

ASIAN INSULATORS PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

MARCH 31, 2013

518/3 อาคารเมญ่าเซ็นเตอร์ นอร์ท ชั้น 7
ถนนเพลินจิต แขวงลุมพินี
เขตปทุมวัน กรุงเทพฯ 10330
โทร./โทรสาร 0-2252-2860, 0-2255-2518
0-2254-1210, 0-2250-0634
0-2254-8386-7
โทรสาร อัดโนมิติ 0-2253-8730
อีเมล virach5183@yahoo.com
เว็บไซต์ http://www.vaaudit.com

V & A

บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอตส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS

518/3 Maneeeya Center North Building, 7th Floor
Ploenchit Road, Lumpinee District
Khet Patumwan, Bangkok 10330
Tel./Fax 66 (0) 2252-2860, 2255-2518
2254-1210, 2250-0634
2254-8386-7
Auto Fax 66 (0) 2253-8730
Email virach5183@yahoo.com
Website http://www.vaaudit.com

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, 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, 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 period. 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 review.

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 period ended March 31, 2013 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, 2013, included the investments amount of Baht 28.17 million and share of loss of the associate for the three-month period ended March 31, 2013, amount of Baht 2.31 million. And I was unable to apply the other reviewing procedures to satisfy in such transaction.

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.

6

Emphasis of matters

According to Note 3 to the interim financial statements, in 2013 the Company and subsidiaries have changed its accounting policy on income taxes. Thus, the statement of position as at December 31, 2012 and interim financial statements for the three-month period ended March 31, 2012, shown herein as comparison have been restated from the effect of change accounting policy. I have audited the adjusted transactions for the statements of financial position as at December 31, 2012 and have reviewed the adjusted transactions for the interim financial statements for the three-month period ended March 31, 2012. In my opinion, the adjusted transactions are appropriate and fairly adjusted.

Other matter

The consolidated statements of financial position of Asian Insulators Public Company Limited and its subsidiaries and the separate of Asian Insulators Public Company Limited as at December 31, 2012, shown herein as comparison were audited by another auditor from the same firm, with unqualified opinion according to the report dated February 20, 2013. The related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2012, shown herein as comparison were reviewed by another auditor from the same firm, except for the record on investments in associated company 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, nothing has come to the attention that causes him 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, with the report dated on May 8, 2012.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Co., Ltd.

Bangkok: May 9, 2013

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
		MARCH 31, 2013	DECEMBER 31, 2012	MARCH 31, 2013	DECEMBER 31, 2012
		UNAUDITED REVIEWED	AUDITED (RESTATED)	UNAUDITED REVIEWED	AUDITED (RESTATED)
Current Assets					
Cash and cash equivalents	5	80,838	89,272	38,722	57,337
Short-term investments	6	226,925	173,754	53,248	3,168
Trade and other receivables	7	551,577	519,166	149,193	222,917
Short-term loans to related parties	8	-	-	404,000	394,000
Unbilled receivables		16,267	22,049	-	-
Inventories		552,469	893,156	117,681	105,211
Oil supplies		2,052	2,300	-	-
Advance payment to subcontractors		114	1,305	-	-
Other current assets					
Refundable value added tax		1,690	806	-	-
Withholding tax		6,377	8,077	-	-
Others		614	114	445	24
Total other current assets		8,681	8,997	445	24
Non-current assets classified as held for sale					
		2	2	2	2
Total Current Assets		1,438,925	1,710,001	763,291	782,659
Non-current Assets					
Investments in associated company	9	28,174	30,485	26,400	26,400
Investments in subsidiaries	10	-	-	957,766	957,766
Other long-term investments					
Fixed deposits with obligation	11	2,000	-	-	-
Property, plant, vessel and equipment		1,928,760	1,921,059	721,264	716,305
Intangible assets		8,285	8,762	8,234	8,708
Deferred tax assets	17	34,142	45,453	4,578	4,224
Other non-current assets					
Deposit on assets		15,046	13,165	9,773	11,260
Others		452	452	328	328
Total other non-current assets		15,498	13,617	10,101	11,588
Total Non-current Assets		2,016,859	2,019,376	1,728,343	1,724,991
TOTAL ASSETS		3,455,784	3,729,377	2,491,634	2,507,650

