

ASIAN INSULATORS PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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518/3 อาคารพาณิชย์ ชั้น 7
ถนนเพลินจิต แขวงลุมพินี
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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 June 30, 2012, the related consolidated statements of comprehensive income for the three-month and six month periods ended June 30, 2012 and 2011, changes in shareholders' equity and cash flows for the six-month periods ended June 30, 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 reviews

Except as mentioned in the next paragraph, I conducted my reviews 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 six-month periods ended June 30, 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 June 30, 2012, included the investments amount of Baht 25.12 million and share of profit (loss) of the associate for the three-month periods ended June 30, 2012 and 2011, amount of Baht (1.25) million and Baht 2.41 million, respectively, and share of profit (loss) of the associate for the six-month periods ended June 30, 2012 and 2011, amount of Baht (3.40) million and Baht 3.92 million, respectively.

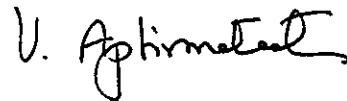
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Qualified conclusion

Except as mentioned in the preceding paragraph, based on my reviews, 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: August 8, 2012

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

ASSETS

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		JUNE 30, 2012	DECEMBER 31, 2011	JUNE 30, 2012	DECEMBER 31, 2011
		UNAUDITED REVIEWED	AUDITED	UNAUDITED REVIEWED	AUDITED
Current Assets					
Cash and cash equivalents	5	90,027	163,727	42,416	68,641
Short-term investments	6	183,289	185,192	3,127	32,468
Trade and other receivables	7	537,439	364,740	126,486	167,581
Short-term loans to related parties	8	-	-	429,000	449,000
Unbilled receivables		1,051	5,801	-	-
Inventories		492,013	693,308	124,082	107,515
Oil supplies		3,788	2,647	-	-
Advance payment to subcontractors		1,148	-	-	-
Other current assets					
Refundable value added tax		494	3,126	-	2,442
Withholding tax		7,311	5,945	-	-
Others		1,252	1,200	1,133	795
Total other current assets		9,057	10,271	1,133	3,237
Non-current assets classified as held for sale					
		2	2	2	2
Total Current Assets		1,317,814	1,425,688	726,246	828,444
Non-current Assets					
Investments in associated company	9	25,119	28,520	33,000	33,000
Investments in subsidiaries	10	-	-	877,766	838,466
Property, plant, vessel and equipment		1,965,756	1,856,033	741,291	612,323
Intangible assets		9,673	9,933	9,606	9,873
Other non-current assets					
Deposit on assets		1,851	16,453	1,241	15,913
Others		466	513	341	386
Total other non-current assets		2,317	16,966	1,582	16,299
Total Non-current Assets		2,002,865	1,911,452	1,663,245	1,509,961
TOTAL ASSETS		3,320,679	3,337,140	2,389,491	2,338,405

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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
		JUNE 30, 2012	DECEMBER 31, 2011	JUNE 30, 2012	DECEMBER 31, 2011
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		REVIEWED		REVIEWED	
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	11	1,247,947	1,220,945	350,000	300,000
Trade and other payables	12	147,903	105,606	60,523	54,562
Current portion of long-term loans	13	215,412	231,712	100,000	100,000
Advance received from construction		6,966	42	-	-
Retention payables		22,355	17,676	20,865	14,961
Accrued interest		4,000	8,876	1,540	2,314
Accrued income tax		5,845	5,708	5,845	5,708
Other current liabilities					
Undue value added tax		13,419	13,448	1,372	-
Undue sale tax		1,723	2,127	-	-
Others		1,428	3,270	823	2,755
Total other current liabilities		16,570	18,845	2,195	2,755
Total Current Liabilities		1,666,998	1,609,410	540,968	480,300
Non-current Liabilities					
Long-term loans from					
financial institutions	13	153,434	252,990	49,988	99,988
Provision for long-term employee benefits		28,792	27,895	20,820	20,372
Total Non-current Liabilities		182,226	280,885	70,808	120,360
TOTAL LIABILITIES		1,849,224	1,890,295	611,776	600,660

