

**ASIAN INSULATORS PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND SEPARATE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2012 AND 2011**

# V & A

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ถนนเพลินจิต แขวงลุมพินี  
เขตปทุมวัน กรุงเทพฯ 10330  
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0-2254-1210, 0-2250-0634  
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สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอตส์  
**Dr. Virach & Associates**  
Certified Public Accountants

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## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

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

I have reviewed the accompanying consolidated statement of financial position of Asian Insulators Public Company Limited and subsidiaries as at March 31, 2012, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2012 and 2011, and the condensed notes to the financial statements, and have also reviewed the separate financial statements of Asian Insulators Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

#### **Scope of review**

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

#### **Basis for qualified conclusion**

According to Note 9 to the interim financial statements, the financial statements of the associated company, PPC Asian Insulators Company Limited, for the three-month periods ended March 31, 2012 and 2011 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 March 31, 2012, included the investments amount of Baht 26.37 million and share of profit (loss) of the associate for the three-month periods ended March 31, 2012 and 2011, amount of Baht (2.16) million and Baht 1.51 million, respectively.

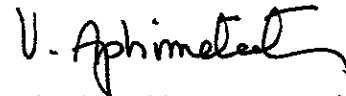


**Qualified conclusion**

Except as mentioned in the preceding paragraph, based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

**The statements of financial position as at December 31, 2011 for comparative purposes**

I have audited the financial statements of Asian Insulators Public Company Limited and its subsidiaries for the year ended December 31, 2011, 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 20, 2012. The statements of financial position as at December 31, 2011, 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.



(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378

Dr. Virach & Associates

Bangkok: May 8, 2012

**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	
		MARCH 31, 2012	DECEMBER 31, 2011	MARCH 31, 2012	DECEMBER 31, 2011	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
Notes		REVIEWED		REVIEWED		
<b>Current Assets</b>						
	Cash and cash equivalents	5	97,404	163,727	30,659	68,641
	Short-term investments	6	287,904	185,192	102,967	32,468
	Trade and other receivables	7	399,492	364,740	152,334	167,581
	Short-term loans to related parties	8	-	-	409,000	449,000
	Unbilled receivables		3,946	5,801	-	-
	Inventories		497,748	693,308	94,374	107,515
	Oil supplies		4,095	2,647	-	-
	Other current assets					
	Refundable value added tax		675	3,126	-	2,442
	Withholding tax		6,722	5,945	-	-
	Others		1,093	1,200	951	795
	Total other current assets		8,490	10,271	951	3,237
	Non-current assets classified as held for sale		2	2	2	2
	<b>Total Current Assets</b>		<b>1,299,081</b>	<b>1,425,688</b>	<b>790,287</b>	<b>828,444</b>
<b>Non-current Assets</b>						
	Investments in associated company	9	26,365	28,520	33,000	33,000
	Investments in subsidiaries	10	-	-	877,766	838,466
	Property, plant, vessel and equipment		1,898,276	1,856,033	666,675	612,323
	Intangible assets		9,516	9,933	9,441	9,873
	Other non-current assets					
	Deposit on assets		8,036	16,453	7,545	15,913
	Others		513	513	386	386
	Total other non-current assets		8,549	16,966	7,931	16,299
	<b>Total Non-current Assets</b>		<b>1,942,706</b>	<b>1,911,452</b>	<b>1,594,813</b>	<b>1,509,961</b>
	<b>TOTAL ASSETS</b>		<b>3,241,787</b>	<b>3,337,140</b>	<b>2,385,100</b>	<b>2,338,405</b>

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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

