,731,042
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,321,257	2,629,801	2,188,681	2,132,615

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

THOUSAND BAHT EXCEPT EARNINGS (LOSS) PER SHARE PRESENTED IN BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2011	2010	2011	2010
REVENUES					
Sales		572,368	578,286	152,734	202,156
Revenues from production contract		18,384	23,364	-	-
Construction contract		13,364	26,861	-	-
Vessel operating income		17,936	5,068	-	-
Port service		-	15	-	-
Other incomes					
Interest income		1	-	5,585	2,844
Unrealized gain (loss) on investments in Open-end Fund		529	91	(421)	8
Gain on disposal of Open-end Fund		962	526	835	478
Dividend income		-	-	-	4,992
Rental and services income rendered to related parties		671	679	1,997	2,039
Others		2,116	4,962	39	1,832
Total other incomes		4,279	6,258	8,035	12,193
Total Revenues		626,331	639,852	160,769	214,349
EXPENSES					
Cost of sales		547,642	493,027	101,140	122,708
Cost of production contract		11,182	11,998	-	-
Cost of construction contract		10,127	22,738	-	-
Cost of vessel operating		13,557	10,134	-	-
Cost of port service		3,131	3,198	-	-
Selling expenses		7,485	7,522	1,221	2,841
Administrative expenses		23,935	24,882	13,894	14,332
Directors' remuneration	13	567	527	567	527
Finance costs		15,587	10,335	2,363	2,295
Total Expenses		633,213	584,361	119,185	142,703
Share of loss from associate		(735)	(3,313)	-	-
Profit (loss) before income tax expenses		(7,617)	52,178	41,584	71,646
Income tax expenses	15	(4,462)	(5,531)	(3,413)	(5,111)
Profit (loss) for the periods		(12,079)	46,647	38,171	66,535
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income for the periods		(12,079)	46,647	38,171	66,535
Profit (Loss) Attributable to					
Equity holders of the parent		(8,630)	46,912	38,171	66,535
Non-controlling interests		(3,449)	(265)	-	-
Earnings (Loss) per Share (Baht)					
Basic Earnings (Loss) per Share	4.14	(0.02)	0.09	0.08	0.13
Issued and paid-up 500,000,000 common stocks					

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

		THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
Notes		2011	2010	2011	2010
REVENUES					
	Sales	1,854,041	1,432,257	443,960	531,296
	Revenues from production contract	50,970	49,078	-	-
	Construction contract	46,125	210,697	-	-
	Vessel operating income	40,708	39,963	-	-
	Port service	33	278	-	-
	Other incomes				
	Interest income	228	76	13,515	8,492
	Unrealized gain on investments in Open-end Fund	2,213	725	147	596
	Gain on disposal of Open-end Fund	2,144	861	1,964	731
	Dividend income	-	-	2,995	9,984
	Rental and services income rendered to related parties	2,035	2,059	6,082	6,050
	Others	9,604	11,106	2,569	3,690
	Total other incomes	16,224	14,827	27,272	29,543
	Total Revenues	2,008,101	1,747,100	471,232	560,839
EXPENSES					
	Cost of sales	1,717,408	1,201,515	304,138	342,122
	Cost of production contract	32,136	38,946	-	-
	Cost of construction contract	36,561	182,882	-	-
	Cost of vessel operating	38,118	43,482	-	-
	Cost of port service	9,638	9,059	-	-
	Selling expenses	19,504	21,099	3,824	6,965
	Administrative expenses	78,801	76,066	45,957	44,206
	Directors' remuneration	1,827	1,704	1,827	1,704
	Finance costs	33,399	29,943	6,555	6,890
	Total Expenses	1,967,392	1,604,696	362,301	401,887
	Share of profit from associate	3,189	1,575	-	-
	Profit before income tax expenses	43,898	143,979	108,931	158,952
	Income tax expenses	(14,397)	(16,365)	(12,643)	(10,279)
	Profit for the periods	29,501	127,614	96,288	148,673
	Other comprehensive income for the periods	-	-	-	-
	Total comprehensive income for the periods	29,501	127,614	96,288	148,673
	Profit (Loss) Attributable to				
	Equity holders of the parent	34,709	128,336	96,288	148,673
	Non-controlling interests	(5,208)	(722)	-	-
	Earnings per Share (Baht)				
	Basic Earnings per Share	4.14	0.07	0.25	0.19
	Issued and paid-up 500,000,000 common stocks				

