

**ASIAN INSULATORS PUBLIC COMPANY LIMITED  
AND SUBSIDIARIES  
INTERIM CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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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 September 30, 2013, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2013, changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2013, 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 nine-month period ended September 30, 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 September 30, 2013, included the investments amount of Baht 22.55 million and share of loss of the associate for the three-month and nine-month periods ended September 30, 2013, amount of Baht 1.46 million and Baht 7.94 million, respectively. And I was unable to apply the other reviewing procedures to satisfy in such transaction.

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**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.

**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 statements of financial position as at December 31, 2012 and interim financial statements for the three-month and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 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 for the three-month and nine-month periods ended September 30, 2012, changes in shareholders' equity and cash flows for the nine-month period ended September 30, 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 November 6, 2012.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.

Bangkok: November 11, 2013

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

		<b>ASSETS</b>				
		THOUSAND BAHT				
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		
		As at	As at	As at	As at	
		SEPTEMBER 30, 2013	DECEMBER 31, 2012	SEPTEMBER 30, 2013	DECEMBER 31, 2012	
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	
Notes		REVIEWED	(RESTATED)	REVIEWED	(RESTATED)	
<b>Current Assets</b>						
	Cash and cash equivalents	5	180,933	89,272	80,601	57,337
	Short-term investments	6	191,240	173,754	3,321	3,168
	Trade and other receivables	7	554,100	519,166	247,080	222,917
	Short-term loans to related parties	8	-	-	-	394,000
	Unbilled receivables		12,565	22,049	-	-
	Inventories		612,498	893,156	124,855	105,211
	Construction contract in progress		228	-	-	-
	Oil supplies		1,856	2,300	-	-
	Advance payment to subcontractors		8,392	1,305	-	-
	Other current assets					
	Withholding tax		8,341	8,077	228	-
	Others		827	920	252	24
	Total other current assets		9,168	8,997	480	24
	Non-current assets classified as held for sale		-	2	-	2
	<b>Total Current Assets</b>		<b>1,570,980</b>	<b>1,710,001</b>	<b>456,337</b>	<b>782,659</b>
<b>Non-current Assets</b>						
	Investments in associated company	9	22,549	30,485	26,400	26,400
	Investments in subsidiaries	10	-	-	1,134,370	957,766
	Other long-term investments					
	Fixed deposits with obligation	11	2,000	-	-	-
	Property, plant, vessel and equipment		1,946,769	1,921,059	711,651	716,305
	Intangible assets		7,315	8,762	7,272	8,708
	Deferred tax assets	17	55,100	45,037	48,199	4,224
	Other non-current assets					
	Deposit on assets		10,161	13,165	-	11,260
	Others		478	452	328	328
	Total other non-current assets		10,639	13,617	328	11,588
	<b>Total Non-current Assets</b>		<b>2,044,372</b>	<b>2,018,960</b>	<b>1,928,220</b>	<b>1,724,991</b>
	<b>TOTAL ASSETS</b>		<b>3,615,352</b>	<b>3,728,961</b>	<b>2,384,557</b>	<b>2,507,650</b>

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

**LIABILITIES AND SHAREHOLDERS' EQUITY**

THOUSAND BAHT

	Notes	THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		SEPTEMBER 30, 2013	DECEMBER 31, 2012	SEPTEMBER 30, 2013	DECEMBER 31, 2012
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		REVIEWED	(RESTATED)	REVIEWED	(RESTATED)
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	12	1,345,000	1,662,998	505,000	400,000
Trade and other payables	13	290,555	202,113	58,318	55,101
Current portion of long-term loans	14	56,500	165,050	24,988	99,988
Advances received from construction		30,835	4,904	-	-
Retention payables		1,580	1,427	-	2,491
Accrued interest		1,665	2,574	825	672
Accrued income tax		153	5,496	-	5,496
Other current liabilities					
Undue value added tax		26,014	19,642	5,775	3,208
Undue sale tax		1,227	172	-	-
Others		1,897	1,906	536	1,409
Total other current liabilities		29,138	21,720	6,311	4,617
<b>Total Current Liabilities</b>		<b>1,755,426</b>	<b>2,066,282</b>	<b>595,442</b>	<b>568,365</b>
<b>Non-current Liabilities</b>					
Long-term loans from					
financial institutions	14	64,165	87,799	-	-
Provision for long-term employee benefits		35,487	30,017	24,332	21,186
<b>Total Non-current Liabilities</b>		<b>99,652</b>	<b>117,816</b>	<b>24,332</b>	<b>21,186</b>
<b>TOTAL LIABILITIES</b>		<b>1,855,078</b>	<b>2,184,098</b>	<b>619,774</b>	<b>589,551</b>

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	SEPTEMBER 30, 2013	DECEMBER 31, 2012	SEPTEMBER 30, 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	293,981	85,732	312,014	465,330
Other components of shareholders' equity	(3,259)	-	-	-
Total Equity of the Parent	1,743,491	1,538,501	1,764,783	1,918,099
Non-controlling interests	16,783	6,362	-	-
Total Shareholders' Equity	1,760,274	1,544,863	1,764,783	1,918,099
TOTAL LIABILITIES AND				
SHAREHOLDERS' EQUITY	3,615,352	3,728,961	2,384,557	2,507,650