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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
	JUNE 30, 2012	DECEMBER 31, 2011	JUNE 30, 2012	DECEMBER 31, 2011
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	REVIEWED		REVIEWED	
Shareholders' Equity				
Share capital				
Authorized share capital				
500,000,000 common stocks of Baht 1 par value	500,000	500,000	500,000	500,000
Issued and paid-up share capital				
500,000,000 common stocks at Baht 1 each	500,000	500,000	500,000	500,000
Additional paid-in capital				
Premium on common stocks	902,769	902,769	902,769	902,769
Retained earnings (deficits)				
Appropriated				
Legal reserve	50,000	50,000	50,000	50,000
Unappropriated	12,383	(32,362)	324,946	284,976
Total Equity of the Parent	1,465,152	1,420,407	1,777,715	1,737,745
Non-controlling interests	6,303	26,438	-	-
Total Shareholders' Equity	1,471,455	1,446,845	1,777,715	1,737,745
TOTAL LIABILITIES AND				
 SHAREHOLDERS' EQUITY	3,320,679	3,337,140	2,389,491	2,338,405

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	Notes	THOUSAND BAHT EXCEPT EARNINGS (LOSS) PER SHARE PRESENTED IN BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
REVENUES					
Sales		1,132,843	568,141	135,719	150,948
Revenues from production contract		8,327	21,606	-	-
Construction contract		913	9,097	-	-
Vessel operating income		2,885	10,220	-	-
Port service		-	2	-	-
Other incomes					
Interest income		499	227	4,862	4,440
Unrealized gain (loss) on investments in Open-end Fund		719	461	(459)	(146)
Gain on disposal of Open-end Fund		666	750	619	725
Dividend income		-	-	2,995	2,995
Rental and services income rendered to related parties		758	696	1,634	2,014
Others		3,878	4,403	1,450	2,081
Total other incomes		6,520	6,537	11,101	12,109
Total Revenues		1,151,488	615,603	146,820	163,057
EXPENSES					
Cost of sales		1,034,732	553,857	79,846	103,705
Cost of production contract		4,913	12,951	-	-
Cost of construction contract		716	6,180	-	-
Cost of vessel operating		2,476	12,658	-	-
Cost of port service		3,143	3,332	-	-
Selling expenses		20,410	6,409	2,025	711
Administrative expenses		32,179	27,216	19,705	15,858
Directors' remuneration	14	693	693	693	693
Finance costs		15,400	9,505	3,793	1,998
Total Expenses		1,114,662	632,801	106,062	122,965
Share of profit (loss) from investments in associate		(1,245)	2,413	-	-
Profit (loss) before income tax expenses		35,581	(14,785)	40,758	40,092
Income tax expenses	16	(4,070)	(5,910)	(4,158)	(5,813)
Profit (loss) for the periods		31,511	(20,695)	36,600	34,279
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income (loss) for the periods		31,511	(20,695)	36,600	34,279
Profit (Loss) Attributable to					
Equity holders of the parent		31,515	(16,667)	36,600	34,279
Non-controlling interests		(4)	(4,028)	-	-
		31,511	(20,695)	36,600	34,279
Earnings (loss) per share (Baht)					
Basic earnings (loss) per share		0.06	(0.03)	0.07	0.07
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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
REVENUES					
Sales		2,267,125	1,281,673	339,254	291,226
Revenues from production contract		19,961	32,586	-	-
Construction contract		913	32,761	-	-
Vessel operating income		9,918	22,772	-	-
Port service		-	33	-	-
Other incomes					
Interest income		520	227	9,342	7,930
Unrealized gain on investments in Open-end Fund		2,422	1,684	40	568
Gain on disposal of Open-end Fund		675	1,182	619	1,129
Dividend income		-	-	2,995	2,995
Rental and services income rendered to related parties	21.1	1,408	1,364	3,138	4,085
Others		10,552	7,488	1,909	2,530
Total other incomes		15,577	11,945	18,043	19,237
Total Revenues		2,313,494	1,381,770	357,297	310,463
EXPENSES					
Cost of sales		2,010,561	1,169,766	189,133	202,998
Cost of production contract		11,318	20,954	-	-
Cost of construction contract		716	26,434	-	-
Cost of vessel operating		4,564	24,561	-	-
Cost of port service		6,747	6,507	-	-
Selling expenses		36,754	12,019	4,171	2,603
Administrative expenses		80,313	54,866	34,663	32,063
Directors' remuneration	14	1,260	1,260	1,260	1,260
Finance costs		31,328	17,812	6,971	4,192
Total Expenses	15	2,183,561	1,334,179	236,198	243,116
Share of profit (loss) from investments in associate		(3,400)	3,924	-	-
Profit before income tax expenses		126,533	51,515	121,099	67,347
Income tax expenses	16	(6,130)	(9,935)	(6,130)	(9,230)
Profit for the periods		120,403	41,580	114,969	58,117
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income for the periods		120,403	41,580	114,969	58,117
Profit Attributable to					
Equity holders of the parent		119,744	43,339	114,969	58,117
Non-controlling interests		659	(1,759)	-	-
		120,403	41,580	114,969	58,117
Earnings per share (Baht)					
Basic earnings per share		0.24	0.09	0.23	0.12
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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