hr

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

		THOUSAND BAHT				
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		
		As at	As at	As at	As at	
		MARCH 31, 2013	DECEMBER 31, 2012	MARCH 31, 2013	DECEMBER 31, 2012	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
Notes		REVIEWED	(RESTATED)	REVIEWED	(RESTATED)	
Current Liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	12	1,380,127	1,662,998	360,000	400,000
	Trade and other payables	13	180,232	202,113	55,916	55,101
	Current portion of long-term loans	14	106,500	165,050	74,988	99,988
	Advances received from construction		3,089	4,904	-	-
	Retention payables		2,055	1,427	3,087	2,491
	Accrued interest		2,607	2,574	433	672
	Accrued income tax		6,780	5,496	6,283	5,496
Other current liabilities						
	Undue value added tax		24,308	19,642	3,570	3,208
	Undue sale tax		1,469	172	-	-
	Others		1,444	1,906	513	1,409
	Total other current liabilities		27,221	21,720	4,083	4,617
Total Current Liabilities			1,708,611	2,066,282	504,790	568,365
Non-current Liabilities						
Long-term loans from						
	financial institutions	14	79,921	87,799	-	-
	Provision for long-term employee benefits		32,891	30,017	22,955	21,186
Total Non-current Liabilities			112,812	117,816	22,955	21,186
TOTAL LIABILITIES			1,821,423	2,184,098	527,745	589,551

h

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, 2013	DECEMBER 31, 2012	MARCH 31, 2013	DECEMBER 31, 2012
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	REVIEWED	(RESTATED)	REVIEWED	(RESTATED)
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				
Appropriated				
Legal reserve	50,000	50,000	50,000	50,000
Unappropriated	174,324	86,142	511,120	465,330
Total Equity of the Parent	1,627,093	1,538,911	1,963,889	1,918,099
Non-controlling interests	7,268	6,368	-	-
Total Shareholders' Equity	1,634,361	1,545,279	1,963,889	1,918,099
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,455,784	3,729,377	2,491,634	2,507,650

h

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

THOUSAND BAHT

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
			(RESTATED)		(RESTATED)
REVENUES					
Sales		1,249,086	1,134,282	169,382	203,535
Revenues from production contract		22,226	11,634	-	-
Construction contract		13,581	-	-	-
Vessel operating income		14,028	7,033	-	-
Other incomes					
Interest income		-	21	4,347	4,480
Unrealized gain on investments in Open-end Fund		1,145	1,703	80	499
Gain on disposal of Open-end Fund		26	9	-	-
Rental and services income rendered to related parties	22.1	642	650	1,524	1,504
Others		1,758	6,674	823	459
Total other incomes		3,571	9,057	6,774	6,942
Total Revenues		1,302,492	1,162,006	176,156	210,477
EXPENSES					
Cost of sales		1,107,055	975,829	103,402	109,287
Cost of production contract		9,600	6,405	-	-
Cost of construction contract		10,948	-	-	-
Cost of vessel operating		10,482	2,088	-	-
Cost of port service		270	3,604	-	-
Selling expenses		17,437	16,344	2,294	2,146
Administrative expenses		24,495	48,134	19,057	14,958
Directors' remuneration	15	567	567	567	567
Finance costs		17,558	15,928	4,558	3,178
Total Expenses	16	1,198,412	1,068,899	129,878	130,136
Share of loss from investments in associate		(2,311)	(2,155)	-	-
Profit before income tax expenses		101,769	90,952	46,278	80,341
Income tax expenses	17	(12,687)	(12,106)	(488)	(2,062)
Profit for the periods		89,082	78,846	45,790	78,279

14

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (RESTATED)	2013	2012 (RESTATED)
Other comprehensive income for the periods	-	-	-	-
Total comprehensive income for the periods	<u>89,082</u>	<u>78,846</u>	<u>45,790</u>	<u>78,279</u>
Profit Attributable to				
Equity holders of the parent	88,182	78,390	45,790	78,279
Non-controlling interests	900	456	-	-
	<u>89,082</u>	<u>78,846</u>	<u>45,790</u>	<u>78,279</u>
Earnings per Share of the Parent (Baht)				
Basic Earnings per Share	0.18	0.16	0.09	0.16
Issued and paid-up 500,000,000 common stocks				h