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

CONSOLIDATED

THOUSAND BAHT

	Notes	Shareholders' equity of the parent							Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Legal reserve	Unappropriated	Other components of equity	Total equity of the parent			
<u>Year 2010</u>										
Beginning balances as at January 1, 2010		500,000	902,769	50,000	(56,571)	-	1,396,198	35,555	1,431,753	
Increase (decrease) in non-controlling interests										
- from increase in investment								1,400	1,400	
- from share purchase from old shareholders								(5,288)	(5,288)	
- subsidiary 's dividends to non-controlling interests								(16)	(16)	
Total comprehensive income for the period					128,336		128,336	(722)	127,614	
Dividend payment	13				(104,999)		(104,999)	-	(104,999)	
Ending balances as at September 30, 2010		500,000	902,769	50,000	(33,234)	-	1,419,535	30,929	1,450,464	
<u>Year 2011</u>										
Beginning balances as at January 1, 2011		500,000	902,769	50,000	77,781	-	1,530,550	35,595	1,566,145	
Cumulative effect of the change in accounting policy	3				(28,835)	-	(28,835)	(302)	(29,137)	
Decrease in non-controlling interests								(4)	(4)	
- subsidiary 's dividends to non-controlling interests								(5,208)	(5,208)	
Total comprehensive income for the period					34,709		34,709	-	29,501	
Dividend payment	13				(125,000)		(125,000)	-	(125,000)	
Ending balances as at September 30, 2011		500,000	902,769	50,000	(41,345)	-	1,411,424	30,081	1,441,505	

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

SEPARATE FINANCIAL STATEMENTS

	Notes	THOUSAND BAHT					Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Legal reserve	Retained earnings	Unappropriated	
<u>Year 2010</u>							
Beginning balances as at January 1, 2010		500,000	902,769	50,000	179,738	-	1,632,507
Total comprehensive income for the period					148,673	-	148,673
Dividend payment	13				(104,999)	-	(104,999)
Ending balances as at September 30, 2010		500,000	902,769	50,000	223,412	-	1,676,181
<u>Year 2011</u>							
Beginning balances as at January 1, 2011		500,000	902,769	50,000	278,273	-	1,731,042
Cumulative effect of the change in accounting policy	3				(21,876)	-	(21,876)
Total comprehensive income for the period					96,288	-	96,288
Dividend payment	13				(125,000)	-	(125,000)
Ending balances as at September 30, 2011		500,000	902,769	50,000	227,685	-	1,680,454

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (1/3)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX EXPENSES	43,898	143,979	108,931	158,952
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	84,780	85,723	24,202	26,640
Amortization of computer softwares	1,398	1,429	1,373	1,394
Unrealized gain on investments in Open-end Fund	(2,213)	(725)	(147)	(596)
Gain on disposal of Open-end Fund	(2,144)	(861)	(1,964)	(731)
Doubtful debt	295	597	-	-
Bad debts	-	15	-	-
Share of profit from associate	(3,189)	(1,575)	-	-
Dividend income	-	-	(2,995)	(9,984)
Transferred loss of non-controlling interests due to share purchase from old shareholders	-	4,212	-	-
Gain on fixed assets disposal	(2,364)	(1,454)	(1,589)	(1,540)
(Gain) loss on exchange rates	189	487	(127)	76
Long-term employee benefits	4,210	-	2,382	-
Interest income	(228)	(76)	(13,515)	(8,492)
Interest expenses	31,531	28,449	5,809	6,289
Decrease in accrued income tax	(73)	-	-	-
Amortization of withholding tax	-	871	-	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	156,090	261,071	122,360	172,008
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade accounts receivable	117,928	(146,179)	43,521	(109,345)
Related parties receivable	3	406	15	477
Unbilled receivables	(9,813)	16,516	-	-
Inventories	(745,103)	(99,573)	(29,093)	51,786
Construction contract in progress	1,900	38,514	-	-
Oil supplies	134	4,088	-	-
Advance payment to subcontractors	230	10,690	-	-
Other current assets	(5,706)	9,185	(3,149)	(492)
Other non-current assets	19	682	10	319

