

ANNUAL REPORT

รายงานประจำปี 2557

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บริษัท เอไอ เอนเนอจี้ จำกัด (มหาชน)

AI Energy Public Company Limited.

BIODIESEL

น้ำมันไบโอดีเซล

PALM OLEIN

น้ำมันปาล์ม ตราฟาโบล



AIE is truly committed to become a leading manufacturer of Biodiesel and Palm Olein refined from premium quality crude palm oil to obtain the quality products meeting the standards, by which the interest of consumers has been focused primarily. The production and distribution of biodiesel is considered part pushing the effective consumption of the alternative energy, coupled with regard to quality and service delivered to the society, and to build a trust with consumers, suppliers, employees and shareholders, leading to the growth of economic and social sustainability.

Business Group



Alternative Energy (B100) and Palm Oil Business

AI Energy Public Company Limited

Manufacturer and distributor of alternative energy biodiesel (Biodiesel: B100) and Edible oil (Palm Olein), which are produced from crude palm oil, with a large refining system and environmentally friendly continuous production. Biodiesel is used as alternative energy for diesel used in logistic. Advantages regarding to using biodiesel is to reduce petroleum imported from overseas, environmentally friendly, help improve the economy, reduce emissions and extend the life of the engine. The edible oil (Palm Olein) sells under "PAMOLA" brand. Our refinery provides the production capacity of 1,150 tons of crude palm oil daily for the domestic market and exported to foreign countries.

Logistics Business

AI Logistics Company Limited

Provides the services for coastal freight carrier has specialized in shipping lubrication oil, crude palm oil, refined palm oil, fuel, and palm oil with the vessels equipped with the heating equipment to products during shipping.



Ports and Terminals Business

AI Ports and Terminals Company Limited

Storage tanks provider of petroleum, crude palm oil, lubricant oil, and ports, furnished with heating equipments for products to be stored. The ports accommodate the vessels of 5,000 tons, available at the Chumphon Province and Samut Sakhon Province.



Table of Contents

005	Policy and Business Overview
007	Message from Chairman
008	Business Profile
020	Risk Factors
027	Company Profile
030	Major Shareholders
031	Dividend Policy
033	Business Structure
056	The Corporate Governance Policy <ul style="list-style-type: none">• Rights of Shareholders• Role of Stakeholders• Disclosure and Transparency• Code of Conducts• Internal Control and Internal Audit• Responsibilities of the Board of Directors• Investors Relation• Anti-Corruption Policy
068	Corporate Social Responsibility Activities
075	Internal Control and Risk Management
078	Related-Party transactions
084	Financial Highlights (Consolidated Financial Statement)
085	Management Discussion and Analysis
103	Statement of the Board of Directors responsibilities for the financial statements
104	Report of the Audit Committee
106	Report of the Auditors Certified Public Accountant
107	Financial statements and notes to financial statements

Policy and Business Overview

AI Energy Public Company Limited (the “Company” or “AIE”) was officially established on October 4, 2006 with initial registered capital of THB 300 million divided into 30,000,000 ordinary shares at par value of THB 10, paid-up capital of THB 300 million by Asian Insulators Public Company Limited (“AI”). AI as the parent company, recognizes the growth potential of alternative energy business, AI then invested with 75% holding shares of registered capital in the company at that time, and invested to acquire property used in the business of manufacture and distribution of Palm Olein from one entrepreneur. The Company acquired all of the assets used in the operation of such business, including land, office equipments, factory, machineries, appliances , tools, vehicles , etc., and other properties that have been already used in the operation. The company also acquired the rights of the “PAMOLA” brand to be used as a brand for distributing edible oil (Palm Olein) products until today.