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

	Notes	THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (RESTATED)	2013	2012 (RESTATED)
<b>REVENUES</b>					
Sales		1,050,389	999,617	261,326	258,098
Revenues from production contract		28,436	-	-	-
Construction contract		12,565	15,920	-	-
Vessel operating income		10,173	3,262	-	-
Other incomes					
Interest income		-	428	103	4,836
Unrealized gain on investments in Open-end Fund		1,096	1,239	19	21
Gain on disposal of Open-end Fund		41	-	-	-
Rental and services income rendered to related parties		661	656	1,525	1,512
Others		4,655	2,532	462	656
Total other incomes		6,453	4,855	2,109	7,025
<b>Total Revenues</b>		<b>1,108,016</b>	<b>1,023,654</b>	<b>263,435</b>	<b>265,123</b>
<b>EXPENSES</b>					
Cost of sales		867,980	857,954	157,334	138,915
Cost of production contract		14,819	-	-	-
Cost of construction contract		9,626	13,417	-	-
Cost of vessel operating		7,286	863	-	-
Selling expenses		10,796	15,737	2,040	2,008
Administrative expenses		34,477	31,913	16,608	18,217
Directors' remuneration	15	1,396	567	718	567
Finance costs		16,226	17,700	5,385	5,347
<b>Total Expenses</b>		<b>962,606</b>	<b>938,151</b>	<b>182,085</b>	<b>165,054</b>
Share of loss from investments in associate		(1,455)	(579)	-	-
<b>Profit before income tax expenses</b>		<b>143,955</b>	<b>84,924</b>	<b>81,350</b>	<b>100,069</b>
Income tax revenues (expenses)	17	12,195	(2,713)	23,344	(4,148)
<b>Profit for the periods</b>		<b>156,150</b>	<b>82,211</b>	<b>104,694</b>	<b>95,921</b>

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UNAUDITED

REVIEWED

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 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	156,150	82,211	104,694	95,921
Profit (Loss) Attributable to				
Equity holders of the parent	155,525	82,291	104,694	95,921
Non-controlling interests	625	(80)	-	-
	156,150	82,211	104,694	95,921
Earnings per Share of the Parent (Baht)				
Basic Earnings per Share	0.31	0.16	0.21	0.19
Issued and paid-up 500,000,000 common stocks				<i>to</i>

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



**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

		THOUSAND BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Notes			(RESTATED)		(RESTATED)
<b>REVENUES</b>					
	Sales	3,617,851	3,266,742	665,456	597,352
	Revenues from production contract	83,436	19,961	-	-
	Construction contract	41,489	16,833	-	-
	Vessel operating income	32,240	13,180	-	-
	Other incomes				
	Interest income	542	948	5,199	14,178
	Unrealized gain on investments in Open-end Fund	3,162	3,661	53	61
	Gain on disposal of Open-end Fund	274	675	100	619
	Dividend income	-	-	-	2,995
	Rental and services income rendered				
	to related parties	1,958	2,064	4,575	4,650
	Others	11,193	13,084	1,366	2,565
	Total other incomes	17,129	20,432	11,293	25,068
	<b>Total Revenues</b>	<b>3,792,145</b>	<b>3,337,148</b>	<b>676,749</b>	<b>622,420</b>
<b>EXPENSES</b>					
	Cost of sales	3,105,478	2,875,262	390,041	328,048
	Cost of production contract	39,672	11,318	-	-
	Cost of construction contract	30,556	14,133	-	-
	Cost of vessel operating	25,309	5,427	-	-
	Selling expenses	50,368	52,491	6,968	6,179
	Administrative expenses	103,770	112,226	53,311	52,880
	Directors' remuneration	3,467	1,827	2,104	1,827
	Loss on disposal of investment in subsidiaries	-	-	231,336	-
	Finance costs	49,792	49,028	15,294	12,318
	<b>Total Expenses</b>	<b>3,408,412</b>	<b>3,121,712</b>	<b>699,054</b>	<b>401,252</b>
	Share of loss from investments in associate	(7,936)	(3,979)	-	-
	Profit (loss) before income tax expenses	375,797	211,457	(22,305)	221,168
	Income tax revenues (expenses)	9,110	(20,561)	43,975	(10,183)
	<b>Profit for the periods</b>	<b>384,907</b>	<b>190,896</b>	<b>21,670</b>	<b>210,985</b>

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

	THOUSAND BAHT EXCEPT EARNINGS PER SHARE PRESENTED IN BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 (RESTATED)	2013	2012 (RESTATED)
<b>Other comprehensive loss</b>				
Difference on business combination under common control	(3,259)	-	-	-
Other comprehensive loss for the periods	(3,259)	-	-	-
<b>Total comprehensive income for the periods</b>	<b>381,648</b>	<b>190,896</b>	<b>21,670</b>	<b>210,985</b>
<b>Profit Attributable to</b>				
Equity holders of the parent	383,235	190,570	21,670	210,985
Non-controlling interests	1,672	326	-	-
	<b>384,907</b>	<b>190,896</b>	<b>21,670</b>	<b>210,985</b>
<b>Total Comprehensive Income Attributable to</b>				
Equity holders of the parent	381,648	190,896	21,670	210,985
Non-controlling interests	-	-	-	-
	<b>381,648</b>	<b>190,896</b>	<b>21,670</b>	<b>210,985</b>
<b>Earnings per Share of the Parent (Baht)</b>				
Basic Earnings per Share	0.77	0.38	0.04	0.42
Issued and paid-up 500,000,000 common stocks				