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	Retained earnings (deficits)	Legal reserve	Unappropriated	Other components of equity			Total equity of the parent
<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
Decrease in non-controlling interests									(4)	(4)
- subsidiary 's dividends paid to non-controlling interests									(1,759)	(1,759)
Total comprehensive income (loss) for the period					43,339	-	-	43,339	-	43,339
Dividend payment	14				(75,000)	-	-	(75,000)	-	(75,000)
Ending balances as at June 30, 2011		500,000	902,769	50,000	17,285	-	-	1,470,054	33,530	1,503,584
<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									(39,300)	(39,300)
- from share purchase from old shareholders	10								18,510	18,510
- from change in investments ratio of subsidiaries									(4)	(4)
- subsidiary 's dividends paid to non-controlling interests									659	659
Total comprehensive income for the period					119,744	-	-	119,744	-	119,744
Dividend payment	14				(74,999)	-	-	(74,999)	-	(74,999)
Ending balances as at June 30, 2012		500,000	902,769	50,000	12,383	-	-	1,465,152	6,303	1,471,455

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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

SEPARATE FINANCIAL STATEMENTS

	Notes	THOUSAND BAHT					Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Legal reserve	Retained earnings	Other components of equity	
<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					58,117	-	58,117
Dividend payment	14				(75,000)	-	(75,000)
Ending balances as at June 30, 2011		500,000	902,769	50,000	239,514	-	1,692,283
<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					114,969	-	114,969
Dividend payment	14				(74,999)	-	(74,999)
Ending balances as at June 30, 2012		500,000	902,769	50,000	324,946	-	1,777,715

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (1/3)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX EXPENSES	126,533	51,515	121,099	67,347
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	49,748	56,211	16,702	16,358
Amortization of computer softwares	942	929	926	911
(Gain) loss on fixed assets disposal	2,138	(2,576)	(18)	(1,784)
Loss on unused fixed assets	11	-	-	-
Unrealized gain on investments in Open-end Fund	(2,422)	(1,684)	(40)	(568)
Gain on disposal of Open-end Fund	(675)	(1,182)	(619)	(1,129)
Share of (profit) loss from investments in associate	3,400	(3,924)	-	-
Dividend income	-	-	(2,995)	(2,995)
Transferred loss of non-controlling interests due to share purchase from old shareholders	18,510	-	-	-
Unrealized loss on exchange rates	660	603	21	92
Long-term employee benefit expenses	1,876	3,098	1,156	1,719
Interest income	(520)	(227)	(9,342)	(7,930)
Interest expenses	30,194	16,620	6,564	3,660
Adjusted accrued income tax	-	(73)	-	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	230,395	119,310	133,454	75,681
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	(172,713)	138,326	41,095	39,585
Unbilled receivables	4,750	(16,954)	-	-
Inventories	201,295	(510,263)	(16,567)	(13,408)
Construction contract in progress	-	1,900	-	-
Oil supplies	(1,141)	881	-	-
Advance payment to subcontractors	(1,148)	1,344	-	-
Other current assets	2,580	(2,356)	2,104	(14)
Other non-current assets	47	18	45	10