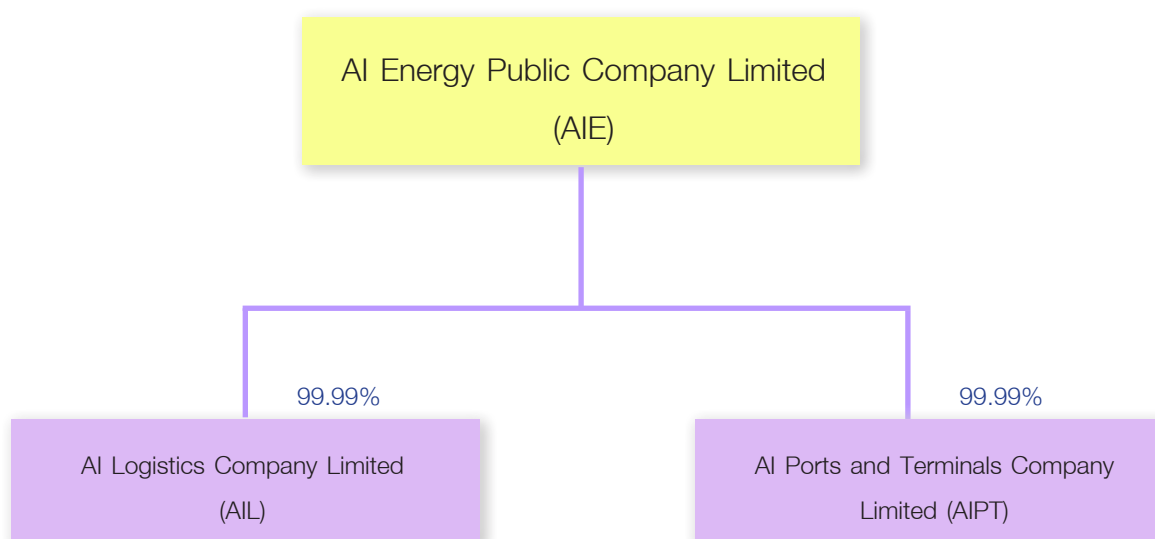
AIE produces and sells alternative energy Biodiesel: B100 and edible oil (Palm Olein) through the Refined Bleached Deodorized Palm Olein (RBD Palm Olein) under the “PAMOLA” brand, which is produced from crude palm oil (CPO) with environmentally friendly continuous refining and production system. AIE also sells raw materials such as CPO, RBD Palm Oil, including by-products of manufacturing processes, palm fatty acid distillate (PFAD), refined bleached deodorized palm stearin (RBD Palm Stearin) and crude glycerin to be used continuously in industries such as soap, creamer, cosmetics, including reuse as raw materials to produce biodiesel. Moreover, the company also generates revenue from ‘Refining Service’ of CPO to those petroleum business entities. CPO that used in our production must be passed the choicest of premium quality and through the chosen effective suppliers of CPO extracted from the best quality and fresh palms for refined process to meet the standards required by the governmental agencies.



AIE aims to become a leading manufacturer of biodiesel and edible oil (Palm Olein) produced from good quality CPO in order to obtain the quality products in accordance with quality standards by focusing on the interests of consumers primarily. The production and distribution of B100 is considered as part of the push for effective consumption of alternative energy. Moreover, the company has also focused on building the organization with corporate social responsibility and environmental responsibility by promoting the creation and use of energy that contributes to the sustainability of natural resources, coupled with regard to quality and service delivered to the society. This is to build a trust with consumers, suppliers, employees and shareholders, leading to the growth of economic and social sustainability.



Group of Company Structure



AI Logistics Company Limited (AIL)

was founded on February 2003 with registered capital totaling THB 209 million by AIE with stakeholder of 99.99 percent shares. AIL is operating the sea freight services with two high quality carrier vessels; including “Thararatana 1” and “Thararatana 3”. The AIL received a notification as fuel carrier under Section 12 of the Thailand Fuel Trade Act B.E.2543 from Department of Energy, Ministry of Energy, and has been granted the right pursuant to the promotion certificate from the Board of Investment (BOI) in operation of marine vessels,

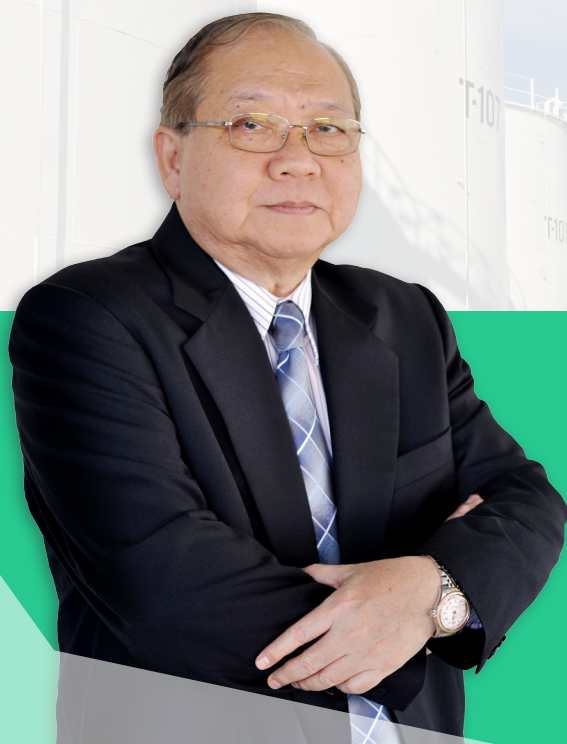
as well as received the certificate of quality management system (ISO 9001) from the Management System Certification Institute (Thailand) for sea carrier service by hiring the navigation executives, and all the ships have been licensed by the Marine Department for oil transportation purpose. The company provides sea freight services of fuel, lubricant oil, CPO, and RBD palm oil to customers both domestically and internationally, which currently AIL delivers the transport service of CPO to AIE.