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

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)		Other components of equity	Total equity of the parent			
				Legal reserve	Unappropriated					
<u>Year 2012</u>										
Beginning balances as at January 1, 2012 -before restated		500,000	902,769	50,000	(32,362)	-	1,420,407	26,438	1,446,845	
Cumulative effect of the change in accounting policy	3				42,373	-	42,373	621	42,994	
Restated balances		500,000	902,769	50,000	10,011	-	1,462,780	27,059	1,489,839	
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								456	456	
Total comprehensive income for the period							78,390		78,846	
Ending balances as at March 31, 2012		500,000	902,769	50,000	88,401	-	1,541,170	6,725	1,547,895	
<u>Year 2013</u>										
Beginning balances as at January 1, 2013 -before restated		500,000	902,769	50,000	32,852	-	1,485,621	5,542	1,491,163	
Cumulative effect of the change in accounting policy	3				53,290	-	53,290	826	54,116	
Restated balances		500,000	902,769	50,000	86,142	-	1,538,911	6,368	1,545,279	
Total comprehensive income for the period					88,182	-	88,182	900	89,082	
Ending balances as at March 31, 2013		500,000	902,769	50,000	174,324	-	1,627,093	7,268	1,634,361	

62

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 PERIOD ENDED MARCH 31, 2013

SEPARATE FINANCIAL STATEMENTS

THOUSAND BAHT

	Note	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of equity	Total shareholders' equity
				Legal reserve	Unappropriated		
<u>Year 2012</u>							
Beginning balances as at January 1, 2012 - before restated		500,000	902,769	50,000	284,976	-	1,737,745
Cumulative effect of the change in accounting policy	3	500,000	902,769	50,000	4,064	-	4,064
Restated balances		500,000	902,769	50,000	289,040	-	1,741,809
Total comprehensive income for the period					78,279	-	78,279
Ending balances as at March 31, 2012		500,000	902,769	50,000	367,319	-	1,820,088
<u>Year 2013</u>							
Beginning balances as at January 1, 2013 -before restated		500,000	902,769	50,000	461,106	-	1,913,875
Cumulative effect of the change in accounting policy	3				4,224	-	4,224
Restated balances		500,000	902,769	50,000	465,330	-	1,918,099
Total comprehensive income for the period					45,790	-	45,790
Ending balances as at March 31, 2013		500,000	902,769	50,000	511,120	-	1,963,889

6

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/2)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

THOUSAND BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX EXPENSES	101,769	90,952	46,278	80,341
ADJUSTMENTS TO RECONCILE NET PROFIT BEFORE INCOME TAX EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	29,424	24,485	16,964	7,557
Amortization of computer softwares	477	462	474	455
(Gain) loss on vessel and equipment disposal	(471)	2,138	(471)	(18)
Loss on unused equipment	-	11	-	-
Unrealized gain on investments in Open-end Fund	(1,145)	(1,703)	(80)	(499)
Reverse loss on diminution in inventory value	(8,467)	-	-	-
Share of loss from investments in associate	2,311	2,155	-	-
Tranferred loss of non-controlling interests due to share purchase from old shareholders	-	18,510	-	-
Unrealized (gain) loss on exchange rates	(176)	200	(135)	145
Long-term employee benefit expenses	2,874	913	1,769	688
Interest income	-	(21)	(4,347)	(4,480)
Interest expenses	16,917	13,987	4,372	2,989
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	143,513	152,089	64,824	87,178
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Short-term investments	(52,026)	(101,009)	(50,000)	(70,000)
Trade and other receivables	(32,613)	(34,794)	78,071	15,247
Unbilled receivables	5,782	1,855	-	-
Inventories	349,154	195,560	(12,470)	13,141
Oil supplies	248	(1,448)	-	-
Advance payment to subcontractors	1,191	-	-	-
Other current assets	(1,384)	2,558	(421)	2,286
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	(20,568)	23,773	(6,893)	1,674
Advance received from construction	(1,815)	4,524	-	-
Retention payables	628	3,343	596	3,789
Other current liabilities	5,501	(515)	(534)	(2,016)
Provision for long-term employee benefits	-	(979)	-	(708)
CASH PROVIDED FROM OPERATING ACTIVITIES	397,611	244,957	73,173	50,591

h

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/2)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013