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (2/3)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	44,573	(77,866)	(826)	(16,033)
Related party payable	-	-	(178)	-
Advance received from construction	(1,725)	(22,464)	-	-
Retention payables	6,787	(16,877)	8,542	-
Other current liabilities	(1,861)	(744)	2,912	5,603
Provision for long-term employee benefits paid	(3,667)	-	(3,667)	-
CASH PROVIDED FROM (USED IN)				
OPERATING ACTIVITIES	(440,211)	(22,551)	140,447	104,323
Income tax refunded	3,589	4,572	-	-
Income tax expenses paid	(21,440)	(15,301)	(17,516)	(8,053)
NET CASH PROVIDED FROM (USED IN)				
OPERATING ACTIVITIES	(458,062)	(33,280)	122,931	96,270
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term investments	181,000	140,000	216,000	133,000
Increase in short-term loans to related parties	-	-	(50,000)	(14,000)
Interest received	228	76	13,515	8,492
Purchase of fixed assets	(253,159)	(32,395)	(146,508)	(11,303)
Interest payment for fixed assets construction	(3,527)	(3)	(1,277)	(3)
Proceeds from fixed assets disposal	2,638	12,539	1,820	1,671
Proceeds from the reduction in assets for work delay penalty	-	2,354	-	-
Increase in intangible assets	(91)	-	(45)	-
Payment deposit on assets	(38,523)	(15,346)	(34,116)	(736)
Dividend income from investments	-	-	2,995	9,984
Increase in investments in subsidiary	-	-	-	(68,600)
Payment for shares purchase in subsidiaries from old shareholders	-	(9,500)	-	(9,500)
NET CASH PROVIDED FROM (USED IN)				
INVESTING ACTIVITIES	(111,434)	97,725	2,384	49,005

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (3/3)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	667,579	111,466	(50,000)	(30,000)
Interest expenses paid	(27,444)	(29,370)	(6,704)	(7,228)
Repayment for financial lease liabilities	-	(136)	-	-
Increase in long-term loans from financial institutions	130,722	14,402	88,843	660
Payment for long-term loans from financial institutions	(88,821)	(84,946)	-	-
Dividend payment	(125,000)	(104,999)	(125,000)	(104,999)
Subsidiary dividend paid to non-controlling interests	(4)	(16)	-	-
Increase in non-controlling interest	-	1,400	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	557,032	(92,199)	(92,861)	(141,567)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	101,373	76,928	18,944	11,069
CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,	88,909	49,174	51,398	14,777

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash flows items :

Related parties payable for electrical system installation	-	-	20,301	-
Assets payable for fixed assets	30,910	1,928	42,665	681
Transferred saleable assets to fixed assets	-	112	-	-
Transferred deposit on assets to fixed assets	13,490	2,423	9,022	-
Reduction of fixed assets and retention payable from work delay penalty	-	3,608	-	-
Decrease in investments in associate due to the changes in accounting policy of associate	(406)	-	-	-

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

1. GENERAL INFORMATION

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	254 Serithai Road, Kwaeng Kannayao, Khet Kannayao, Bangkok.
Factory location	99 Moo 2, Asia Highway Road, Km. 70-71 Tambol Banmor, Amphur Promburi, Singburi Province.
1.3 Type of business	<p>1. Producing and selling porcelain insulators and electrical equipment.</p> <p>2. Invested in subsidiaries and associate which operate business according to Notes 9 and 10 to the interim financial statements.</p>

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with the Accounting Standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004) and the Notification of the Office of the Securities and Exchange Commission. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2010.

2.1 The interim consolidated financial statements included the interim financial statements of Asian Insulators Public Company Limited and its subsidiaries and its equity in associate as follows :

COMPANIES	% HOLDING	
	SEPTEMBER 30, 2011	DECEMBER 31, 2010
<u>Associate</u>		
PPC Asian Insulators Company Limited	25.10	25.10
<u>Subsidiaries</u>		
AI Engineering Services Company Limited	99.84	99.84
AI Logistic Company Limited	89.88	89.88
AI Energy Company Limited	93.14	93.14
AI Ports and Terminals Company Limited	92.53	92.53

- 2.2 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.
- 2.3 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.4 Compliance with the new accounting standards and financial reporting standards in the period.

In 2011, the Company has adopted to 27 new and revised accounting standards and financial reporting standards issued by the Federation of Accounting Professions, which are effective to the financial statements beginning on or after January 1, 2011.

3. CHANGE IN ACCOUNTING POLICY

During year 2011, the Company and subsidiaries have used the new accounting standards in accordance with Thai Accounting Standard No. 19: Employee Benefits. To adopted this accounting policy, the Company and subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011, for the consolidated financial statements in the equity holders of the parent amount of Baht 28.84 million, the non-controlling interests amount of Baht 0.30 million, and for the separate financial statements in amount of Baht 21.88 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

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

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

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

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

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

4.2 Short-term investments

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

4.3 Allowance for doubtful accounts

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

4.4 Unbilled receivables

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

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

4.5 Inventories

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

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

4.6 Construction contract in progress

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

4.7 Oil supplies

Oil supplies comprise fuel oil and lubricating oil, stated at cost and calculated by the weighted average method.