AI Ports and Terminals Company Limited (AIPT)

was established in April 2007 with a total registered capital of THB 460 million, which the AIE holds 99.99 percent shares, operating as ports and terminals services, and ice factory for food industry. AIPT is a subsidiary of AIE, which the AIPT has deep-water ports and two oil terminals located at Tha Chalom, Samut Sakhon Province and Chumphon Province, which two ports include storage tanks service of fuel, lubricant oil, CPO, and RBD palm oil, which the capacity of storage totals of 30,000 tons, or approximate 33,186,000 liters, divided into at Chumphon Province of ten tanks

with total capacity of 20,000 tons, or approximate 22,124,000 liters, and Tha Chalom, Samut Sakhon Province of five tanks with a total capacity of 10,000 tons, or approximate 11,062,000 liters. At Chumphon, it is regarded as the port and terminal with the most geographic advantageous, that is to say; it is the final port with location that is conducive to fuel transportation both by land and by sea, which the vessels are able to berth at the jetty of the AIPT that can accommodate two vessels each time.

Message from Chairman



“ In 2014, after a very challenging amid a slowdown in the domestic economy and volatile raw material prices of Crude Palm Oil (CPO), in which AIE had overcome with an accepted financial results under management in a framework of good corporate governance. Regarding to the operating results of the company and its subsidiaries in 2014, AIE had total revenues of THB 4,441.44 Million higher than previous year but under projected and a net profit of THB 96.88 Million, 2.18 percent down from last year's total revenues, earnings per share was THB 0.09 ”

As a result of two key factors ;

- the government has amended mandate on B7 biodiesel blend into B5
- and provision of diminution in inventory value (CPO) in 2nd and 3rd quarters, which made sale volume of Biodiesel drop lower than expected, had caused lower profitability.

However, we have successfully resolved the diminution of inventory value, also our new invested projects were underway of commercial runs in the end of 2014, benefit us a significantly decreased in cost of production which lead to satisfactory result of 2014 profit margin and continuously improve AIE's profitability in 2015.

On behalf of the Board of Director of AIE and its subsidiaries, I would like to express my gratitude to gratefully thank all our shareholders, customers, suppliers, government sectors, financial institutions, and all business alliances that trust and support AIE throughout the year. As well as, our management and staff at all levels, sharing duties with perseverance continued and truly committed to conduct a business in an ethical manner, together with development of the quality of life and environment throughout the year 2014 was a major propeller to overcome obstacles and challenges.

I confidence that AIE may continue to receive the confidence and support from all stakeholders as always. With your continued trust in us, AIE be able to gain stability and opportunities in the following year.

Narong Thareratanavibool
Chairman

Business Profile

- The Company previously had key operations as follows:-

2006

- Registered on 4 October 2006 with registered capital at 300,000,000 Baht consisted of 30,000,000 common stocks at the par value of 10 Baht per share and paid capital of 300,000,000 Baht. AI had its shares for 75 percent of the Company's registered capital.
- The Company purchased assets from one manufacturer and distributor of Olein palm oil to perform manufacturing and distributing business of Biodiesel to oil traders of Article 7 of Fuel Trade Act B.E. 2543, as well as manufacture and distribute palm oil under the brand "Pamola" with production capacity of 300 tons of crude palm oil per day.

2007

- The Company had shareholders' structure that AI purchased shares from one former shareholder. Therefore, AI's shares increased from 75 percent to 81 percent of registered capital at that time.
- The Company was granted as oil traders of Article 10 of Fuel Trade Act B.E. 2543 from Ministry of Energy on 2 April 2007.

2008

- The Company was authorized by the Central Islamic Council of Thailand to use HALAL certificate for processed Olein palm oil under Pamola brand, Palm - Stearin, RBD Palm Oil, RBD Palm kernel oil, Palm Olein, palm kernel fatty acid, palm fatty acid, and crude glycerin.