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ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

CONSOLIDATED

	THOUSAND BAHT										
	Shareholders' equity of the parent			Other components of equity							Total shareholders' equity
	Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)	Legal reserve	Unappropriated	Other comprehensive income	Difference on business combination under common control	Total equity of the parent	Non-controlling interests		
										Total	
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			42,102				42,102	616	42,718		
Restated balances	500,000	902,769	50,000	9,740	-	-	1,462,509	27,054	1,489,563		
Increase (decrease) in non-controlling interests											
- from share purchase from old shareholders								(39,300)	(39,300)		
- from change in investments ratio of subsidiaries								20,010	20,010		
- subsidiary 's dividends paid to non-controlling interests								(4)	(4)		
Total comprehensive income for the period			190,570				190,570	326	190,896		
Dividend payment			(124,998)				(124,998)	-	(124,998)		
Ending balances as at September 30, 2012	500,000	902,769	50,000	75,312	-	-	1,528,081	8,086	1,536,167		

Year 2012

Beginning balances as at January 1, 2012 -before restated

Cumulative effect of the change in accounting policy 3

Restated balances

Increase (decrease) in non-controlling interests

- from share purchase from old shareholders 10

- from change in investments ratio of subsidiaries

- subsidiary 's dividends paid to non-controlling interests

Total comprehensive income for the period

Dividend payment 15

Ending balances as at September 30, 2012

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

CONSOLIDATED

	THOUSAND BAHT									
	Shareholders' equity of the parent									
	Retained earnings			Other components of equity				Non-controlling interests	Total equity of the parent	Total shareholders' equity
	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Unappropriated	Other comprehensive loss	Difference on business combination under common control				
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			52,880	52,880	-	-	52,880	820	53,700	
Restated balances	500,000	902,769	50,000	85,732	-	-	1,538,501	6,362	1,544,863	
Increase in non-controlling interests								4,246	4,246	
- from increase in investment in subsidiaries										
- from change in investments ratio of parent company in subsidiaries								4,503	4,503	
Total comprehensive income for the period			383,235	383,235	(3,259)	(3,259)	379,976	1,672	381,648	
Dividend payment			(174,986)	(174,986)	-	-	(174,986)	-	(174,986)	
Ending balances as at September 30, 2013	500,000	902,769	50,000	293,981	(3,259)	(3,259)	1,743,491	16,783	1,760,274	

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Year 2013

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

ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

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	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				4,064			4,064
Restated balances		500,000	902,769	50,000	289,040			1,741,809
Total comprehensive income for the period					210,985			210,985
Dividend payment	15				(124,998)			(124,998)
Ending balances as at September 30, 2012		500,000	902,769	50,000	375,027			1,827,796
<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					21,670			21,670
Dividend payment	15				(174,986)			(174,986)
Ending balances as at September 30, 2013		500,000	902,769	50,000	312,014			1,764,783

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## ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (1/3)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	375,797	211,457	(22,305)	221,168
ADJUSTMENTS TO RECONCILE PROFIT (LOSS) BEFORE INCOME TAX TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	96,948	81,487	51,684	33,386
Amortization of computer softwares	1,447	1,431	1,436	1,408
(Gain) loss on vessel and equipment disposal	(685)	1,902	(645)	(104)
Loss on unused equipment	-	12	-	-
Unrealized gain on investments in Open-end Fund	(3,162)	(3,661)	(53)	(61)
Doubtful debt	13	-	-	-
Loss from inventory destruction	-	2,344	-	2,344
Loss on diminution in inventory value	-	1,970	-	-
Reverse loss on diminution in inventory value	(3,663)	-	-	-
Share of loss from investments in associate	7,936	3,979	-	-
Dividend income	-	-	-	(2,995)
Loss on disposal of investment in subsidiaries	-	-	231,336	-
Transferred loss of non-controlling interests due to share purchase from old shareholders	4,503	20,010	-	-
Unrealized (gain) loss on exchange rates	(3)	1,718	6	(26)
Long-term employee benefit expenses	5,470	2,723	3,146	1,659
Interest income	(542)	(948)	(5,199)	(14,178)
Interest expenses	47,114	47,222	14,645	11,661
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	531,173	371,646	274,051	254,262
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Short-term investments	(14,324)	(13,675)	(100)	29,381
Trade and other receivables	(34,937)	(127,993)	(24,163)	(25,828)
Unbilled receivables	9,484	(6,901)	-	-
Inventories	284,321	(167,611)	(19,644)	(30,051)
Construction contract in progress	(228)	-	-	-
Oil supplies	444	(1,034)	-	-
Advance payment to subcontractors	(7,087)	(1,196)	-	-
Other current assets	93	3,442	(228)	2,945
Other non-current assets	(26)	47	-	45