4.8 Investments

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

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

4.9 Saleable assets

Saleable assets are stated at book value or market price, whichever is the lower. The Company and its subsidiaries set up the provision for diminution in saleable assets by estimating from the realizable value.

4.10 Property, plant, vessel and equipment

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

PARTICULARS	YEARS
No depreciation is provided on land and fixed assets under construction and installation	
Land improvement	5
Building and structure	20
Building improvement	10
Utility systems	5
Machinery and equipment	5-10
Vessel and improvement	3-10
Tools and instruments	5
Office furniture and equipment	5-10
Motor vehicles	5

4.11 Borrowing cost

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

Subsidiaries recorded the interest on loan for factory building construction and port and machinery purchasing as part of factory building and port under construction and machinery under installation until they are ready for utilization according to its objective.

4.12 Intangible assets

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

4.13 Employee benefits

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

In 2011, the provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company and subsidiaries in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

In 2010, the Company and subsidiaries recorded the employment benefits under the Thai Labour Law in the incurred period.

4.14 Basic earnings (loss) per share

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

4.15 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the ending period date are converted to Baht at the rate of exchange in effect on that date. Gains or losses on exchange rate are credited or charged to operations during the periods.

4.16 Cash and cash equivalents

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

4.17 Use of accounting estimates

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

5. CASH AND CASH EQUIVALENTS consist of :

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2011	2010	2011	2010
Cash	402	405	145	125
Cash equivalents	88,507	100,968	51,253	18,819
Total cash and cash equivalents	88,909	101,373	51,398	18,944

6. SHORT-TERM INVESTMENTS consist of :

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2011	2010	2011	2010
Investments in Open-end Fund-Debt securities	164,826	342,843	23,232	236,711
Add Allowance for investment adjustment	2,213	839	147	557
Net Investments in Open-end Fund	167,039	343,682	23,379	237,268

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

7. TRADE ACCOUNTS RECEIVABLE consist of :

THOUSAND BAHT

PARTICULARS	CONSOLIDATED					
	September 30, 2011			December 31, 2010		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	72,940	134,436	207,376	100,724	162,292	263,016
- Overdue within 3 months	6,658	10,044	16,702	-	27,678	27,678
- Over 3 to 6 months	2,033	-	2,033	2,745	317	3,062
- Over 6 to 12 months	-	324	324	369	-	369
- Over 12 months	-	3,067	3,067	-	2,772	2,772
Total trade accounts receivable	81,631	147,871	229,502	103,838	193,059	296,897
Less Allowance for doubtful accounts	-	(3,067)	(3,067)	-	(2,772)	(2,772)
Total	81,631	144,804	226,435	103,838	190,287	294,125
Retention receivables	10,424	-	10,424	60,957	-	60,957
Trade accounts receivable - net	92,055	144,804	236,859	164,795	190,287	355,082

THOUSAND BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	September 30, 2011			December 31, 2010		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	61,575	20,610	82,185	82,548	23,998	106,546
- Overdue within 3 months	-	5,809	5,809	-	21,855	21,855
- Over 3 to 6 months	-	-	-	2,745	-	2,745
- Over 6 to 12 months	-	-	-	369	-	369
Total trade accounts receivable	61,575	26,419	87,994	85,662	45,853	131,515

8. SHORT-TERM LOANS TO RELATED PARTIES consist of :

THOUSAND BAHT

PARTICULARS	September 30, 2011			
	AI Logistics Co., Ltd.	AI Energy Co., Ltd.	AI Port and Terminal Co., Ltd.	Total
Beginning principal balances	119,000	295,000	60,000	474,000
Add: Additional loans extended during the period	10,000	-	40,000	50,000
Ending principal balances	129,000	295,000	100,000	524,000
Interest income	3,421	7,801	2,200	13,422
Interest rates	2.90 - 4.50 %	2.90 - 4.50 %	2.90 - 4.50 %	2.90 - 4.50 %

THOUSAND BAHT

PARTICULARS	December 31, 2010			
	AI Logistics Co., Ltd.	AI Energy Co., Ltd.	AI Port and Terminal Co., Ltd.	Total
Beginning principal balances	105,000	295,000	30,000	430,000
Add: Additional loans extended during the period	20,000	-	30,000	50,000
Less: Settlement during the period	(6,000)	-	-	(6,000)
Ending principal balances	119,000	295,000	60,000	474,000
Interest income	2,763	8,262	833	11,858
Interest rates	2.25 - 3.00 %	2.25 - 3.00 %	2.25 - 3.00 %	2.25 - 3.00 %