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (2/3)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	46,423	222,971	8,454	1,267
Advance received from construction	6,924	319	-	-
Retention payables	4,679	1,178	5,904	2,773
Other current liabilities	(2,275)	(4,367)	(560)	(2,138)
Provision for long-term employee benefits	(979)	(2,072)	(708)	(2,072)
CASH PROVIDED FROM (USED IN)				
OPERATING ACTIVITIES				
Income tax expenses paid	(7,359)	(11,685)	(5,993)	(8,930)
NET CASH PROVIDED FROM (USED IN)				
OPERATING ACTIVITIES				
	311,478	(61,450)	167,228	92,754
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term investments	5,000	121,000	30,000	166,000
(Increase) decrease in short-term loans to related parties	-	-	20,000	(40,000)
Interest received	520	227	9,342	7,930
Dividend income from investments	-	-	2,995	2,995
Payment for shares purchase in subsidiaries				
from old shareholders	(39,300)	-	(39,300)	-
Purchase of fixed assets	(136,915)	(124,353)	(108,520)	(49,464)
Interest payment for fixed assets construction and installation	(4,880)	(2,112)	(3,361)	(561)
Proceeds from fixed assets disposal	14,691	2,611	18	1,807
Increase in intangible assets	(682)	-	(659)	-
Payment deposit on assets	(610)	(39,363)	-	(39,197)
Payment assets payable	(23,658)	(14,603)	(21,631)	(5,143)
NET CASH PROVIDED FROM (USED IN)				
INVESTING ACTIVITIES				
	(185,834)	(56,593)	(111,116)	44,367



ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (3/3)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	26,585	209,520	50,000	(100,000)
Interest expenses paid	(35,070)	(16,134)	(7,338)	(4,265)
Increase in long-term loans from financial institutions	-	54,194	-	54,194
Payment for long-term loans from financial institutions	(115,856)	(58,884)	(50,000)	-
Dividend payment	(74,999)	(75,000)	(74,999)	(75,000)
Subsidiary dividend paid to non-controlling interests	(4)	(4)	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(199,344)	113,692	(82,337)	(125,071)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	163,727	101,373	68,641	18,944
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	<u>90,027</u>	<u>97,022</u>	<u>42,416</u>	<u>30,994</u>
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
Non-cash flows items :				
Assets payable for fixed assets	19,304	15,281	19,117	3,382
Transferred deposit on assets to fixed assets	15,212	9,059	14,672	4,681
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

JUNE 30, 2012 AND 2011

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	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	
	JUNE 30, 2012	DECEMBER 31, 2011
<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	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	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Cash	441	417	145	145
Check in hand	-	1,014	-	-
Savings account	89,459	162,124	42,195	68,366
Current account	127	172	76	130
Total cash and cash equivalents	90,027	163,727	42,416	68,641

6. SHORT-TERM INVESTMENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Investments in Open-end Fund-Debt securities	180,867	182,096	3,087	32,407
<u>Add</u> Allowance for investment adjustment	2,422	3,096	40	61
Investments in Open-end Fund - fair value	183,289	185,192	3,127	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					
	June 30, 2012			December 31, 2011		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	78,791	365,835	444,626	115,694	166,434	282,128
- Overdue within 3 months	1,067	55,995	57,062	28,543	35,619	64,162
- Over 3 to 6 months	13,124	28	13,152	-	98	98
- Over 6 to 12 months	-	821	821	-	99	99
- Over 12 months	-	2,932	2,932	-	3,029	3,029
Total trade accounts receivable	92,982	425,611	518,593	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	92,982	422,544	515,526	144,237	202,212	346,449
Retention receivables	2,991	-	2,991	1,859	-	1,859
Trade accounts receivable - net	95,973	422,544	518,517	146,096	202,212	348,308
Other receivables	-	18,922	18,922	-	16,432	16,432
Total trade and other receivables - net	95,973	441,466	537,439	146,096	218,644	364,740

THOUSAND BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	June 30, 2012			December 31, 2011		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	76,223	21,140	97,363	95,337	16,049	111,386
- Overdue within 3 months	1,067	17,711	18,778	28,013	18,872	46,885
- Over 3 to 6 months	386	-	386	-	-	-
Total trade accounts receivable	77,676	38,851	116,527	123,350	34,921	158,271
Other receivables	-	9,959	9,959	-	9,310	9,310
Total trade and other receivables	77,676	48,810	126,486	123,350	44,231	167,581

8. SHORT-TERM LOANS TO RELATED PARTIES

THOUSAND BAHT

PARTICULARS	June 30, 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
<u>Add:</u> Additional loans extended during the period	-	-	30,000	30,000
<u>Less:</u> Settlement during the period	-	(50,000)	-	(50,000)
Ending principal balances	129,000	150,000	150,000	429,000
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
<u>Add:</u> Additional loans extended during the period	10,000	-	60,000	70,000
<u>Less:</u> 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	
	Jun. 30, 12	Dec. 31, 11	Jun. 30, 12	Dec. 31, 11	Jun. 30, 12	Dec. 31, 11
PPC Asian Insulators Company Limited	25.10	25.10	25,119	28,520	66,000	66,000
Less Provision for diminution in investment			-	-	(33,000)	(33,000)
Investment in Associate - net			25,119	28,520	33,000	33,000