2009

- The Company had shareholders' structure that AI purchased shares from one former shareholder. Therefore, AI's shares increased from 81 percent to 82 percent of registered capital at that time.
- AIE received quality management certification based on ISO 9001:2008 for processed palm oil product and processed Olein palm oil, as well as Biodiesel manufacturing from ISO certification organization.
- The Company received certification for Hazard Analysis and Critical Control Points (HACCP) for processed palm oil product and processed Olein palm oil from ISO certification organization.
- The Company received the certification of Good Manufacturing Practice (GMP) for processed palm oil product and processed Olein palm oil from ISO certification organization.
- The Company received kosher certification for Jewish food standard for refined palm without fat, processed Olein palm oil, refined palm fat, fat acid from palm kernels, palm fat acid, and glycerin from Thai Kashrut Services Co., Ltd. which provides Jewish food qualification inspection.

2010

- The Company restructured shareholders' structure by having AI bought shares from 2 former shareholders. Therefore, AI's shares increased from 82.00 percent to 92.00 percent of authorized capital at that time.
- The general meeting of shareholders 1/2010 on 14 July 2010 and 2/2553 on 4 August 2010 had special resolution to add registered capital from 300,000,000 Baht to 370,000,000 Baht by issuing 7,000,000 capital-raising common stocks for sales to existing shareholders by proportion at par value of 10 Baht per share
- to support the investment in crude palm oil refinery tower (Refinery Tower 2) construction which would have production capacity of 800 tons of crude palm oil per day. In that case, the Company could enhance its production capacity from 300 tons of crude palm oil per day to 1,100 tons of crude palm oil per day. After issuing such capital-raising common stocks, AI shares increased from 92.00 percent to 93.14 percent of registered capital at that time.

2010

- The Company received Investment Promotion Card from Thailand Board of Investment (BOI) for Biodiesel production for business related to energy saving and renewable energy typed 1.18, alcohol manufacturing business or fuel from agricultural produce including trashes and wastes manufacturing business for the refinery tower 2. In this connection, the Company received key titles and benefits as follows:-
 - 1) Received income tax exemption for gross profit from the promoted business for 8 years starting from the date first receiving revenue from business performance.
 - 2) Received exemption for including dividend from promoted business receiving income tax exemption in 1) to be calculated for income tax for an entire period of promotion receipt.
 - 3) Received income tax deduction for gross profit received from investment at 50 percent rate starting from the date relieving from 1) exemption for the period of 5 years.
 - 4) Received authorization to less transportation, power supply, and water supply expenses for 2 times of such expenses for the period of 10 years starting from date first receiving revenue from business performance.
 - 5) Received authorization to take annual loss incurred during the tax exemption period in 1) to be deducted from incurred gross profit starting from the date relieving from 1) exemption for the period of 5 years which may choose to deduct from gross profit of any or several years. In this connection, currently the Company had not yet exercised any benefits from such Investment Promotion Card at all.

2011

- The Company developed production capacity of the Refinery Tower 1 to 350 tons of crude palm oil per day so that AIE had total production capacity of 1,150 tons of crude palm oil per day.

2012

- The Company restructured shareholders' structure by having AI bought shares from 2 former shareholders. Therefore, AI's shares increased from 93.14 percent to 98.00 percent of authorized capital at that time.
- The company has finished the construction of Refinery Tower 2 which increases the production capacity to 1,150 tons of crude palm oil per day.

2013

- The Refinery Tower 2 started to produce and gain commercial revenue since February 2013

- The general meeting of shareholders on 9 April 2013 had the important resolutions as follows

1) Approved to add registered capital from 370,000,000 Baht to 960,000,000 Baht by issuing 59,000,000 capital-raising common stocks for sales to existing shareholders by proportion at par value of 10 Baht per share to pay for debts from relevant companies and to buy common stocks from AI Ports and Terminals Co., Ltd. (AIPT) and AI Logistics Co., Ltd. (AIL) to prepare the company based on spin-off plan. After issuing such capital-raising common stocks, AI shares increased to 98.79 percent of registered capital at that time.

2) Approved to buy common stocks of AIPT and AIL to prepare the company based on spin-off plan.

- The extraordinary meeting of shareholders on 2 May 2013 had resolutions as follows:-

- 1) Approved the Company's transformation into PublicCompany Limited and prepared to be listed on mai. The Company's title was changed to "AI Energy PublicCompany Limited"
- 2) Approved the change of stocks' par value from 10 Baht per share to 1 Baht per share resulting in the change of the Company's common stocks number to 960,000,000 shares.
- 3) Approved the increase of registered capital from 960,000,000 Baht to 1,130,000,000 Baht by issuing 170,000,000 common stocks at 1 Baht of par value per share. Therefore, the Company increased its registered capital to 1,130,000,000 shares at 1 Baht of par value per share.

4) Approved the allocation of 170,000,000 common stocks for capital-raising to be included to 275,000,000 existing common stocks held by AI. Therefore, the total number of common stocks for sales was 445,000,000 shares which would be sold to the public and existing shareholders of AI.