	Notes	THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		MARCH 31, 2012	DECEMBER 31, 2011	MARCH 31, 2012	DECEMBER 31, 2011
		UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	11	1,094,762	1,220,945	300,000	300,000
Trade and other payables	12	121,261	105,606	46,414	54,562
Current portion of long-term loans	13	230,712	231,712	100,000	100,000
Advances received from construction		4,566	42	-	-
Retention payables		21,019	17,676	18,750	14,961
Accrued interest		4,734	8,876	178	2,314
Accrued income tax		7,565	5,708	7,565	5,708
Other current liabilities					
Undue value added tax		15,626	13,448	-	-
Undue sale tax		1,761	2,127	-	-
Others		943	3,270	739	2,755
Total other current liabilities		18,330	18,845	739	2,755
<b>Total Current Liabilities</b>		<b>1,502,949</b>	<b>1,609,410</b>	<b>473,646</b>	<b>480,300</b>
<b>Non-current Liabilities</b>					
Long-term loans from					
financial institutions	13	196,062	252,990	74,988	99,988
Provision for long-term employee benefits		27,829	27,895	20,352	20,372
<b>Total Non-current Liabilities</b>		<b>223,891</b>	<b>280,885</b>	<b>95,340</b>	<b>120,360</b>
<b>TOTAL LIABILITIES</b>		<b>1,726,840</b>	<b>1,890,295</b>	<b>568,986</b>	<b>600,660</b>

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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
	MARCH 31, 2012	DECEMBER 31, 2011	MARCH 31, 2012	DECEMBER 31, 2011
	UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
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	55,867	(32,362)	363,345	284,976
Total Equity of the Parent	1,508,636	1,420,407	1,816,114	1,737,745
Non-controlling interests	6,311	26,438	-	-
Total Shareholders' Equity	1,514,947	1,446,845	1,816,114	1,737,745
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,241,787	3,337,140	2,385,100	2,338,405

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>REVENUES</b>					
Sales		1,134,282	713,532	203,535	140,278
Revenues from production contract		11,634	10,980	-	-
Construction contract		-	23,664	-	-
Vessel operating income		7,033	12,552	-	-
Port service		-	31	-	-
Other incomes					
Interest income		21	-	4,480	3,490
Unrealized gain on investments in Open-end Fund		1,703	1,223	499	714
Gain on disposal of Open-end Fund		9	432	-	404
Rental and services income rendered to related parties	21.1	650	668	1,504	2,071
Others		6,674	3,085	459	449
Total other incomes		9,057	5,408	6,942	7,128
<b>Total Revenues</b>		<b>1,162,006</b>	<b>766,167</b>	<b>210,477</b>	<b>147,406</b>
<b>EXPENSES</b>					
Cost of sales		975,829	615,909	109,287	99,293
Cost of production contract		6,405	8,003	-	-
Cost of construction contract		-	20,254	-	-
Cost of vessel operating		2,088	11,903	-	-
Cost of port service		3,604	3,175	-	-
Selling expenses		16,344	5,610	2,146	1,892
Administrative expenses		48,134	27,650	14,958	16,205
Directors' remuneration	14	567	567	567	567
Finance costs		15,928	8,307	3,178	2,194
<b>Total Expenses</b>	15	<b>1,068,899</b>	<b>701,378</b>	<b>130,136</b>	<b>120,151</b>
Share of profit (loss) from investments in associate		(2,155)	1,511	-	-
Profit before income tax expenses		90,952	66,300	80,341	27,255
Income tax expenses	16	(2,060)	(4,025)	(1,972)	(3,417)
<b>Profit for the periods</b>		<b>88,892</b>	<b>62,275</b>	<b>78,369</b>	<b>23,838</b>
<b>Other comprehensive income for the periods</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the periods</b>		<b>88,892</b>	<b>62,275</b>	<b>78,369</b>	<b>23,838</b>
<b>Profit Attributable to</b>					
Equity holders of the parent		<b>88,229</b>	<b>60,006</b>	<b>78,369</b>	<b>23,838</b>
Non-controlling interests		663	2,269	-	-
<b>Earnings per Share (Baht)</b>					
Basic Earnings per Share		<b>0.18</b>	<b>0.12</b>	<b>0.16</b>	<b>0.05</b>
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 THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

CONSOLIDATED

THOUSAND BAHT

	Notes	Shareholders' equity of the parent				Total equity of the parent	Non-controlling interests	Total shareholders' equity	
		Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits) Legal reserve	Unappropriated				
				Unappropriated	Other components of equity				
<u>Year 2011</u>									
Beginning balances as at January 1, 2011 -before restated		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)
Restated balances		500,000	902,769	50,000	48,946	-	1,501,715	35,293	1,537,008
Total comprehensive income for the period					60,006	-	60,006	2,269	62,275
Ending balances as at March 31, 2011		500,000	902,769	50,000	108,952	-	1,561,721	37,562	1,599,283
<u>Year 2012</u>									
Beginning balances as at January 1, 2012		500,000	902,769	50,000	(32,362)	-	1,420,407	26,438	1,446,845
Increase (decrease) in non-controlling interests									
- from share purchase from old shareholders	10							(39,300)	(39,300)
- from change in investments ratio of subsidiaries								18,510	18,510
Total comprehensive income for the period					88,229	-	88,229	663	88,892
Ending balances as at March 31, 2012		500,000	902,769	50,000	55,867	-	1,508,636	6,311	1,514,947