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

**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (2/3)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	88,622	146,267	695	22,982
Advance received from construction	25,931	6,504	-	-
Retention payables	153	(14,489)	(2,491)	(12,494)
Other current liabilities	7,418	453	1,694	4,932
Provision for long-term employee benefits	-	(1,068)	-	(798)
CASH PROVIDED FROM OPERATING ACTIVITIES	891,037	194,392	229,814	245,376
Income tax refunded	2,116	-	-	-
Income tax expenses paid	(8,676)	(13,957)	(5,724)	(11,985)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	884,477	180,435	224,090	233,391
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in short-term loans to related parties	-	-	394,000	-
Interest received	542	948	5,199	14,178
Proceeds from non-current assets classified as held for sale	2	-	2	-
Increase in fixed deposits with obligation	(2,000)	-	-	-
Dividend income from investments	-	-	-	2,995
Proceeds from disposal of investment in subsidiaries	-	-	431,814	-
Purchase of increase share capital in subsidiaries	-	-	(839,754)	-
Difference on business combination under common control	(3,259)	-	-	-
Payment for shares purchase in subsidiaries				
from old shareholders	-	(39,300)	-	(39,300)
Purchase of plant, vessel and equipment	(103,801)	(159,825)	(31,887)	(128,688)
Interest payment for plant construction and equipment installation	(267)	(5,615)	(18)	(3,375)
Proceeds from disposal of vessel and equipment	798	14,941	657	119
Increase in intangible assets	-	(748)	-	(725)
Payment deposit on assets	(10,161)	(733)	-	-
Payment payable from purchase of plant and equipment	(5,725)	(23,658)	(1,361)	(21,631)
NET CASH USED IN INVESTING ACTIVITIES	(123,871)	(213,990)	(41,348)	(176,427)

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (3/3)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013**

	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(317,998)	261,397	105,000	110,000
Interest expenses paid	(48,023)	(53,577)	(14,492)	(12,996)
Payment for long-term loans from financial institutions	(132,184)	(155,849)	(75,000)	(60,030)
Dividend payment	(174,986)	(124,998)	(174,986)	(124,998)
Subsidiary dividend paid to non-controlling interests	-	(4)	-	-
Increase in non-controlling interests	4,246	-	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(668,945)</b>	<b>(73,031)</b>	<b>(159,478)</b>	<b>(88,024)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	89,272	163,727	57,337	68,641
<b>CASH AND CASH EQUIVALENTS AS AT SEPTEMBER 30,</b>	<b>180,933</b>	<b>57,141</b>	<b>80,601</b>	<b>37,581</b>

**ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS**

Non-cash flows items :

Assets payable for plant and equipment	5,538	1,137	3,877	1,137
Settlement of short-term loans from the capital increase of subsidiary	-	-	-	80,000
Transferred deposit to plant and equipment	13,165	15,212	11,260	14,672

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**ASIAN INSULATORS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2013**

**1. GENERAL INFORMATION**

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

**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	
	SEPTEMBER 30, 2013	DECEMBER 31, 2012
<b><u>Associate</u></b>		
PPC Asian Insulators Company Limited	25.10	25.10
<b><u>Subsidiaries directly held by the Company</u></b>		
AI Engineering Services Company Limited	99.84	99.84
AI Energy Public Company Limited	98.79	98.00
AI Logistics Company Limited	-	97.94
AI Ports and Terminals Company Limited	-	99.00

COMPANIES	% HOLDING	
	SEPTEMBER 30, 2013	DECEMBER 31, 2012
<b><u>Subsidiaries held by AI Energy Public Company Limited</u></b>		
AI Logistics Company Limited	100.00	-
AI Ports and Terminals Company Limited	100.00	-

- 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:

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

TAS 12 (revised 2012) Income taxes

TSIC 15 Operating Leases - Incentives

TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TSIC 32 Intangible Assets - Web Site Costs

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

TFRIC 17 Distributions of Non-cash Assets to Owners

TFRIC 18 Transfers of Assets from Customers

(b) 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 financial statements for the year ended December 31, 2012 and for the three-month and nine-month periods ended September 30, 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	8,164	-	-
Increase in deferred tax assets	45,037	34,554	4,224	4,064
Increase in shareholders' equity	53,700	42,718	4,224	4,064
Increase in non-controlling interests	(820)	(616)	-	-
Increase in retained earnings of the parent	52,880	42,102	4,224	4,064

THOUSAND BAHT

PARTICULARS IN STATEMENTS OF COMPREHENSIVE INCOME FOR PERIODS END SEPTEMBER 30, 2012	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
<u>For the three-month period</u>		
Decrease in income tax expense from deferred tax	(1,514)	(79)
Increase profit for the period	1,514	79
Profit attributable to		
Increase equity holders of the parent	1,482	79
Increase non-controlling interests	32	-
<u>For the nine-month period</u>		
Increase (decrease) in income tax expense from deferred tax	10,204	(174)
Increase (decrease) profit for the period	(10,204)	174
Profit attributable to		
Increase (decrease) equity holders of the parent	(9,983)	174
Decrease non-controlling interests	(221)	-