- The company launched initial public offering (IPO) of 170,000,000 common stocks on 23-24 December 2013 resulting the company's registered capital has increased from 960,000,000 Baht to 1,130,000,000 Baht.

- The Company received Investment Promotion Card from Thailand Board of Investment (BOI) for Biodiesel production for business related to energy saving and renewable energy typed 1.18, alcohol manufacturing business or fuel from agricultural produce including trashes and wastes manufacturing business for the production of PFAD Esterification. In this connection, the Company received key titles and benefits as follows:-

- 1) Received income tax exemption for gross profit from the promoted business for 8 years starting from the date first receiving revenue from business performance.
- 2) Received exemption for including dividend from promoted business receiving income tax exemption in 1) to be calculated for income tax for an entire period of promotion receipt.
- 3) Received income tax deduction for gross profit received from investment at 50 percent rate starting from the date relieving from 1) exemption for the period of 5 years.
- 4) Received authorization to less transportation, power supply, and water supply expenses for 2 times of such expenses for the period of 10 years starting from date first receiving revenue from business performance.
- 5) Received authorization to take annual loss incurred during the tax exemption period in 1) to be deducted from incurred gross profit starting from the date relieving from 1) exemption for the period of 5 years which may choose to deduct from gross profit of any or several years.

However, the company have not used the benefits of BOI yet.

- The company received certification of Roundtable on Sustainable Palm Oil (RSPO) from S G S (Thailand) Co., Ltd.

2014

- The company builded PFAD Esterification plant with the production capacity of 75 tons per day, which is the process of transformation of Palm Fatty Acid Distillate (PFAD) into alternated raw material of Biodiesel production other than using RBD Palm Oil and Palm Stearin.

Revenue Structure of the Company and its Subsidiaries

Types of Revenue	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control				Consolidated Financial Statement (Audited)	
	2012		2013		2014	
	Million THB	%	Million THB	%	Million THB	%
1. Selling revenue	3,403.48	98.65%	4,083.10	96.70%	4,334.32	97.95%
1.1 Palm oil business revenue	3,349.76	97.09%	4,012.25	95.02%	4,299.03	97.15%
1.1.1 Biodiesel	1,686.64	48.89%	2,481.28	58.76%	2,789.62	63.04%
1.1.2 Olein palm oil	1,017.01	29.48%	949.85	23.90%	943.63	21.32%
1.1.3 Raw materials & by-products	646.10	18.73%	580.75	12.34%	565.78	12.79%
1) Raw materials	397.23	11.51%	261.96	4.78%	246.80	5.58%
2) Palm fatty acid	102.12	2.96%	126.06	2.99%	144.20	3.26%
3) Refined palm stearin	84.83	2.46%	51.45	1.22%	66.00	1.49%
4) Crude Glycerin	61.93	1.79%	141.28	3.35%	108.78	2.46%
1.2 Revenues from ice cube selling	28.71	0.83%	27.90	0.66%	31.45	0.71%
1.3 Revenues from selling of equipment for electric insulators /2	25.01	0.72%	42.96	1.02%	3.84	0.09%
2. Refining service revenue	18.17	0.53%	93.83	2.22%	54.47	1.23%
3. Sea freight revenue	28.58	0.83%	45.64	1.08%	35.29	0.80%
4. Ports and terminals servicing revenue	-	0.00%	-	0.00%	1.00	0.02%
Total revenues	3,450.23	100.00%	4,222.58	100.00%	4,425.08	100.00%
Other revenues /3	11.71		13.20		16.35	
Total revenues	3,461.94		4,235.78		4,441.43	

Notes: - The General Meeting of Shareholders in 2013 on 9 April 2013 had resolution to approve to buy common stocks of AIPT and AIL for Group restructuring. The Company thus prepared consolidated financial statements for the year ended on 31 December 2012 which were audited by the Company's auditor already to be comparatively represented by deeming that AIPT and AIL were subsidiaries of the Company at all time. Consolidated financial information for 2012 and 2013 accounting period was therefore the preparation of information which already included financial status and business performance of AIPT and AIL for such accounting periods. In this regard, in order to clarify for the consideration of the Group's financial status, the presentation of information for 2012 and 2013 accounting period was consolidated financial statements consisting of integration of businesses under common control which could reflect financial status and business performance of the Group as a whole, including AIE, AIPT, and AIL.

/1 Raw-materials and by-products:

1) Revenue from raw materials mean revenues gained from the sales of crude palm oil which is an initial raw materials for manufacturing, and refined bleached and deodorized palm oil obtained from the refinery process, which requires the removal of gum, bleaching, deodorizing,

but not separating of fat. Such raw materials are used as key raw materials for the manufacturing of Olein palm oil and biodiesel.