9. INVESTMENTS IN ASSOCIATE

THOUSAND BAHT

ASSOCIATE	% HOLDING		CONSOLIDATED BY EQUITY METHOD		SEPARATE FINANCIAL STATEMENTS BY COST METHOD	
	Sep. 30, 11	Dec. 31, 10	Sep. 30, 11	Dec. 31, 10	Sep. 30, 11	Dec. 31, 10
PPC Asian Insulators Company Limited	25.10	25.10	29,599	26,816	66,000	66,000
Less Provision for diminution in investment			-	-	(33,000)	(33,000)
Investments in Associate - net			29,599	26,816	33,000	33,000

THOUSAND BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Sep. 30, 11	Dec. 31, 10	Sep. 30, 11	Sep. 30, 10
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	263,000	263,000	-	-

The financial statements of PPC Asian Insulators Company Limited for the nine-month periods ended September 30, 2011 and 2010, applied for recording the investments for using the equity method in the interim consolidated financial statements are based on the information prepared by its management without reviewing from the auditor. Due to it is not necessary for such associate's management to use those reviewed interim financial statements.

10. INVESTMENTS IN SUBSIDIARIES consist of

THOUSAND BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 11	Dec. 31, 10	Sep. 30, 11	Dec. 31, 10
AI Engineering Services Company Limited	99.84	99.84	197,000	197,000
AI Logistic Company Limited	89.88	89.88	71,900	71,900
AI Energy Company Limited	93.14	93.14	333,616	333,616
AI Ports and Terminals Company Limited	92.53	92.53	235,950	235,950
Total Investments in Subsidiaries			838,466	838,466

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Sep. 30, 11	Dec. 31, 10	Sep. 30, 11	Sep. 30, 10
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station	200,000	200,000	2,995	9,984
AI Logistic Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	80,000	80,000	-	-
AI Energy Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	370,000	370,000	-	-
AI Ports and Terminals Company Limited	Producing and distributing ice and servicing port	255,000	255,000	-	-

In March 2010, the Company has purchased the common stocks of AI Energy Company Limited from old shareholders of 1,800,000 shares in the amount of Baht 9.50 million, resulting the increase in shareholding proportion to be 92.00%. In August 2010, the Company has increasingly purchased the stocks increase of AI Energy Company Limited of 6,860,000 shares in the amount of Baht 68.6 million, resulting the increase in shareholding proportion to be 93.14%.

11. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS AND CURRENT PORTION

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Sep. 30, 11	Dec. 31, 10
Baht 200 million started on August 9, 2010 by Asian Insulators Public Company Limited	- The principal will be repaid every three-month at minimum Baht 25.00 million with the first installment in March 2012 and will be finished within December 2013. - Monthly payment of interest rate at 4.25 % per annum.	89,503	660
Long-term loans from financial institutions	Separate financial statements **	89,503	660
<u>Less</u> Current portion of long-term loans		(75,000)	-
Long-term loans from financial institutions-net	Separate financial statements	14,503	660
Baht 105 million started on November 22, 2007 by AI Logistic Company Limited	- The principal will be repaid by monthly at minimum Baht 1.75 million with the first installment in April 2008 and will be finished within June 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	31,500	47,250
Baht 75 million started on November 22, 2007 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly at minimum Baht 1.25 million with the first installment in April 2008 and will be finished within June 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	25,000	36,250
Baht 120 million started on November 22, 2007 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly at minimum Baht 2.00 million with the first installment in April 2008 and will be finished within June 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	43,000	61,000
Baht 90 million started on April 4, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum.	71,390	79,400

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Sep. 30, 11	Dec. 31, 10
Baht 45 million started on April 28, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum.	34,455	38,640
Baht 200 million started on March 6, 2008 by AI Energy Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in April 2008 and will be finished within March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	59,300	89,450
Baht 13.75 million started on May 19, 2010 by AI Energy Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in June 2010 and will be finished within May 2017. - Monthly payment of interest rate at MLR-1.25 per annum.	11,118	12,594
Baht 56 million started on September 16, 2011 by AI Energy Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in October 2011 and will be finished within September 2018. - Monthly payment of interest rate at MLR-1.25 per annum.	41,879	-
Long-term loans from financial institutions	Consolidated (Total **)	407,145	365,244
<u>Less</u> Current portion of long-term loans		(206,712)	(119,748)
Long-term loans from financial institutions-net	Consolidated	200,433	245,496

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

The Company

- The Company will not create any obligation to the assets of the Company (Negative Pledge).
- The Company will maintain the ratio of debt to equity not exceeding 1 : 1, and maintain the debt coverage ratio at minimum ratio of 1.5 : 1.