#### 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 (revenues)

Income tax expenses (revenues) from profit/loss for the period consist of current income tax and deferred tax. Income tax expenses (revenues) 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	
	September 30,	December 31,	September 30,	December 31,
	2013	2012	2013	2012
Cash	357	390	145	145
Savings account	178,654	88,657	79,645	57,025
Current account	1,922	225	811	167
Total cash and cash equivalents	180,933	89,272	80,601	57,337

**6. SHORT-TERM INVESTMENTS**

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2013	2012	2013	2012
Investments in Open-end Fund-Debt securities	188,028	169,286	3,268	3,087
<u>Add</u> Allowance for investment adjustment	3,162	4,468	53	81
Investments in Open-end Fund - fair value	191,190	173,754	3,321	3,168
Fixed deposit	50	-	-	-
Total short-term investments	191,240	173,754	3,321	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					
	September 30, 2013			December 31, 2012		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	109,816	291,575	401,391	159,127	223,075	382,202
- Overdue within 3 months	88,514	33,327	121,841	2,347	113,008	115,355
- Over 3 to 6 months	-	-	-	125	-	125
- Over 6 to 12 months	171	1,599	1,770	-	-	-
- Over 12 months	125	3,766	3,891	-	3,753	3,753
Total trade accounts receivable	198,626	330,267	528,893	161,599	339,836	501,435
Less Allowance for doubtful accounts	-	(3,766)	(3,766)	-	(3,753)	(3,753)
Total trade accounts receivable	198,626	326,501	525,127	161,599	336,083	497,682
Retention receivables	4,765	-	4,765	5,072	-	5,072
Trade accounts receivable - net	203,391	326,501	529,892	166,671	336,083	502,754
Other receivables	-	24,208	24,208	-	16,412	16,412
Total trade and other receivables - net	203,391	350,709	554,100	166,671	352,495	519,166

THOUSAND BAHT

PARTICULARS	SEPARATE FINANCIAL STATEMENTS					
	September 30, 2013			December 31, 2012		
	State enterprises	Others	Total	State enterprises	Others	Total
Trade accounts receivable						
- Current	109,816	27,629	137,445	156,490	12,027	168,517
- Overdue within 3 months	69,753	28,449	98,202	2,347	41,757	44,104
- Over 3 to 6 months	-	-	-	125	-	125
- Over 6 to 12 months	171	-	171	-	-	-
- Over 12 months	125	-	125	-	-	-
Total trade accounts receivable	179,865	56,078	235,943	158,962	53,784	212,746
Other receivables	-	11,137	11,137	-	10,171	10,171
Total trade and other receivables	179,865	67,215	247,080	158,962	63,955	222,917

## 8. SHORT-TERM LOANS TO RELATED PARTIES

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	September 30, 2013			
	AI Logistics Co., Ltd.	AI Energy Public Co., Ltd.	AI Ports and Terminals Co., Ltd.	Total
Beginning principal balances	49,000	150,000	195,000	394,000
Add: Additional loans extended during the period	-	20,000	10,000	30,000
Less: Settlement during the period	(49,000)	(170,000)	(205,000)	(424,000)
Ending principal balances	-	-	-	-
Interest rates	4.50 %	3.55 - 4.25 %	4.50 %	3.55 - 4.50 %

In year 2013, the Company has settled loans by investing in the share capital increase of AI Logistics Company Limited amount of Baht 80 million, AI Energy Public Company Limited amount of Baht 150 million and AI Ports and Terminals Company Limited amount of Baht 205 million (see Note 10).

THOUSAND BAHT

SEPARATE FINANCIAL STATEMENTS	December 31, 2012			
	AI Logistics Co., Ltd.	AI Energy Co., Ltd.	AI Ports and Terminals 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 %

In year 2012, 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	
	Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Dec. 31, 12
PPC Asian Insulators Company Limited	25.10	25.10	22,549	30,485	66,000	66,000
Less Provision for diminution in investment			-	-	(39,600)	(39,600)
Investment in Associate - net			22,549	30,485	26,400	26,400

THOUSAND BAHT

ASSOCIATE	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Sep. 30, 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 nine-month periods ended September 30, 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	
	Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Dec. 31, 12
AI Engineering Services Company Limited	99.84	99.84	197,000	197,000
AI Energy Public Company Limited	98.79	98.00	937,370	351,616
AI Logistics Company Limited	-	97.94	-	156,700
AI Ports and Terminals Company Limited	-	99.00	-	252,450
Total Investments in Subsidiaries			1,134,370	957,766

THOUSAND BAHT

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL		DIVIDEND	
		Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Sep. 30, 12
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station	200,000	200,000	-	2,995
AI Energy Public Company Limited	Producing and distributing biodiesel, vegetable oil and other fuel oil	960,000	370,000	-	-
AI Logistics Company Limited (Subsidiary of AI Energy Public Company Limited)	Local and overseas logistics for passenger, merchandise, parcel and other materials	209,000	160,000	-	-
AI Ports and Terminals Company Limited (Subsidiary of AI Energy Public Company Limited)	Producing and distributing ice, servicing port and trading electrical equipment	460,000	255,000	-	-