Such raw materials will be sold to manufacturer and distributor of biodiesel and Olein palm oil, as well as entrepreneurs in both domestic and international food industry. In accounting period 2012, the Company sold such raw materials to both domestic and international buyers which accounts for 36.53 percent and 63.44 percent when comparing with the total value of raw materials sales in which 78.17 percent of sales in such year was resulted from the enormous amount of crude palm oil due to the order to be used in testing the quality of the second refinery tower (production capacity of 800 crude palm oil tons per day). Prior to the date of machine acceptance, the company found errors in the installation of machine by the suppliers which make the quality of RBD palm oil obtained from the refining process is lower than the agreed level. The Company, therefore, sold raw materials exceeding production capacity of the first distillation tower (production capacity of 350 crude palm oil tons per day) to both domestic and international buyers because if the crude palm oil has been kept for too long, the qualification will be changed which will result in increasing of production costs.

Revenue Structure of the Company and its Subsidiaries

2) Revenues from selling by-products means revenues received from manufacturing including palm fatty acid, refined palm stearin and crude glycerin. Such by-products will be supplied to the entrepreneurs in continuous industries, such as soap, lotion, cosmetic, cream, and condensed milk industry.

/2 The Company and its subsidiaries ordered equipment for electric insulators from AI to sell to a juristic person who had no relationship with shareholder, board, and executives of the Company but could not order the products directly from AI due to internal policy. Currently, the company and AIPT have stopped the sales of equipment for electric insulators since September 2013 and have no policy to reorder such products from sales in the future.

/3 Other revenues mean revenues from goods transportation, revenues from the return of leftovers from manufacturing, revenues from selling scraps, and other revenues. Revenues from goods transportation was resulted from transporting goods to some customers who could not arrange their own vehicles during some period of time. Such revenues from goods transportation in the accounting period of 2012 to 2014 was 8.16 Million Baht, 5.10 Million Baht and 0.21 Million Baht respectively. Revenues from the return of leftovers from manufacturing was resulted from the return of raw materials or crude palm oil from refining service due to premium of manufacturing conversion as agreed upon with customers.

- In 2012, the Company received revenues from selling Olein palm oil abroad by hiring AIL to transport Olein palm oil from Indonesia to sell to Olein palm oil entrepreneurs in Vietnam which accounts for 36.98 percent of Olein palm oil sales value. In this regard, such action was not deemed as key business policy of the Company.
- Revenues from sea navigation mean revenues on behalf of AIL which is a subsidiary of the Company.
- Revenues from port services and revenues from ice cube mean revenues on behalf of AIPT which is a subsidiary of the Company

Business Performance for Each Production Line

The Company and its subsidiaries had revenues from key products and services, including (1) selling revenues consisted of revenues from palm oil business, from ice cube business, and from selling of supporting materials, (2) refining service revenues, (3) sea freight revenue, and (4) ports and terminals servicing revenue, which could be characterized by performance of each type of business of sales and services as follows:-

Company's Products

1 Revenues- Palm Oil Business

The Company had products and services which were produced and distributed in palm oil industry as follows:-

1.1 Biodiesel: B100

Biodiesel is a fuel produced from alternative energy resources such as vegetable oil, palm oil, coconut, sesame, sunflower seeds, soy-beans, as well as animal fat. Biodiesel can be used as substitutes for diesel petroleum by blending in different proportion without any impact on the engine system, as well as no impact on the environment, because biodiesel can be decomposed by biological processes. It also produces less air pollution than diesel fuel produced from petroleum.

Biodiesel produced and distributed by the Company has characteristics and quality in accordance with the Fuel Trade Act B.E. 2543 and qualified as required by the Department of Energy Business, Ministry of Energy concerning the nature and quality of biodiesel type of fatty acid methyl esters B.E. 2552. Produced Biodiesel will be used as an ingredient of High Speed Diesel (HSD) to reduce oil imports and increase the use of alternative energy. Currently, the oil trader under Section 7 uses biodiesel as the ingredient of diesel fuel in the proportion of 95 percent diesel fuel and 5 percent biodiesel, called "Diesel B5". The characteristics and quality of biodiesel distributed by the Company entirely meet the requirements of such agencies, as follows:-