THOUSAND BAHT

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH PROVIDED FROM OPERATING ACTIVITIES	397,611	244,957	73,173	50,591
Income tax refunded	2,116	-	-	-
Income tax expenses paid	(508)	(980)	(55)	(115)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	399,219	243,977	73,118	50,476
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in short-term loans to related parties	-	-	(10,000)	40,000
Interest received	-	21	-	4,480
Increase in fixed deposits with obligation	(2,000)	-	-	-
Payment for shares purchase in subsidiaries				
from old shareholders	-	(39,300)	-	(39,300)
Purchase of property, plant, vessel and equipment	(29,107)	(53,728)	(11,218)	(39,694)
Interest payment for plant construction				
and equipment installation	(262)	(2,877)	(14)	(2,119)
Proceeds from disposal of vessel and equipment	471	14,690	471	18
Increase in intangible assets	-	(45)	-	(23)
Payment deposit on assets	(4,847)	(445)	-	(224)
Payment assets payable	(5,725)	(26,376)	(1,361)	(21,471)
NET CASH USED IN INVESTING ACTIVITIES	(41,470)	(108,060)	(22,122)	(58,333)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and				
short-term loans from financial institutions	(282,871)	(126,183)	(40,000)	-
Interest expenses paid	(16,884)	(18,129)	(4,611)	(5,125)
Payment for long-term loans from financial institutions	(66,428)	(57,928)	(25,000)	(25,000)
NET CASH USED IN FINANCING ACTIVITIES	(366,183)	(202,240)	(69,611)	(30,125)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,434)	(66,323)	(18,615)	(37,982)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	89,272	163,727	57,337	68,641
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	80,838	97,404	38,722	30,659

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash flows items :

Assets payable for plant and equipment	4,790	18,224	9,204	11,628
Transferred deposit to plant and equipment	2,966	8,738	1,487	8,468

h

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

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, 2012.

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, 2013	DECEMBER 31, 2012
<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	97.94	97.94
AI Energy Company Limited	98.00	98.00
AI Ports and Terminals Company Limited	99.00	99.00

- 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 2013, the Federation of Accounting Professions has issued the new accounting standards not yet effective as follow:

Become effective to the financial statements for periods beginning on or after January 1, 2014.

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment

Become effective to the financial statements for periods beginning on or after January 1, 2016.

TFRS 4	Insurance Contracts
--------	---------------------

Management of group companies is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

3. CHANGE IN ACCOUNTING POLICY

In year 2013, the Company and subsidiaries have adopted accounting policy of deferred tax in accordance with Thai Accounting Standard No. 12: Income Taxes. To adopt this accounting policy, the Company and subsidiaries have to restate the financial statements, as if the Company and subsidiaries have recorded deferred tax assets or deferred tax liabilities. Therefore, the information of the consolidated and separate statements for the year ended December 31, 2012 and for the three-month period ended March 31, 2012, shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

THOUSAND BAHT

PARTICULARS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	January 1, 2013	January 1, 2012	January 1, 2013	January 1, 2012
Increase in investments in associated company	8,663	8,165	-	-
Increase in deferred tax assets	45,453	34,829	4,224	4,064
Increase in shareholders' equity	54,116	42,994	4,224	4,064
Increase in non-controlling interests	(826)	(621)	-	-
Increase in retained earnings of the parent	53,290	42,373	4,224	4,064

THOUSAND BAHT

PARTICULARS IN STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD END MARCH 31, 2012	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
	Increase in income tax from deferred tax expense	10,046
Decrease profit for the period	10,046	90
Profit attributable to		
Decrease equity holders of the parent	9,839	90
Decrease non-controlling interests	207	-

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, 2012, except for the change in the accounting policy due to the adoption of Thai Accounting Standard No. 12: Income Taxes as follow:

Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addtible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

At each statements of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

Income tax expenses

Income tax expenses from profit/loss for the period consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

5. CASH AND CASH EQUIVALENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Cash	354	390	145	145
Savings account	80,273	88,657	38,426	57,025
Current account	211	225	151	167
Total cash and cash equivalents	80,838	89,272	38,722	57,337