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011

SEPARATE FINANCIAL STATEMENTS

	THOUSAND BAHT						Total shareholders' equity
	Note	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated		
<u>Year 2011</u>							
Beginning balances as at January 1, 2011 - before restated		500,000	902,769	50,000	278,273	-	1,731,042
Cumulative effect of the change in accounting policy	3				(21,876)		(21,876)
Restated balances		500,000	902,769	50,000	256,397	-	1,709,166
Total comprehensive income for the period					23,838	-	23,838
Ending balances as at March 31, 2011		500,000	902,769	50,000	280,235	-	1,733,004
<u>Year 2012</u>							
Beginning balances as at January 1, 2012		500,000	902,769	50,000	284,976	-	1,737,745
Total comprehensive income for the period					78,369	-	78,369
Ending balances as at March 31, 2012		500,000	902,769	50,000	363,345	-	1,816,114

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (1/3)**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
PROFIT BEFORE INCOME TAX EXPENSES	90,952	66,300	80,341	27,255
ADJUSTMENTS TO RECONCILE NET PROFIT TO				
NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	24,485	27,896	7,557	8,184
Amortization of computer softwares	462	464	455	454
(Gain) loss on fixed assets disposal	2,138	(746)	(18)	7
Loss on unused fixed assets	11	-	-	-
Unrealized gain on investments in Open-end Fund	(1,703)	(1,223)	(499)	(714)
Gain on disposal of Open-end Fund	(9)	(432)	-	(404)
Share of (profit) loss from investments in associate	2,155	(1,511)	-	-
Transferred loss of non-controlling interests				
due to share purchase from old shareholders	18,510	-	-	-
Unrealized loss on exchange rates	200	283	145	36
Long-term employee benefit expenses	913	-	688	-
Interest income	(21)	-	(4,480)	(3,490)
Interest expenses	13,987	7,766	2,989	2,029
PROFIT FROM OPERATIONS BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES ITEMS	152,080	98,797	87,178	33,357
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	(34,794)	138,471	15,247	66,874
Unbilled receivables	1,855	(23,159)	-	-
Inventories	195,560	(137,087)	13,141	(3,205)
Construction contract in progress	-	1,866	-	-
Oil supplies	(1,448)	(29)	-	-
Advance payment to subcontractors	-	1,257	-	-
Other current assets	2,558	245	2,286	266
Other non-current assets	-	7	-	10

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UNAUDITED

REVIEWED

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (2/3)**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	23,773	62,823	1,674	3,234
Advance received from construction	4,524	1,850	-	-
Retention payables	3,343	(755)	3,789	1,744
Other current liabilities	(515)	(4,703)	(2,016)	(1,354)
Provision for long-term employee benefits	(979)	1,476	(708)	598
CASH PROVIDED FROM OPERATING ACTIVITIES	345,957	141,059	120,591	101,524
Income tax expenses paid	(980)	(832)	(115)	(376)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	344,977	140,227	120,476	101,148
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in short-term investments	(101,000)	52,000	(70,000)	61,000
(Increase) decrease in short-term loans to related parties	-	-	40,000	(10,000)
Interest received	21	-	4,480	3,490
Payment for shares purchase in subsidiaries				
from old shareholders	(39,300)	-	(39,300)	-
Purchase of fixed assets	(53,728)	(48,516)	(39,694)	(27,295)
Interest payment for fixed assets construction and installation	(2,877)	(845)	(2,119)	(98)
Proceeds from fixed assets disposal	14,690	777	18	16
Increase in intangible assets	(45)	-	(23)	-
Payment deposit on assets	(445)	(10,955)	(224)	(10,241)
Payment assets payable	(26,376)	(14,603)	(21,471)	(5,143)
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(209,060)	(22,142)	(128,333)	11,729
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term loans from financial institutions	(126,183)	(104,205)	-	(100,000)
Interest expenses paid	(18,129)	(8,741)	(5,125)	(3,056)
Increase in long-term loans from financial institutions	-	16,718	-	16,718
Payment for long-term loans from financial institutions	(57,928)	(29,442)	(25,000)	-
NET CASH USED IN FINANCING ACTIVITIES	(202,240)	(125,670)	(30,125)	(86,338)