The company produces biodiesel for sale as Made-to-Order whereas all buyers purchased Biodiesel from the Company were domestic buyers. In the accounting periods of 2011 to 2013, the revenue from the sales of biodiesel represented 72.60 percent, 50.35 percent, and 61.69 percent of revenue from sales in palm oil business respectively. The group of customers of Biodiesel is oil trader under Section 7 of the Fuel Trade Act B.E. 2543. Biodiesel is an alternative energy to diesel fuel for petroleum by using vegetable oil or animal fat and Triglycerides to pass through a chemical process called Trans esterification which has reaction with alcohol, including Methanol or Ethanol and catalyst with alkaline characteristics, such as sodium hydroxide (NaOH) which has produced an Ester and by-products,



including Glycerol. As a result, Biodiesel will be called based on the types of alcohol used in the reaction and will have similar properties to petroleum diesel made from petroleum as much as possible. The company produces biodiesel typed methyl ester in which the raw materials were vegetable oil from oilseeds which is crude palm oil from good quality oil palm kernels.

The Department of Energy Business, Ministry of Energy, has announced Department of Energy Business's Notification regarding "the Determination of types and rates, rules, procedures and conditions for the calculation of the amount of fuel reserves" B.E. 2013, which requires that the oil Trader under Section 7 of the Fuel Trade Act B.E. 2543 must increasingly reserve fuel produced in the national territory from 5 percent to 6 percent which would be in effect from 1 November 2013 henceforth. Thus, some oil traders under section 7 ordered additional biodiesel from the Company to accommodate the increased production of diesel fuel due to the above measures. Such purchase order was one-time order to reserve as the raw materials in the production of diesel by renting Biodiesel tanks from the Company in accordance with the determination of the Department of Energy Business. The Company started generating income from such rental biodiesel tanks from 1 November 1 2013. Such rental storage space above would not affect the ability of the Company to distribute biodiesel in any way.

1.2 Refined Bleached Deodorized Palm Olein (RBD Palm Olein)

Palm Olein is obtained from refining crude palm oil by squeezing oil from good quality palm oil which are used as raw materials in the production. The crude palm oil is refined to extract fat to be refined palm oil. Then, such oil will be proceeded to the compression process to separate and crystallize in order to get Palm Olein for consumption.

The Company produces and distributes Palm Olein under the brand “Pamola” to customers both in domestic market and in foreign countries including Myanmar and Laos (in Baht currency). In the accounting periods of 2011 to 2013, the sales of Palm Olein was 16.08 percent, 30.36 percent, and 23.67 percent of the revenue from the sale of the palm oil business which could be divided into domestic and foreign market for accounting period of 2011 at 14.81 percent and 1.27 percent, for accounting period of 2012 at 18.65 percent and 11.71 percent, and for accounting period of 2013 at 23.40 percent and 0.50 percent respectively.

customers who use Palm Olein of the Company could be divided into (1) large food manufacturing industry, including snack foods, margarine, and cooked foods manufacturing industry which mostly orders by tank truck, (2) finished customers, including hotel, chained restaurant, and general stores that ordered a size containers such as gallon tins, bottles, and bags, and (3) stores ordering Palm Olein of the Company to be re-contained and sold. The company has various packaging for Palm Olein to meet the diverse needs of customers, including a total of 10 sizes as shown in the following table.



Sizes of Containers of Palm Olein sold by the Company

 <p>Palm Olein branded "Pamola" 0.25 Liters/bottle</p> <p>01</p>	 <p>Palm Olein branded "Pamola" 1.00 Liters/bottle</p> <p>02</p>
 <p>Palm Olein branded "Pamola" 5.00 Liters/gallon</p> <p>03</p>	 <p>Palm Olein branded "Pamola" 1.00 Liter/bag</p> <p>04</p>
 <p>Palm Olein branded "Pamola" 13.75 Liters/bag</p> <p>05</p>	 <p>Palm Olein branded "Pamola" 18.00 Liters/bag</p> <p>06</p>
 <p>Palm Olein branded "Pamola" 13.75 Liters/bucket</p> <p>07</p>	 <p>Palm Olein branded "Pamola" 18.00 Liters/bucket</p> <p>08</p>
 <p>Palm Olein branded "Pamola" 200.00 Liters/Drum</p> <p>09</p>	 <p>Palm Olein branded "Pamola" 15.00-30.00 tons/tank truck</p> <p>10</p>
 <p>Biodiesel: B100</p> <p>11</p>	

1.3 Raw Materials and By-products

The company sells raw materials, including crude palm oil which is an initial raw material for manufacturing of Biodiesel, and distributes Refined Bleached Deodorized Palm Oil (RBD Palm Oil) which is an initial raw material for manufacturing of Biodiesel and Olein Palm oil obtained from the refinery process, which requires the removal of gum, bleaching, deodorizing, but not separating of fat. The Company sold such raw materials to both domestic and foreign buyers. In accounting periods of 2011 to 2013, the Company's revenue gained from raw materials selling accounted for 5.00 percent, 11.86 percent, and 14.47 percent of total selling revenues in palm oil business. In accounting period of 2011, the Company had proportion of raw material sold to domestic buyers at 100 percent of total revenues from raw materials selling. In accounting period of 2012, the Company had proportion of raw material sold to domestic buyers and foreign buyers compared with total revenues from raw materials selling at 36.53 percent and 63.44 percent

respectively. In accounting period of 2013, the Company had proportion of raw material sold to domestic buyers and foreign buyers compared with total revenues from raw materials selling at 58.52 percent and 41.48 percent respectively.