Subsidiaries

- The loan contract enables the subsidiaries to settle some or total loan by prior written notation at minimum 15 working days before the settlement date with the fee of prepayment at the rate 2 per cent of the settlement amount.
- The subsidiaries will not decrease their authorized capital or merging with other juristic persons, or setting up or investing in other juristic persons for substitute operation, or joint operation with other juristic persons for whatever reason, unless obtaining a prior written notation of approval from the lender.
- No dividend payment, whether interim or annual, or any compensation benefits to the shareholders, in case of debt to equity ratio exceeding 2 : 1.
- The subsidiaries agreed to transfer their rights, duty and any benefits according to the agreement including various relative collaterals according to the agreement to the creditors by providing the letter of consent for them.
- The subsidiaries will maintain the ratio of debt to equity not exceeding 2 : 1, and maintain the debt coverage ratio at minimum ratio of 1.2 : 1.

Long-term loans of subsidiaries have collateral by mortgaged land, plant, wharf with structure of subsidiaries with jointly guaranteed by the Company.

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

12. LEGAL RESERVE

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

13. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On August 10, 2011, the Board of Directors' Meeting No. 3/2011 was held and had a resolution to pay interim dividend from the BOI business to the shareholders of 500 million shares at Baht 0.10 per share, amount Baht 50 million. The interim dividend was paid on September 7, 2011.

On April 7, 2011, the Ordinary General Shareholders' Meeting for 2011 was held and approved a resolution to pay dividend for 2011 from the BOI business operating result of year 2010 to the shareholders of 500 million shares at Baht 0.25 per share, amount Baht 125 million, of which the interim dividend was duly paid on September 2, 2010 at Baht 0.10 per share, amount Baht 50 million, and to pay additional dividend to the shareholders at Baht 0.15 per share, amount Baht 75 million. The dividend was paid on May 6, 2011. The Meeting also approved to pay the directors' remuneration for 2011 at the maximum of Baht 2.80 million.

On April 7, 2010, the Ordinary General Shareholders' Meeting for 2010 was held and approved a resolution to pay dividend for 2010 from the BOI business operating result of year 2009 to the shareholders of 500 million shares at Baht 0.11 per share, amount Baht 55 million. The dividend was paid on May 6, 2010. The Meeting also approved to pay the directors' remuneration for 2010 at the maximum of Baht 2.80 million.

14. EXPENSES BY NATURE

THOUSAND BAHT

FOR THE NINE-MONTH PERIODS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
(Increase) decrease in change of finished goods and work in progress	(137,526)	21,301	(4,653)	34,454
Raw materials and consumables used	1,703,844	1,041,448	230,933	223,533
Construction materials and subcontractors	35,031	176,548	-	-
Vessel operating expenses	9,752	4,950	-	-
Purchase of goods for sale	19,259	23,912	15,282	18,779
Management benefit expenses	19,502	21,730	14,690	17,391
Employee benefit expenses	98,593	93,320	48,670	49,333
Depreciation and amortization expenses	86,178	87,152	25,575	28,034
Finance costs	33,399	29,943	6,555	6,890
Other expenses	99,360	104,392	25,249	23,473
Total expenses	1,967,392	1,604,696	362,301	401,887

15. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the three-month and nine-month periods ended September 30, 2011 and 2010 were calculated from the accounting profit (loss), adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes.

The non-BOI business, the income tax computation was calculated at the rate of 30 per cent for year 2011, and the rate of 25 per cent for year 2010.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 17).

Income taxes of subsidiaries were calculated at the rate of 30 per cent.

16. FOREIGN CURRENCY TRANSACTIONS

Uncovered risk transactions

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

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED				SEPARATE FINANCIAL STATEMENTS			
	September 30, 2011		December 31, 2010		September 30, 2011		December 31, 2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets								
USD	34.00	1,054.86	249.13	7,475.41	3.95	122.68	8.75	262.50
VND	531.50	0.74	531.50	0.80	-	-	-	-
Total		1,055.60		7,476.21		122.68		262.50
Liabilities								
- Portion due within one year								
USD	302.23	9,462.03	13.08	396.26	164.76	5,158.06	7.90	239.34
SGD	293.00	7,107.15	281.00	6,567.11	-	-	-	-
JPY	-	-	271.20	101.49	-	-	-	-
EUR	83.00	3,531.28	79.63	3,204.62	83.00	3,531.28	79.63	3,204.62
Total		20,100.46		10,269.48		8,689.34		3,443.96