6. SHORT-TERM INVESTMENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Investments in Open-end Fund-Debt securities	225,780	169,286	53,168	3,087
<u>Add</u> Allowance for investment adjustment	1,145	4,468	80	81
Investments in Open-end Fund - fair value	226,925	173,754	53,248	3,168

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, 2013			December 31, 2012		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	122,305	340,547	462,852	159,127	223,075	382,202
- Overdue within 3 months	1,081	61,653	62,734	2,347	113,008	115,355
- Over 3 to 6 months	421	4,357	4,778	125	-	125
- Over 6 to 12 months	125	-	125	-	-	-
- Over 12 months	-	3,753	3,753	-	3,753	3,753
Total trade accounts receivable	123,932	410,310	534,242	161,599	339,836	501,435
<u>Less</u> Allowance for doubtful accounts	-	(3,753)	(3,753)	-	(3,753)	(3,753)
Total trade accounts receivable	123,932	406,557	530,489	161,599	336,083	497,682
Retention receivables	5,875	-	5,875	5,072	-	5,072
Trade accounts receivable - net	129,807	406,557	536,364	166,671	336,083	502,754
Other receivables	-	15,213	15,213	-	16,412	16,412
Total trade and other receivables - net	129,807	421,770	551,577	166,671	352,495	519,166

THOUSAND BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	March 31, 2013			December 31, 2012		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	105,737	14,235	119,972	156,490	12,027	168,517
- Overdue within 3 months	1,081	12,921	14,002	2,347	41,757	44,104
- Over 3 to 6 months	421	-	421	125	-	125
- Over 6 to 12 months	125	-	125	-	-	-
Total trade accounts receivable	107,364	27,156	134,520	158,962	53,784	212,746
Other receivables	-	14,673	14,673	-	10,171	10,171
Total trade and other receivables	107,364	41,829	149,193	158,962	63,955	222,917

8. SHORT-TERM LOANS TO RELATED PARTIES

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	March 31, 2013			
	AI Logistics Co., Ltd.	AI Energy Co., Ltd.	AI Port and Terminal Co., Ltd.	Total
Beginning principal balances	49,000	150,000	195,000	394,000
Add: Additional loans extended during the period	-	-	10,000	10,000
Ending principal balances	49,000	150,000	205,000	404,000
Interest rates	4.50 %	4.25 %	4.50 %	4.25 - 4.50 %

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	December 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	-	-	75,000	75,000
Less: Settlement during the period	(80,000)	(50,000)	-	(130,000)
Ending principal balances	49,000	150,000	195,000	394,000
Interest rates	4.50 %	4.25 %	4.50 %	4.25 - 4.50 %

The Company has settled loans from AI Logistics Company Limited amount of Baht 80 million by investing in the share capital increase (see Note 10).

9. INVESTMENTS IN ASSOCIATE

THOUSAND BAHT

ASSOCIATE	% HOLDING		CONSOLIDATED BY EQUITY METHOD		SEPARATE FINANCIAL STATEMENTS BY COST METHOD	
	Mar. 31, 13	Dec. 31, 12	Mar. 31, 13	Dec. 31, 12	Mar. 31, 13	Dec. 31, 12
PPC Asian Insulators Company Limited	25.10	25.10	28,174	30,485	66,000	66,000
<u>Less</u> Provision for diminution in investment			-	-	(39,600)	(39,600)
Investment in Associate - net			28,174	30,485	26,400	26,400

THOUSAND BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Mar. 31, 13	Dec. 31, 12	Mar. 31, 13	Mar. 31, 12
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, 2013 and 2012, 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, 13	Dec. 31, 12	Mar. 31, 13	Dec. 31, 12
AI Engineering Services Company Limited	99.84	99.84	197,000	197,000
AI Logistic Company Limited	97.94	97.94	156,700	156,700
AI Energy Company Limited	98.00	98.00	351,616	351,616
AI Ports and Terminals Company Limited	99.00	99.00	252,450	252,450
Total Investments in Subsidiaries			957,766	957,766

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Mar. 31, 13	Dec. 31, 12	Mar. 31, 13	Mar. 31, 12
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station	200,000	200,000	-	-
AI Logistic Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	160,000	160,000	-	-
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 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

Later in September 2012, AI Logistic Company Limited has increased the share capital in the amount of Baht 80 million at par value. The Company has invested the whole amount, resulting the increase in shareholding proportion to be 97.94%.