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

UNAUDITED

REVIEWED

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (3/3)**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011**

THOUSAND BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(66,323)	(7,585)	(37,982)	26,539
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	163,727	101,373	68,641	18,944
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	97,404	93,788	30,659	45,483

**ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS**

Non-cash flows items :

Assets payable for fixed assets	18,224	19,514	11,628	4,175
Transferred deposit on assets to fixed assets	8,738	6,102	8,468	2,033
Decrease in investments in associate due to the changes in accounting policy of associate	-	(406)	-	-

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**MARCH 31, 2012 AND 2011**

**1. GENERAL INFORMATION**

<b>1.1</b> Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
<b>1.2</b> 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.
<b>1.3</b> Type of business	1. Producing and selling porcelain insulators and electrical equipment. 2. Invested in associate and subsidiaries which operate business according to Notes 9 and 10 to the interim financial statements.

**2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS**

**2.1** These interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting issued by the Federation of Accounting Professions 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, 2011.

**2.2** 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	
	MARCH 31, 2012	DECEMBER 31, 2011
<b><u>Associate</u></b>		
PPC Asian Insulators Company Limited	25.10	25.10
<b><u>Subsidiaries</u></b>		
AI Engineering Services Company Limited	99.84	99.84
AI Logistic Company Limited	95.88	89.88
AI Energy Company Limited	98.00	93.14
AI Ports and Terminals Company Limited	99.00	92.53

- 2.3 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.
- 2.4 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.5 In 2012, the Federation of Accounting Professions has issued the financial reporting standard TFRS No. 8: Operating Segments which is effective to the financial statements for the periods beginning on or after January 1, 2013.

### 3. CHANGE IN ACCOUNTING POLICY

In year 2011, the Company and subsidiaries have applied 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 28.83 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

Accounting policies and methods of computation used in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2011.

### 5. CASH AND CASH EQUIVALENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Cash	406	417	145	145
Check in hand	-	1,014	-	-
Savings account	96,901	162,124	30,417	68,366
Current account	97	172	97	130
Total cash and cash equivalents	97,404	163,727	30,659	68,641

## 6. SHORT-TERM INVESTMENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31,	December 31,	March 31,	December 31,
	2012	2011	2012	2011
Investments in Open-end Fund-Debt securities	286,201	182,096	102,468	32,407
<u>Add</u> Allowance for investment adjustment	1,703	3,096	499	61
Investments in Open-end Fund - fair value	287,904	185,192	102,967	32,468

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 AND OTHER RECEIVABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED					
	March 31, 2012			December 31, 2011		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	117,235	214,174	331,409	115,694	166,434	282,128
- Overdue within 3 months	14,893	36,049	50,942	28,543	35,619	64,162
- Over 3 to 6 months	-	847	847	-	98	98
- Over 6 to 12 months	-	-	-	-	99	99
- Over 12 months	-	2,932	2,932	-	3,029	3,029
Total trade accounts receivable	132,128	254,002	386,130	144,237	205,279	349,516
<u>Less</u> Allowance for doubtful accounts	-	(3,067)	(3,067)	-	(3,067)	(3,067)
Total trade accounts receivable	132,128	250,935	383,063	144,237	202,212	346,449
Retention receivables	2,064	-	2,064	1,859	-	1,859
Trade accounts receivable - net	134,192	250,935	385,127	146,096	202,212	348,308
Other receivables	-	14,365	14,365	-	16,432	16,432
Total trade and other receivables - net	134,192	265,300	399,492	146,096	218,644	364,740

THOUSAND BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	March 31, 2012			December 31, 2011		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	112,394	16,867	129,261	95,337	16,049	111,386
- Overdue within 3 months	386	12,856	13,242	28,013	18,872	46,885
Total trade accounts receivable	112,780	29,723	142,503	123,350	34,921	158,271
Other receivables	-	9,831	9,831	-	9,310	9,310
Total trade and other receivables	112,780	39,554	152,334	123,350	44,231	167,581