THOUSAND BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Jun. 30, 12	Dec. 31, 11	Jun. 30, 12	Jun. 30, 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 and six-month periods ended June 30, 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	
	Jun. 30, 12	Dec. 31, 11	Jun. 30, 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	
		Jun. 30, 12	Dec. 31, 11	Jun. 30, 12	Jun. 30, 11
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station	200,000	200,000	2,995	2,995

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Jun. 30, 12	Dec. 31, 11	Jun. 30, 12	Jun. 30, 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 as follow :

THOUSAND BAHT

COMPANIES	% HOLDING		AMOUNT OF INCREASE SHARES PURCHASE
	OLD	NEW	
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	
	June 30,	December 31,	June 30,	December 31,
	2012	2011	2012	2011
Bank overdrafts	3,015	945	-	-
Short-term loans from financial institutions	1,088,520	1,220,000	350,000	300,000
Trust receipts	156,412	-	-	-
Total	1,247,947	1,220,945	350,000	300,000

12. TRADE AND OTHER PAYABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trade accounts payable	103,358	70,174	30,218	28,410
Assets payable	19,304	23,658	19,117	21,631
Advance interest received	-	-	1,648	-
Advance received from customers	2,254	1,637	399	1,369
Accrued expenses	22,987	10,137	9,141	3,152
Total trade and other payables	147,903	105,606	60,523	54,562

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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Jun. 30, 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.	149,988	199,988
Long-term loans from financial institutions	Separate financial statements **	149,988	199,988
<u>Less</u> Current portion of long-term loans		(100,000)	(100,000)
Long-term loans from financial institutions-net	Separate financial statements	49,988	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.	15,750	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.	13,750	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.	25,000	37,000

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Jun. 30, 12	Dec. 31, 11
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.	60,500	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.	29,190	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.	29,150	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.	9,642	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.	35,876	39,878
Long-term loans from financial institutions	Consolidated (Total **)	368,846	484,702
Less Current portion of long-term loans		(215,412)	(231,712)
Long-term loans from financial institutions-net	Consolidated	153,434	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, 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.

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 was 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 SIX-MONTH PERIODS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
(Increase) decrease in change of finished goods and work in progress	15,560	(43,868)	(1,674)	(8,294)
Raw materials and consumables used	1,456,467	1,116,470	132,666	157,715
Construction materials and subcontractors	254	25,109	-	-
Vessel operating expenses	354	6,061	-	-
Purchase of goods for sale	436,407	12,709	10,317	12,190
Management benefit expenses	13,525	13,045	9,956	9,837
Employee benefit expenses	66,606	66,963	37,905	33,667
Depreciation and amortization expenses	50,690	57,140	17,628	17,269
Finance costs	31,328	17,812	6,971	4,192
Other expenses	112,370	62,738	22,429	16,540
Total expenses	2,183,561	1,334,179	236,198	243,116

16. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the three-month and six-month periods ended June 30, 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			
	June 30, 2012		December 31, 2011		June 30, 2012		December 31, 2011	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets								
USD	6,049.18	191,680.92	85.17	2,687.15	3.96	125.41	3.96	124.81
VND	531.50	0.80	531.50	0.80	-	-	-	-
Total		191,681.72		2,687.95		125.41		124.81
Liabilities								
- Portion due within one year								
USD	5,132.99	164,062.01	237.89	7,572.50	90.10	2,880.06	108.80	3,463.31
SGD	293.00	7,380.73	293.00	7,211.93	-	-	-	-
EUR	66.40	2,664.69	88.18	3,645.29	66.40	2,664.69	88.18	3,645.29
Total		174,107.43		18,429.72		5,544.75		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	June 30, 2012	Producing porcelain insulators	May 31, 2020
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 :

		FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2012							THOUSAND BAHT	
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		260,487	78,767	13,821	1,914,050	19,961	913	9,918	-	2,297,917
Cost of sales and services		(121,814)	(66,626)	(11,185)	(1,810,936)	(11,318)	(716)	(4,564)	(6,747)	(2,033,906)
Gross profit (loss) by segment		138,673	12,141	2,636	103,114	8,643	197	5,354	(6,747)	264,011
Non-allocation expenses										(118,327)
Profit from operation										145,684
Other income										15,577
Finance costs										(31,328)
Share of loss from investments in associate										(3,400)
Income tax expenses										(6,130)
Profit for the period										120,403
Profit attributable to										
Equity holders of the parent										119,744
Non-controlling interests										659
Fixed assets-net		732,280	4,781	20,325	636,210		112	97,491	474,557	1,965,756