In April 2013, the Company has restructured group of companies which is planned as follow :

THOUSAND BAHT					
SUBSIDIARIES	COST AS AT JAN. 1, 13	INVESTMENT IN SUBSIDIARIES TO REPAY THE LOAN	PURCHASE OF INCREASE SHARES CAPITAL	SWAP SHARES	COST AS AT SEP. 30, 13
AI Energy Co., Ltd.	351,616	150,000	3,940	431,814	937,370
AI Logistics Co., Ltd.	156,700	49,000	-	(205,700)	-
AI Ports and Terminals Co., Ltd.	252,450	205,000	-	(457,450)	-
Total	760,766	404,000	3,940	(231,336)	937,370

The swap shares by sale common stocks of AI Logistics Company Limited and AI Ports and Terminals Company Limited to AI Energy Company Limited. The Company has recognized loss on disposal of investment in subsidiaries in the statement of comprehensive income for the separate financial statements amount of Baht 231.34 million.

In May 2013, AI Energy Company Limited has transformed from Company Limited to Public Company Limited and has changed the par value from initial Baht 10 to be Baht 1 par value. And increase the authorized share capital of 170,000,000 shares to be authorized share capital 1,130,000,000 shares at Baht 1 par value.

As at September 30, 2013, the Company has invested in AI Energy Public Company Limited total 948,354,060 shares to be 98.79% in shareholding proportion.

After restructuring, AI Energy Public Company Limited will have spin off plan to list on Market for Alternative Investment (MAI) 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 owned by the Company
2. Newly issued common stock of 170,000,000 shares

Pre-emptive right of the Company's shareholders to subscribe for maximum of 250,000,000 shares of AI Energy Public Company Limited, or the Company's shareholders with two share can subscribe for one share of AI Energy Public Company Limited, representing 56.18% of Initial Public Offering.

In February 2012, the Company has purchased the common stocks of three subsidiaries from old shareholders in par value, resulting the increase in shareholding proportion consist of :

THOUSAND BAHT

COMPANIES	% HOLDING		AMOUNT OF INCREASE
	OLD	NEW	SHARES PURCHASE
AI Logistics 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 Logistics 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	
	September 30,	December 31,	September 30,	December 31,
	2013	2012	2013	2012
Bank overdrafts	-	85	-	-
Short-term loans from financial institutions	1,345,000	1,662,913	505,000	400,000
Total	1,345,000	1,662,998	505,000	400,000

#### 13. TRADE AND OTHER PAYABLES

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30,	December 31,	September 30,	December 31,
	2013	2012	2013	2012
Trade accounts payable	247,326	176,806	40,996	47,628
Assets payable	5,538	5,725	3,877	1,361
Advance received from customers	6,121	4,461	894	2,033
Accrued expenses	31,570	15,121	12,551	4,079
Total trade and other payables	290,555	202,113	58,318	55,101

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

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Sep. 30, 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.	24,988	99,988
Long-term loans from financial institutions	Separate financial statements **	24,988	99,988
<u>Less</u> Current portion of long-term loans		(24,988)	(99,988)
Long-term loans from financial institutions-net	Separate financial statements	-	-
Baht 105 million started on November 22, 2007 by AI Logistics 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
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.	42,350	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.	20,274	25,539

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (THOUSAND BAHT)	
		Sep. 30, 13	Dec. 31, 12
Baht 200 million started on March 6, 2008 by AI Energy Public 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 Public 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.	7,182	8,658
Baht 56.00 million started on September 16, 2011 by AI Energy Public 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.	25,871	31,874
Total long-term loans from financial institutions	Consolidated (include **)	120,665	252,849
<u>Less</u> Current portion of long-term loans		(56,500)	(165,050)
Long-term loans from financial institutions-net	Consolidated	64,165	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, 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 having collateral by mortgaged land, plant, port and terminal with structure and machinery of subsidiaries with jointly guaranteed by AI Energy Public Company Limited and 2 directors of group companies.

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 was 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 9, 2013, the Ordinary General Shareholders' Meeting for 2013 of AI Energy Public Company Limited was approved to pay the directors' remuneration for 2013 at the maximum of Baht 1.54 million. Later on May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 has resolved the directors' remuneration for 2013 to pay the maximum of Baht 2.20 million, which has been approved by the Ordinary General Shareholders' Meeting on April 9, 2013.