## 8. SHORT-TERM LOANS TO RELATED PARTIES

THOUSAND BAHT

PARTICULARS	March 31, 2012			
	AI Logistics Co., Ltd.	AI Energy Co., Ltd.	AI Port and Terminal Co., Ltd.	Total
Beginning principal balances	129,000	200,000	120,000	449,000
Add: Additional loans extended during the period	-	-	10,000	10,000
Less: Settlement during the period	-	(50,000)	-	(50,000)
Ending principal balances	129,000	150,000	130,000	409,000
Interest rates	4.50 %	4.25 %	4.50 %	4.25 - 4.50 %

THOUSAND BAHT

PARTICULARS	December 31, 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	-	60,000	70,000
Less: Settlement during the period	-	(95,000)	-	(95,000)
Ending principal balances	129,000	200,000	120,000	449,000
Interest rates	2.90 - 4.50 %	2.90 - 4.50 %	2.90 - 4.50 %	2.90 - 4.50 %



## 9. INVESTMENTS IN ASSOCIATE

THOUSAND BAHT

ASSOCIATE	% HOLDING		CONSOLIDATED BY EQUITY METHOD		SEPARATE FINANCIAL STATEMENTS BY COST METHOD	
	Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Dec. 31, 11
PPC Asian Insulators Company Limited	25.10	25.10	26,365	28,520	66,000	66,000
<u>Less</u> Provision for diminution in investment			-	-	(33,000)	(33,000)
Investment in Associate - net			26,365	28,520	33,000	33,000

THOUSAND BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Mar. 31, 11
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 three-month periods ended March 31, 2012 and 2011, 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

THOUSAND BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Dec. 31, 11
AI Engineering Services Company Limited	99.84	99.84	197,000	197,000
AI Logistic Company Limited	95.88	89.88	76,700	71,900
AI Energy Company Limited	98.00	93.14	351,616	333,616
AI Ports and Terminals Company Limited	99.00	92.53	252,450	235,950
Total Investments in Subsidiaries			877,766	838,466

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Mar. 31, 11
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station	200,000	200,000	-	-

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Mar. 31, 12	Dec. 31, 11	Mar. 31, 12	Mar. 31, 11
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 February 2012, the Company has purchased the common stocks of three subsidiaries from old shareholders in par value, resulting the increase in shareholding proportion consist of :

THOUSAND BAHT

COMPANIES	% HOLDING		AMOUNT OF INCREASE
	OLD	NEW	SHARES PURCHASE
AI Logistic Company Limited	89.88	95.88	4,800
AI Energy Company Limited	93.14	98.00	18,000
AI Ports and Terminals Company Limited	92.53	99.00	16,500
Total payment for shares purchase in subsidiaries from old shareholders			39,300

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Bank overdrafts	4,762	945	-	-
Short-term loans from financial institutions	1,090,000	1,220,000	300,000	300,000
Total	1,094,762	1,220,945	300,000	300,000

## 12. TRADE AND OTHER PAYABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31,	December 31,	March 31,	December 31,
	2012	2011	2012	2011
Trade accounts payable	84,841	70,174	28,316	28,410
Assets payable	19,886	23,658	11,788	21,631
Advance received from customers	787	1,637	351	1,369
Accrued expenses	15,747	10,137	5,959	3,152
Total trade and other payables	121,261	105,606	46,414	54,562

## 13. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS AND CURRENT PORTION

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Mar. 31, 12	Dec. 31, 11
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.	174,988	199,988
Long-term loans from financial institutions	Separate financial statements **	174,988	199,988
Less Current portion of long-term loans		(100,000)	(100,000)
Long-term loans from financial institutions-net	Separate financial statements	74,988	99,988
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 March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	21,000	26,250
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 March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	17,500	21,250
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 March 2013. - Monthly payment of interest rate at MLR-1.25 per annum.	31,000	37,000

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Mar. 31, 11	Dec. 31, 10
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. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	64,130	67,760
Baht 45 million started on April 28, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	30,945	32,700
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.	39,200	49,250
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. - Interest rate swap contracts to be fixed rate at 6.39% per annum from February 2012 until February 2015.	10,134	10,626
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. - Interest rate swap contracts to be fixed rate at 6.40% per annum from February 2012 until February 2015.	37,877	39,878
Long-term loans from financial institutions	Consolidated (Total **)	426,774	484,702
<u>Less</u> Current portion of long-term loans		(230,712)	(231,712)
Long-term loans from financial institutions-net	Consolidated	196,062	252,990

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, incase 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.