17. PROMOTIONAL PRIVILEGES

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

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
Asian Insulators Plc.	1025/2541	January 24, 2001	Producing porcelain insulators	January 23, 2009
	1115(2)/2548	February 28, 2005	Producing finished hybrid clay	February 27, 2013
	1116(2)/2549	January 30, 2009	Producing porcelain insulators	January 29, 2017
	1478(2)/2553	Not yet implemented	Producing porcelain insulators	-
AI Logistics Co., Ltd.	2029(2)/2549	June 27, 2006	Ship transportation	June 26, 2014
	1241(2)/2550	December 18, 2006	Ship transportation	December 17, 2014
	1434(2)/2550	June 11, 2007	Ship transportation	June 10, 2015
AI Ports and Terminals Co., Ltd.	1373(2)/2552	July 1, 2009	Ports and terminals service	June 30, 2017
	1374(2)/2552	August 7, 2009	Ports and terminals service	August 6, 2017
AI Energy Co., Ltd.	1922(1)/2553	Not yet implemented	Producing biodiesel	-
<p>5. Important privileges which are granted :</p> <p>5.1 Exemption from corporate income tax on net profit of promotional operation for 8 years. Whereby the promotional certificates No. 1115(2)/2548, 1116(2)/2549, 2029(2)/2549, 1241(2)/2550, 1434(2)/2550, 1373(2)/2552 and 1374(2)/2552 have limited amount for corporate income tax exemption at maximum of Baht 11.01 million, Baht 75.18 million, Baht 66.26 million, Baht 30.50 million, Baht 107.00 million, Baht 303.49 million and Baht 200.00 million, respectively.</p> <p>5.2 Exemption from income tax on dividend from promoted business which was exempted from corporate income tax as 5.1 through out the promotional period of all promotional certificates.</p> <p>5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption is expired as 5.1 for 5 years especially for promotional certificate No. 1025/2541 and 1922(1)/2553.</p> <p>5.4 Allowance for double deduction of annual expenses of public utilities (electricity, water supply and transportation), commencing from the generating revenues date for 10 years of promotional certificate No. 1025/2541 and 1922(1)/2553.</p> <p>5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.</p>				

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

18. FINANCIAL INFORMATION BY SEGMENT

The information by segment is as follows :

CONSOLIDATED	THOUSAND BAHT								
	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2011								
	Sale of porcelain insulators and component	Sale of raw materials	Sale of ice cube	Sale of biodiesel and vegetable oil and by product	Production contract of biodiesel	Construction undertaking	Vessel operating	Port services	Total
Revenues from sales and services	229,929	214,889	19,145	1,390,078	50,970	46,125	40,708	33	1,991,877
Cost of sales and services	(127,622)	(176,159)	(15,399)	(1,398,228)	(32,136)	(36,561)	(38,118)	(9,638)	(1,833,861)
Gross profit (loss) by segment	102,307	38,730	3,746	(8,150)	18,834	9,564	2,590	(9,605)	158,016
Non-allocation expenses									(100,132)
Profit from operation									57,884
Other income									16,224
Finance costs									(33,399)
Share of profit from associate									3,189
Income tax expenses									(14,397)
Profit for the period									29,501
Profit (loss) attributable to Equity holders of the parent									34,709
Non-controlling interests									(5,208)
Fixed assets-net	438,004	5,168	20,060	592,567		171	124,889	491,540	1,672,399

THOUSAND BAHT

		FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010								
CONSOLIDATED		Sale of porcelain insulators and component	Sale of raw materials	Sale of ice cube	Sale of biodiesel and vegetable oil and by product	Production contract of biodiesel	Construction undertaking	Vessel operating	Port services	Total
Revenues from sales and services		333,157	188,893	19,655	890,552	49,078	210,697	39,963	278	1,732,273
Cost of sales and services		(176,753)	(156,107)	(15,634)	(853,021)	(38,946)	(182,882)	(43,482)	(9,059)	(1,475,884)
Gross profit (loss) by segment		156,404	32,786	4,021	37,531	10,132	27,815	(3,519)	(8,781)	256,389
Non-allocation expenses										(98,869)
Profit from operation										157,520
Other income										14,827
Finance costs										(29,943)
Share of profit from associate										1,575
Income tax expenses										(16,365)
Profit for the period										127,614
Profit (loss) attributable to Equity holders of the parent Non-controlling interests										128,336 (722)
Fixed assets-net		268,944	6,646	8,661	453,680		505	141,700	524,508	1,404,644

19. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Letters of guarantee issued by commercial bank	264.18	285.16	87.18	67.96
Letters of credit	-	6.74	-	-

The subsidiaries have mortgaged land, plant, harbour with structure and the transfer right of beneficiary under insurance policy to commercial banks as commitment.