THOUSAND BAHT

		FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011							
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	137,201	154,582	12,284	977,606	32,586	32,761	22,772	33	1,369,825
Cost of sales and services	(77,073)	(125,572)	(9,753)	(957,368)	(20,954)	(26,434)	(24,561)	(6,507)	(1,248,222)
Gross profit (loss) by segment	60,128	29,010	2,531	20,238	11,632	6,327	(1,789)	(6,474)	121,603
Non-allocation expenses									(68,145)
Profit from operation									53,458
Other income									11,945
Finance costs									(17,812)
Share of profit from investments in associate									3,924
Income tax expenses									(9,935)
Profit for the period									41,580
Profit (loss) attributable to Equity holders of the parent									43,339
Non-controlling interests									(1,759)
Fixed assets-net	307,416	5,540	20,021	590,736		239	130,173	496,801	1,550,926

20. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Letters of guarantee issued by commercial bank	305.49	253.50	108.31	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 3,092 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 six-month periods ended June 30,

PARTICULARS	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	1,723	3,097	1,678	3,054
AI Engineering Services Co., Ltd.	-	-	-	261
AI Energy Co., Ltd.	-	-	7,400	81
AI Ports and Terminals Co., Ltd.	-	-	-	11,550
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	66,346	143,031	66,346	143,031
Dividend income				
AI Engineering Services Co., Ltd.	-	-	2,995	2,995
Other income - rental				
PPC Asian Insulators Co., Ltd.	619	619	619	619
AI Engineering Services Co., Ltd.	-	-	228	228
AI Logistic Co., Ltd.	-	-	50	50
Other income - services				
PPC Asian Insulators Co., Ltd.	789	745	789	745
AI Engineering Services Co., Ltd.	-	-	337	362
AI Logistic Co., Ltd.	-	-	238	235
AI Energy Co., Ltd.	-	-	559	1,513
AI Ports and Terminals Co., Ltd.	-	-	318	333
Other income - interest income				
AI Logistic Co., Ltd.	-	-	2,895	1,958
AI Energy Co., Ltd.	-	-	3,237	4,740
AI Ports and Terminals Co., Ltd.	-	-	2,991	1,139
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	17,983	79,062	17,983	79,062
Purchase of consumed supply				
PPC Asian Insulators Co., Ltd.	21	43	21	43
AI Engineering Services Co., Ltd.	-	-	-	36
AI Energy Co., Ltd.	-	-	35	-

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	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Trade accounts receivable				
PPC Asian Insulators Co., Ltd.	27,193	29,040	27,193	29,040
AI Energy Co., Ltd.	-	-	1,980	-
Related parties receivable				
PPC Asian Insulators Co., Ltd.	8,340	4,257	8,340	4,257
AI Engineering Services Co., Ltd.	-	-	14	10
AI Logistic Co., Ltd.	-	-	3	2
Short - term loans to related parties				
AI Logistic Co., Ltd.	-	-	129,000	129,000
AI Energy Co., Ltd.	-	-	150,000	200,000
AI Ports and Terminals Co., Ltd.	-	-	150,000	120,000
Electrical system installation and supervising construction of factory				
AI Engineering Services Co., Ltd.	-	-	17,505	33,345
Trade accounts payable				
PPC Asian Insulators Co., Ltd.	13,517	16,664	13,517	16,664
Related parties payable				
AI Engineering Services Co., Ltd.	-	-	11,032	11,620
AI Energy Co., Ltd.	-	-	-	35
Advance interest received				
AI Energy Co., Ltd.	-	-	1,648	-
Retention payable				
AI Engineering Services Co., Ltd.	-	-	1,950	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	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Debt to equity ratio	1.26 : 1	1.31 : 1	0.34 : 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 June 30, 2012, the Company has received notification of the final outcome of the aforementioned issues from the Revenue Office. No damage caused from such disputes.

24. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

The Company and subsidiaries have reclassified some accounting transactions of statements of cash flows for the six-month period ended June 30, 2011 to conform with the current period 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 previously reported profit or shareholders' equity.

25. FINANCIAL STATEMENTS APPROVAL

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