#### 14. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 4, 2012, the Ordinary General Shareholders' Meeting for 2012 was held and approved a resolution to pay dividend for 2012 from the BOI business operating result of year 2011 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 7, 2011 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 will be paid on May 2, 2012. The Meeting also approved to pay the directors' remuneration for 2012 at the maximum of Baht 2.80 million.

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.

#### 15. EXPENSES BY NATURE

THOUSAND BAHT

FOR THE THREE-MONTH PERIODS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(Increase) decrease in change of finished goods and work in progress	66,370	(1,445)	7,031	(9,281)
Raw materials and consumables used	684,567	563,452	75,270	82,669
Construction materials and subcontractors	-	19,552	-	-
Vessel operating expenses	517	3,426	-	-
Purchase of goods for sale	175,661	5,310	3,796	5,131
Management benefit expenses	6,529	6,461	4,872	4,857
Employee benefit expenses	32,689	33,012	19,248	16,722
Depreciation and amortization expenses	24,947	28,360	8,012	8,638
Finance costs	15,928	8,307	3,178	2,194
Other expenses	61,691	34,943	8,729	9,221
<b>Total expenses</b>	<b>1,068,899</b>	<b>701,378</b>	<b>130,136</b>	<b>120,151</b>

## 16. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the three-month periods ended March 31, 2012 and 2011 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 of the Company and subsidiaries were calculated at the rate of 23 per cent for year 2012, and the rate of 30 per cent for year 2011.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 18).

## 17. 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			
	March 31, 2012		December 31, 2011		March 31, 2012		December 31, 2011	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currency	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	295.94	9,114.57	85.17	2,687.15	3.96	121.43	3.96	124.81
VND	531.50	0.80	531.50	0.80	-	-	-	-
Total		9,115.37		2,687.95		121.43		124.81
<u>Liabilities</u>								
- Portion due within one year								
USD	293.58	9,097.68	237.89	7,572.50	205.04	6,353.82	108.80	3,463.31
SGD	293.00	7,262.85	293.00	7,211.93	-	-	-	-
EUR	-	-	88.18	3,645.29	-	-	88.18	3,645.29
Total		16,360.53		18,429.72		6,353.82		7,108.60

## 18. 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
	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, 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 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.

In March 2012, AI Logistic Company Limited has canceled the promotional certificates Nos. 1241(2)/2550, due to the Company has sold assets in the promotional certificates.



**19. FINANCIAL INFORMATION BY SEGMENT**

The information by segment is as follows :

THOUSAND BAHT

CONSOLIDATED	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2012								Total
	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	
Revenues from sales and services	169,116	34,419	6,086	924,661	11,634	-	7,033	-	1,152,949
Cost of sales and services	(80,435)	(28,847)	(5,131)	(861,416)	(6,405)	-	(2,088)	(3,604)	(987,926)
Gross profit (loss) by segment	88,681	5,572	955	63,245	5,229	-	4,945	(3,604)	165,023
Non-allocation expenses									(65,045)
Profit from operation									99,978
Other income									9,057
Finance costs									(15,928)
Share of loss from investments in associate									(2,155)
Income tax expenses									(2,060)
Profit for the period									88,892
Profit attributable to									
Equity holders of the parent									88,229
Non-controlling interests									663
Fixed assets-net	654,878	5,148	20,521	638,049		126	99,437	480,117	1,898,276

		FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2011								
<b>CONSOLIDATED</b>		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		58,445	77,902	9,748	567,437	10,980	23,664	12,552	31	760,759
Cost of sales and services		(30,685)	(64,672)	(8,389)	(512,163)	(8,003)	(20,254)	(11,903)	(3,175)	(659,244)
Gross profit (loss) by segment		27,760	13,230	1,359	55,274	2,977	3,410	649	(3,144)	101,515
Non-allocation expenses										(33,827)
Profit from operation										67,688
Other income										5,408
Finance costs										(8,307)
Share of profit from investments in associate										1,511
Income tax expenses										(4,025)
Profit for the period										62,275
Profit attributable to										
Equity holders of the parent										60,006
Non-controlling interests										2,269
Fixed assets-net		291,091	5,908	20,111	550,679		305	133,042	502,281	1,503,417

## 20. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Letters of guarantee issued by commercial bank	286.29	253.50	100.80	76.52
Letters of credit	-	33.54	-	33.54

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 subsidiaries amount of Baht 2,712 million, and two subsidiaries in the group have made inter-guarantee amount of Baht 410 million.