The Company is the guarantor of debt payment for bank overdrafts, short-term and long-term loans from financial institutions for its 3 subsidiaries amount of Baht 1,912 million, and 2 subsidiaries in the group have made inter-guarantee amount of Baht 410 million.

20. TRANSACTIONS WITH RELATED PARTIES

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

RELATED PARTIES	RELATIONSHIP
1. Associate	
PPC Asian Insulators Company Limited	See also Note 9
2. Subsidiaries	
AI Engineering Services Company Limited	See also Note 10
AI Logistic Company Limited	See also Note 10
AI Energy Company Limited	See also Note 10
AI Ports and Terminals Company Limited	See also Note 10

The significant transactions with related parties are as follows:

20.1 Sales and services rendered, other income and expenses with related parties for the nine-month periods ended September 30,

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	4,447	4,350	4,358	4,350
AI Engineering Services Co., Ltd.	-	-	261	6
AI Energy Co., Ltd.	-	-	81	9,240
AI Ports and Terminals Co., Ltd.	-	-	15,400	-
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	199,358	179,390	199,358	179,390
Dividend income				
AI Engineering Services Co., Ltd.	-	-	2,995	9,984
Other income - rental				
PPC Asian Insulators Co., Ltd.	929	929	929	929
AI Engineering Services Co., Ltd.	-	-	342	342
AI Logistic Co., Ltd.	-	-	76	76
Other income - services				
PPC Asian Insulators Co., Ltd.	1,106	1,130	1,106	1,130
AI Engineering Services Co., Ltd.	-	-	543	601
AI Logistic Co., Ltd.	-	-	350	334
AI Energy Co., Ltd.	-	-	2,242	2,085
AI Ports and Terminals Co., Ltd.	-	-	494	553
Other income - interest income				
AI Logistic Co., Ltd.	-	-	3,421	1,916
AI Energy Co., Ltd.	-	-	7,801	6,048
AI Ports and Terminals Co., Ltd.	-	-	2,200	507
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	109,774	98,835	109,774	98,835
Purchase of consumed supply				
PPC Asian Insulators Co., Ltd.	43	4,451	43	4,451
AI Engineering Services Co., Ltd.	-	-	36	-
AI Energy Co., Ltd.	-	-	-	72

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

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

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Trade accounts receivable				
PPC Asian Insulators Co., Ltd.	19,392	39,081	19,378	39,081
AI Ports and Terminals Co., Ltd.	-	-	4,120	-
Electrical system installation and supervising construction of factory				
AI Engineering Services Co., Ltd.	-	-	19,933	600
Sales of fixed assets				
AI Ports and Terminals Co., Ltd.	-	-	-	1
Short - term loans to related parties				
AI Logistic Co., Ltd.	-	-	129,000	119,000
AI Energy Co., Ltd.	-	-	295,000	295,000
AI Ports and Terminals Co., Ltd.	-	-	100,000	60,000
Related parties receivable				
PPC Asian Insulators Co., Ltd.	8,240	8,243	8,240	8,243
AI Engineering Services Co., Ltd.	-	-	48	52
AI Logistic Co., Ltd.	-	-	36	38
AI Energy Co., Ltd.	-	-	260	263
AI Ports and Terminals Co., Ltd.	-	-	57	60
Trade accounts payable				
PPC Asian Insulators Co., Ltd.	9,908	22,039	9,908	22,039
Related parties payable				
AI Engineering Services Co., Ltd.	-	-	20,301	128
AI Energy Co., Ltd.	-	-	-	50

21. CAPITAL MANAGEMENT

The objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain appropriate capital structure. In addition, they have to maintain debt to equity ratio as stipulated in loan agreements.

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

PARTICULAR	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Debt to equity ratio	1.30 : 1	0.68 : 1	0.30 : 1	0.23 : 1

22. TAX DISPUTES

In 2009, the Company received notification from the Department of Revenue to clarify the issues in taking expenses from the promotional certificates in calculating income tax for the year 2004. The Company had submitted point of discussions and additional documents to the Revenue Department. Later in May 2010, the Company received summons under the Revenue Code from the Revenue Office to examine the above issues. The final outcome of the aforementioned issues cannot be determined, and accordingly, no provision for possible liability has been made in the financial statements.

23. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

Some accounting transactions of year 2010 financial statements have been reclassified to conform to the presentation of year 2011 financial statements.

- In the statement of financial position as at December 31, 2010, short-term loans to related parties is reclassified to related parties receivable for the consolidated financial statements amount of Baht 8,243,305 and for the separate financial statements in amount of Baht 8,656,168.

24. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on November 2, 2011.