11. FIXED DEPOSITS WITH OBLIGATION

In 2013, the subsidiary has pledged deposit at bank as collateral for the issuance of bank guarantee for the work retention.

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Bank overdrafts	127	85	-	-
Short-term loans from financial institutions	1,380,000	1,662,913	360,000	400,000
Total	1,380,127	1,662,998	360,000	400,000

13. TRADE AND OTHER PAYABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Trade accounts payable	139,814	176,806	37,504	47,628
Assets payable	4,790	5,725	9,204	1,361
Advance received from customers	10,458	4,461	1,548	2,033
Accrued expenses	25,170	15,121	7,660	4,079
Total trade and other payables	180,232	202,113	55,916	55,101

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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Mar. 31, 13	Dec. 31, 12
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.	74,988	99,988
Long-term loans from financial institutions	Separate financial statements **	74,988	99,988
<u>Less</u> Current portion of long-term loans		(74,988)	(99,988)
Long-term loans from financial institutions-net	Separate financial statements	-	-
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.	-	5,250

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Mar. 31, 13	Dec. 31, 12
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.	-	6,250
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.	-	13,000
Baht 90 million started on April 4, 2009 by AI Ports and Terminals Company Limited	- The principal will be repaid by monthly under condition and amount as specified in the agreement with the first installment in September 2009 and will be finished within August 2016. - Monthly payment of interest rate at MLR per annum. - Interest rate swap contracts to be fixed rate at 7.64% per annum from February 2012 until February 2015.	49,610	53,240
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.	23,784	25,539
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.	-	9,050
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.	8,166	8,658

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Mar. 31, 13	Dec. 31, 12
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.	29,873	31,874
Long-term loans from financial institutions	Consolidated (Total **)	186,421	252,849
<u>Less</u> Current portion of long-term loans		(106,500)	(165,050)
Long-term loans from financial institutions-net	Consolidated	79,921	87,799

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, port and terminal with structure of subsidiaries with jointly guaranteed by the Company.

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

15. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 10, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved a resolution to pay dividend for 2013 from the BOI business operating result of year 2012 to the shareholders of 500 million shares at Baht 0.45 per share, amount Baht 225 million, of which the interim dividend was duly paid on September 7, 2012 at Baht 0.10 per share, amount Baht 50 million, and to pay additional dividend to the shareholders at Baht 0.35 per share, amount Baht 175 million. The dividend will be paid on May 9, 2013. The Meeting also approved to pay the directors' remuneration for 2013 at the maximum of Baht 2.80 million.

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.

16. EXPENSES BY NATURE

THOUSAND BAHT

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
(Increase) decrease in change of finished goods and work in progress	114,050	66,370	(22,425)	7,031
Raw materials and consumables used	913,173	684,567	77,823	75,270
Construction materials and subcontractors	10,721	-	-	-
Vessel operating expenses	6,264	517	-	-
Purchase of goods for sale	9,771	175,661	9,660	3,796
Management benefit expenses	5,553	6,529	4,339	4,872
Employee benefit expenses	43,792	32,689	25,113	19,248
Depreciation and amortization expenses	29,901	24,947	17,438	8,012
Finance costs	17,558	15,928	4,558	3,178
Reverse loss on diminution in inventory value	(8,467)	-	-	-
Other expenses	56,096	61,691	13,372	8,729
Total expenses	1,198,412	1,068,899	129,878	130,136

17. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the three-month periods ended March 31, 2013 and 2012 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 20 per cent for year 2013, and the rate of 23 per cent for year 2012.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 19).