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

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,	THOUSAND BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
(Increase) decrease in change of finished goods and work in progress	95,933	(177,291)	(14,600)	3,674
Raw materials and consumables used	2,664,935	2,252,551	259,243	225,534
Construction materials and subcontractors	29,550	13,167	-	-
Vessel operating expenses	12,360	1,291	-	-
Purchase of goods for sale	135,715	597,247	29,082	13,884
Management benefit expenses	19,218	19,691	13,568	14,871
Employee benefit expenses	120,093	110,827	69,399	59,603
Depreciation and amortization expenses	98,395	82,918	53,120	34,794
Finance costs	49,792	49,028	15,294	12,318
Loss from inventory destruction	-	2,344	-	2,344
Loss on diminution in inventory value	-	1,970	-	-
Reverse loss on diminution in inventory value	(3,663)	-	-	-
Loss on disposal of investment in subsidiaries	-	-	231,336	-
Other expenses	186,084	167,969	42,612	34,230
<b>Total expenses</b>	<b>3,408,412</b>	<b>3,121,712</b>	<b>699,054</b>	<b>401,252</b>

## 17. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the three-month and nine-month periods ended September 30, 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 statements consist:

THOUSAND BAHT				
FOR PERIODS ENDED SEPTEMBER 30,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<u>For the three-month periods</u>				
The corporate income tax for the periods	66	4,227	-	4,227
Amortisation of temporary differences assets/liabilities on temporary differences	(12,261)	(1,514)	(23,345)	(79)
Income tax expenses (revenues)	(12,195)	2,713	(23,345)	4,148
<u>For the nine-month periods</u>				
The corporate income tax for the periods	953	10,357	-	10,357
Amortisation and reversal of temporary differences assets/liabilities on temporary differences	(10,063)	10,204	(43,975)	(174)
Income tax expenses (revenues)	(9,110)	20,561	(43,975)	10,183

As at September 30, 2013 and December 31, 2012, the deferred tax assets/liabilities arose from the following temporary differences:

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Sep. 30, 13	Dec. 31, 12	Sep. 30, 13	Dec. 31, 12
<b>Accumulated temporary differences in the statements of income</b>				
Unrealized gain on investments in Open-end Fund	(3,162)	(4,468)	(53)	(81)
Allowance for doubtful trade accounts receivable	3,766	3,753	-	-
Provision for diminution in inventories	4,931	8,594	-	-
Allowance for diminution in non-current assets classified as held for sale	-	16	-	16
Provision for long-term employee benefits	33,507	27,935	24,332	21,186
Tax deficits	236,461	189,354	216,719	-
<b>Total</b>	<b>275,503</b>	<b>225,184</b>	<b>240,998</b>	<b>21,121</b>
<b>Deferred tax assets calculated from tax rate of 20%</b>	<b>55,100</b>	<b>45,037</b>	<b>48,199</b>	<b>4,224</b>

## 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			
	September 30, 2013		December 31, 2012		September 30, 2013		December 31, 2012	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<b>Assets</b>								
USD	76.93	2,403.87	8.51	259.29	8.86	276.72	8.33	254.04
VND	-	-	531.50	0.80	-	-	-	-
<b>Total</b>		<b>2,403.87</b>		<b>260.09</b>		<b>276.72</b>		<b>254.04</b>
<b>Liabilities</b>								
- Portion due within one year								
USD	294.97	9,270.40	246.20	7,577.49	135.92	4,285.91	183.36	5,643.36
SGD	-	-	146.50	3,667.50	-	-	-	-
EUR	-	-	41.50	1,695.70	-	-	41.50	1,695.70
<b>Total</b>		<b>9,270.40</b>		<b>12,940.69</b>		<b>4,285.91</b>		<b>7,339.06</b>



18.2 Subsidiary has 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
<b>As at December 31, 2012</b>				
<u>AI Energy Public 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 Energy Public Co., Ltd.	1922(1)/2553	Not yet implemented	Producing biodiesel	-
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

### 5. Important privileges which are granted :

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.

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.

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.

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.

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.

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 Logistics 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 :

	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013								Total
	Sale of porcelain insulators and component	Sale of raw materials	Sale of ice cube	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Construction undertaking	Vessel operating	Port services	
Revenues from sales and services	505,515	169,341	20,066	2,922,929	83,436	41,489	32,240	-	3,775,016
Cost of sales and services	(250,713)	(138,684)	(17,702)	(2,698,379)	(39,672)	(30,556)	(25,309)	-	(3,201,015)
Gross profit by segment	254,802	30,657	2,364	224,550	43,764	10,933	6,931	-	574,001
Non-allocation expenses									(157,605)
Profit from operation									416,396
Other income									17,129
Finance costs									(49,792)
Share of loss from investments in associate									(7,936)
Income tax revenues									9,110
Profit for the period									384,907
Profit attributable to									
Equity holders of the parent									383,235
Non-controlling interests									1,672
Property, plant, vessel and equipment-net	684,054	27,597	20,934	679,993		80	76,847	457,264	1,946,769

THOUSAND BAHT

THOUSAND BAHT

CONSOLIDATED	FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2012							Total	
	Sale of porcelain insulators and component	Sale of raw materials	Sale of ice cube	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Construction undertaking	Vessel operating		Port services
Revenues from sales and services	469,459	127,893	21,139	2,648,251	19,961	16,833	13,180	-	3,316,716
Cost of sales and services	(218,552)	(106,751)	(16,885)	(2,533,074)	(11,318)	(14,133)	(5,427)	-	(2,906,140)
Gross profit by segment	250,907	21,142	4,254	115,177	8,643	2,700	7,753	-	410,576
Non-allocation expenses									(166,544)
Profit from operation									244,032
Other income									20,432
Finance costs									(49,028)
Share of loss from investments in associate									(3,979)
Income tax expenses									(20,561)
Profit for the period									190,896
Profit attributable to									
Equity holders of the parent									190,896
Non-controlling interests									326
Property, plant, vessel and equipment-net	720,225	4,391	20,227	632,973		150	92,658	468,856	1,939,480