## 21. 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:

**21.1 Sales and services rendered, other income and expenses with related parties for the three-month periods ended March 31,**

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
<b>Sales of products and raw materials</b>				
PPC Asian Insulators Co., Ltd.	793	1,478	766	1,458
AI Energy Co., Ltd.	-	-	-	81
AI Ports and Terminals Co., Ltd.	-	-	-	3,850
<b>Sales of hybrid clay</b>				
PPC Asian Insulators Co., Ltd.	29,485	74,052	29,485	74,052
<b>Other income - rental</b>				
PPC Asian Insulators Co., Ltd.	310	310	310	310
AI Engineering Services Co., Ltd.	-	-	114	114
AI Logistic Co., Ltd.	-	-	25	25
<b>Other income - services</b>				
PPC Asian Insulators Co., Ltd.	340	358	340	358
AI Engineering Services Co., Ltd.	-	-	162	196
AI Logistic Co., Ltd.	-	-	113	121
AI Energy Co., Ltd.	-	-	280	779
AI Ports and Terminals Co., Ltd.	-	-	160	168
<b>Other income - interest income</b>				
AI Logistic Co., Ltd.	-	-	1,447	859
AI Energy Co., Ltd.	-	-	1,647	2,166
AI Ports and Terminals Co., Ltd.	-	-	1,386	465
<b>Purchases of scrap clay</b>				
PPC Asian Insulators Co., Ltd.	15,610	40,471	15,610	40,471
<b>Purchase of consumed supply</b>				
PPC Asian Insulators Co., Ltd.	-	43	-	43
AI Engineering Services Co., Ltd.	-	-	-	26
AI Energy Co., Ltd.	-	-	33	-

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.

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b>Trade accounts receivable</b>				
PPC Asian Insulators Co., Ltd.	22,617	29,040	22,617	29,040
<b>Related parties receivable</b>				
PPC Asian Insulators Co., Ltd.	8,237	4,257	8,237	4,257
AI Engineering Services Co., Ltd.	-	-	10	10
AI Logistic Co., Ltd.	-	-	3	2
AI Ports and Terminals Co., Ltd.	-	-	57	-
<b>Short - term loans to related parties</b>				
AI Logistic Co., Ltd.	-	-	129,000	129,000
AI Energy Co., Ltd.	-	-	150,000	200,000
AI Ports and Terminals Co., Ltd.	-	-	130,000	120,000
<b>Electrical system installation and supervising construction of factory</b>				
AI Engineering Services Co., Ltd.	-	-	7,195	33,345
<b>Trade accounts payable</b>				
PPC Asian Insulators Co., Ltd.	12,255	16,664	12,255	16,664
<b>Related parties payable</b>				
AI Engineering Services Co., Ltd.	-	-	7,570	11,620
AI Energy Co., Ltd.	-	-	35	35
<b>Retention payable</b>				
AI Engineering Services Co., Ltd.	-	-	1,595	1,058

## 22. 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	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Debt to equity ratio	1.14 : 1	1.31 : 1	0.31 : 1	0.35 : 1

## 23. 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.

Until the period ended March 31, 2012, the Company has not received any notification of the final outcome of the aforementioned issues from the Revenue Office. The Company cannot estimate the outcome, and accordingly, no provision for possible liability has been made in the financial statements.

## 24. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company and subsidiaries have reclassified some accounting transactions of statements of cash flows for the three-month period ended March 31, 2011 to conform with the current period's classification. The Company and subsidiaries have complied with the presentation of financial statements in accordance with the Notification of the Department of Business Development. The reclassifications had no effect to profit or shareholder's equity.

## 25. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on May 8, 2012.