Income taxes recognized in income statement consist:

THOUSAND BAHT

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
The corporate income tax for the periods	1,376	2,060	842	1,972
Amortisation and reversal of temporary differences assets/liabilities on temporary differences	11,311	10,046	(354)	90
Income tax expenses	12,687	12,106	488	2,062

As at March 31, 2013 and December 31, 2012, the deferred tax assets/liabilities arose from the following temporary differences:

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Mar. 31, 13	Dec. 31, 12	Mar. 31, 13	Dec. 31, 12
Temporary differences in the statements of comprehensive income				
Unrealized gain on investments in Open-end Fund	(1,145)	(4,468)	(80)	(81)
Allowance for doubtful trade accounts receivable	3,753	3,753	-	-
Provision for diminution in inventories	127	8,594	-	-
Allowance for diminution in non-current assets classified as held for sale	16	16	16	16
Provision for long-term employee benefits	32,891	30,017	22,955	21,186
Tax deficits	135,066	189,354	-	-
Total	170,708	227,266	22,891	21,121
Deferred tax assets calculated from tax rate of 20%	34,142	45,453	4,578	4,224

18. FOREIGN CURRENCY TRANSACTIONS

18.1 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, 2013		December 31, 2012		March 31, 2013		December 31, 2012	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	299.32	8,730.81	8.51	259.29	8.85	258.18	8.33	254.04
VND	-	-	531.50	0.80	-	-	-	-
Total		8,730.81		260.09		258.18		254.04
<u>Liabilities</u>								
- Portion due within one year								
USD	307.82	9,065.88	246.20	7,577.49	96.53	2,842.58	183.36	5,643.36
SGD	146.50	3,495.46	146.50	3,667.50	-	-	-	-
EUR	111.50	4,221.23	41.50	1,695.70	111.50	4,221.23	41.50	1,695.70
Total		16,782.57		12,940.69		7,063.81		7,339.06

18.2 The Company and subsidiary have entered into Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rates fluctuation which may affect to amount of Baht as follows :

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED			
	Foreign currency	Fair value (Baht)	Estimated exchange rates (Baht)	Delivery dates
As at March 31, 2013				
<u>Asian Insulators Plc.</u>				
Selling forward exchange contracts				
USD	906.66	27,235.04	30.0389	Jul. 2013

UNIT : THOUSAND

PARTICULARS	CONSOLIDATED			
	Foreign currency	Fair value (Baht)	Estimated exchange rates (Baht)	Delivery dates
As at December 31, 2012				
<u>AI Energy Co., Ltd.</u>				
Selling forward exchange contracts				
USD	1,846.00	56,638.05	30.6815 - 30.7506	Feb. 2013

19. 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 12, 2012	Producing porcelain insulators	June 11, 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.

20. FINANCIAL INFORMATION BY SEGMENT

The information by segment is as follows :

CONSOLIDATED	THOUSAND BAHT								
	FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013								
	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	138,344	34,258	6,466	1,070,018	22,226	13,581	14,028	-	1,298,921
Cost of sales and services	(73,006)	(30,271)	(5,829)	(997,949)	(9,600)	(10,948)	(10,482)	(270)	(1,138,355)
Gross profit (loss) by segment	65,338	3,987	637	72,069	12,626	2,633	3,546	(270)	160,566
Non-allocation expenses									(42,499)
Profit from operation									118,067
Other income									3,571
Finance costs									(17,558)
Share of loss from investments in associate									(2,311)
Income tax expenses									(12,687)
Profit for the period									89,082
Profit attributable to									
Equity holders of the parent									88,182
Non-controlling interests									900
Property, plant, vessel and equipment-net	717,181	3,617	20,258	637,814	218	85,156	464,516		1,928,760

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2012									
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	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									(12,106)
Profit for the period									78,390
Profit attributable to									456
Equity holders of the parent									
Non-controlling interests									
Property, plant, vessel and equipment-net	654,878	5,148	20,521	638,049		126	99,437	480,117	1,898,276

21. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Letters of guarantee issued by commercial banks	356.46	307.11	82.44	109.23

The subsidiaries have mortgaged land, plant, port and terminals 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 2,832 million, and two subsidiaries in the group have made inter-guarantee amount of Baht 410 million.