## 21. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Letters of guarantee issued by commercial banks	284.98	307.11	106.93	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 loans from financial institutions for AI Engineering Services Company Limited amount of Baht 545 million. In July 2013, the Company had withdrawn the guarantee for AI Energy Public Company Limited, AI Logistics Company Limited and AI Ports and Terminals Company Limited, totally Baht 3,025 million. Nevertheless, AI Energy Public Company Limited and two directors of the group companies have jointly guaranteed all credit facilities 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 Energy Public Company Limited	See also Note 10
AI Logistics Company Limited	See also Note 10
AI Ports and Terminals Company Limited	See also Note 10
3. Related companies	
Samart Palm Company Limited	Director is relative of the directors of the Company
Samart Palmoil Company Limited	Director is relative of the directors of the Company

The significant transactions with related parties are as follows:

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

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
<b>Sales of products and raw materials</b>				
PPC Asian Insulators Co., Ltd.	2,713	2,845	2,713	2,784
AI Energy Public Co., Ltd.	-	-	7,400	11,100
AI Ports and Terminals Co., Ltd.	-	-	26,159	-
<b>Sales of hybrid clay</b>				
PPC Asian Insulators Co., Ltd.	123,896	111,517	123,896	111,517
<b>Dividend income</b>				
AI Engineering Services Co., Ltd.	-	-	-	2,995
<b>Other income - rental</b>				
PPC Asian Insulators Co., Ltd.	929	929	929	929
AI Engineering Services Co., Ltd.	-	-	342	342
AI Logistics Co., Ltd.	-	-	76	76
<b>Other income - services</b>				
PPC Asian Insulators Co., Ltd.	1,029	1,135	1,029	1,135
AI Engineering Services Co., Ltd.	-	-	561	510
AI Energy Public Co., Ltd.	-	-	834	836
AI Logistics Co., Ltd.	-	-	349	352
AI Ports and Terminals Co., Ltd.	-	-	455	470
<b>Other income - interest income</b>				
AI Energy Public Co., Ltd.	-	-	1,844	4,844
AI Logistics Co., Ltd.	-	-	598	4,298
AI Ports and Terminals Co., Ltd.	-	-	2,458	4,816
<b>Purchases good</b>				
Samart Palm Co., Ltd.	17,860	28,618	-	-
Samart Palmoil Co., Ltd.	16,187	22,581	-	-
<b>Purchases of scrap clay</b>				
PPC Asian Insulators Co., Ltd.	67,955	40,755	67,955	40,755
<b>Purchase of consumed supply</b>				
PPC Asian Insulators Co., Ltd.	1	52	1	52
AI Energy Public Co., Ltd.	-	-	22	44

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	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
<b>Trade accounts receivable</b>				
PPC Asian Insulators Co., Ltd.	40,255	46,226	40,255	46,226
AI Ports and Terminals Co., Ltd.	-	-	13,957	1,306
<b>Other receivables</b>				
PPC Asian Insulators Co., Ltd.	8,212	8,232	8,212	8,232
AI Engineering Services Co., Ltd.	-	-	11	16
AI Logistics Co., Ltd.	-	-	2	3
<b>Short - term loans to related parties</b>				
AI Logistics Co., Ltd.	-	-	-	49,000
AI Energy Public Co., Ltd.	-	-	-	150,000
AI Ports and Terminals Co., Ltd.	-	-	-	195,000
<b>Electrical system installation and supervising construction of factory</b>				
AI Engineering Services Co., Ltd.	-	-	5,978	17,990
<b>Sales of equipment</b>				
AI Energy Public Co., Ltd.	-	-	-	40
AI Ports and Terminals Co., Ltd.	-	-	-	61
<b>Trade accounts payable</b>				
PPC Asian Insulators Co., Ltd.	23,104	27,893	23,104	27,893
Samart Palm Co., Ltd.	1,255	-	-	-
Samart Palmoil Co., Ltd.	1,562	-	-	-
<b>Other payables</b>				
AI Energy Public Co., Ltd.	-	-	-	32
<b>Retention payable</b>				
AI Engineering Services Co., Ltd.	-	-	-	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	
	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Debt to equity ratio	1.05 : 1	1.41 : 1	0.35 : 1	0.31 : 1

### 24. LITIGATION

AI Energy Public Company Limited (subsidiary) was sued by the Official Receiver of Phamola Company Limited for transferring back the trademark "Phamola" to the debtor's assets and pays the compensation amount of Baht 3.75 million with an interest rate of 7.50% per annum. On August 9, 2012, the Central Bankruptcy Court has ordered to dismiss the case. At present, the case is under consideration of the Supreme Court.

The management of subsidiary is confident that no significant losses will be incurred as a result therefore no provision for possible liabilities has been made in the financial statements.

### 25. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on November 11, 2013.