22. 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:

22.1 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, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Sales of products and raw materials				
PPC Asian Insulators Co., Ltd.	707	793	707	766
AI Energy Co., Ltd.	-	-	6,475	-
AI Ports and Terminals Co., Ltd.	-	-	5,254	-
Sales of hybrid clay				
PPC Asian Insulators Co., Ltd.	34,256	29,485	34,256	29,485
Other income - rental				
PPC Asian Insulators Co., Ltd.	310	310	310	310
AI Engineering Services Co., Ltd.	-	-	114	114
AI Logistic Co., Ltd.	-	-	25	25
Other income - services				
PPC Asian Insulators Co., Ltd.	332	340	332	340
AI Engineering Services Co., Ltd.	-	-	198	162
AI Logistic Co., Ltd.	-	-	115	113
AI Energy Co., Ltd.	-	-	278	280
AI Ports and Terminals Co., Ltd.	-	-	152	160
Other income - interest income				
AI Logistic Co., Ltd.	-	-	544	1,447
AI Energy Co., Ltd.	-	-	1,572	1,647
AI Ports and Terminals Co., Ltd.	-	-	2,231	1,386
Purchases of scrap clay				
PPC Asian Insulators Co., Ltd.	18,099	15,610	18,099	15,610
Purchase of consumed supply				
PPC Asian Insulators Co., Ltd.	1	-	1	-
AI Energy Co., Ltd.	-	-	22	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.

22.2 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, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Trade accounts receivable				
PPC Asian Insulators Co., Ltd.	20,224	46,226	20,224	46,226
AI Energy Co., Ltd.	-	-	990	-
AI Ports and Terminals Co., Ltd.	-	-	2,969	1,306
Related parties receivable				
PPC Asian Insulators Co., Ltd.	8,238	8,232	8,238	8,232
AI Engineering Services Co., Ltd.	-	-	19	16
AI Logistic Co., Ltd.	-	-	3	3
Short - term loans to related parties				
AI Logistic Co., Ltd.	-	-	49,000	49,000
AI Energy Co., Ltd.	-	-	150,000	150,000
AI Ports and Terminals Co., Ltd.	-	-	205,000	195,000
Electrical system installation and supervising construction of factory				
AI Engineering Services Co., Ltd.	-	-	5,380	17,990
Sales of equipment				
AI Energy Co., Ltd.	-	-	-	40
AI Ports and Terminals Co., Ltd.	-	-	-	61
Trade accounts payable				
PPC Asian Insulators Co., Ltd.	11,862	27,893	11,862	27,893
Related parties payable				
AI Engineering Services Co., Ltd.	-	-	5,885	-
AI Energy Co., Ltd.	-	-	-	32
Retention payable				
AI Engineering Services Co., Ltd.	-	-	2,489	2,489

23. 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, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Debt to equity ratio	1.11 : 1	1.41 : 1	0.27 : 1	0.31 : 1

24. EVENT AFTER THE REPORTING PERIOD

In 2013, the Company will have to restructure group of companies plan to list AI Energy Company Limited (subsidiary) on the Stock Exchange of Thailand within year 2013, which is planned as follow:

- Convert short-term loan to related parties in two subsidiaries which are AI Logistic Company Limited amount of Baht 49.00 million and AI Port and Terminals Company Limited amount of Baht 205.00 million, by two subsidiaries will increase share capital for settlement loans.

- The Company will sell investment in common stock of two subsidiaries, which are AI Logistic Company Limited of 20,570,000 shares amount of Baht 81.37 million and AI Port and Terminals Company Limited of 45,745,000 shares amount of Baht 350.44 million, to AI Energy Company Limited with book value as at December 31, 2012.

- The Company will purchase the stocks increase of AI Energy Company Limited of Baht 585.07 million which AI Energy Company Limited will increase from Baht 370.00 million (37.00 million shares of Baht 10 each) to Baht 960.00 million (96.00 million shares of Baht 10 each) by issuing new shares of 59.00 million shares of Baht 10 each for settlement loan to the Company amount of Baht 150.00 million and to purchase common stocks from old shareholders in AI Logistic Company Limited of 20,899,998 shares amount of Baht 82.68 million or in shareholding proportion 99.99% and AI Port and Terminal Company Limited of 45,999,998 shares amount of Baht 352.40 million or in shareholding proportion 99.99%.

- Considering Spin off plan to list AI Energy Company Limited on the Stock Exchange of Thailand with Initial Public Offering of 445,000,000 shares with the par value Baht 1 per share consist of :

1. Existing common stock of 275,000,000 shares own by the Company
2. Newly issued common stock of 170,000,000 shares

Pre-emptive right of the Company shareholders for maximum of 250,000,000 shares or 2 : 1 for ordinary shares of AI Energy Company Limited, representing 56.18% of Initial Public Offering.

25. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on May 9, 2013.