In addition, the Company had revenues from selling of by-products received from manufacturing including Palm Fatty Acid Distillate (PFAD), Refined Bleached Deodorized Palm Stearin (RBD Palm Stearin) and crude glycerin. In accounting periods of 2011 to 2013, the Company gained revenue from selling of by-products received from manufacturing at 6.32 percent, 7.43 percent, and 7.94 percent respectively by dividing into domestic and foreign sells at the proportion of 4.88 percent and 1.44 percent in 2011, 5.29 percent and 2.14 percent in 2012, and 2.92 percent and 5.01 percent respectively. Such by-products will be supplied to the entrepreneurs in continuous industries, such as soap, cream/coffee mate, cosmetics, as well as reused as raw materials from Biodiesel production.



(Palm Fatty Acid Distillate: PFAD)



(Refined Bleached Deodorized Palm Stearin: RBD Stearin)



(Crude Glycerine)

2 Revenues from Refining Services

The Company had revenues from refining service contracts resulted from providing service on refining crude palm oil (CPO) and Crude Palm Kernel Oil (CPKO) to gain Refined Bleached Deodorized Palm Oil (RBD Palm Oil) and (Refined Bleached Deodorized Palm Kernel Oil (RBD Palm Kernel Oil or RBDPKO) in which the customer will supply CPO and CPKO, as well as taking liabilities in transporting such raw materials to the factory and picking up products on its own. AIE will take responsibilities in bringing such raw materials into refining process with effective refinery tower to get products with quality as determined by the customer. In this connection,

the employer is a member of a group of traders in under section 7 of the Fuel Trade Act B.E. 2543 in which currently there is one of under section 7 providing refining services to such customers for over three consecutive years. On 3 May 2013, the Company signed refining service contracting agreement of CPO and CPKP to get RBD Palm Oil and RBDPKO with such customer with the certain contracting amount and refinery by determining the contract for the period of 5 years. As providing refining services for CPO and CPKO is deemed as stable source of revenue for the Company and could help the Company to maintain good relationship with customers to create business opportunity into the future, in accounting period of 2011 to 2013 the Company had revenues from refining service contracts at 2.77 percent, 0.52 percent, and 2.22 percent of total revenues respectively.

Product of Subsidiaries

1 Revenue from Sea freight service

Revenue from sea freight service is revenue arising on behalf of AI Logistics Co., Ltd. (AIL) which operating vessel transportation services with 2 high-quality vessels, namely “Thararatana 1” and “Thararatana 3”. AIL provides transportation for fuel, lubricant oil, crude palm oil, refined palm oil to AIE, as well as other customers performing business in palm oil industry both domestically and internationally. Currently, AIL provides transportation services of crude palm oil to the Company and entrepreneurs in palm oil industry, as well the transportation of palm kernel oil to one of the Traders under Section 7 by using “Thararatana 1” and “Thararatana 3” vessel. The details regarding vessels and services are as follows:-

Matrix Representing Basic Information Regarding AIL's Vessels

Vessel Title	Vessel License	Type of Vessel	Size/Route
Thararatana 1	Transport CPO and Fuel	A coastal Sea	- Vessel size (Tanker) 1,500 Gross Ton - Domestic transportation
Thararatana 3	Transport CPO and Fuel	Mechanical sea area only	- Vessel size (Double – Hull) 2,500 Gross Ton - International transportation

Note: In 2012, AIL has sold “Thararatana 2” to the third party who has no involvement with any shareholder, board, and executive of the executives.

Photos of Thararatana Vessel 1



Photos of Thararatana Vessel 3



In 2012 to 2014, AIL's revenue from sea freight was equal to 30.35 percent, 60.16 percent, and 38.09 percent and 22.06 percent of total revenues from sea freight in which AIE hired AIL to transport Crude Palm Oil (CPO) from AIPT storage tanks in Muang district, Chumphon province, to AIPT storage tanks in Tha Chalom, Samut Sakhon province by using Thareratana 1 to provide such services. Currently, such vessel serves AIE with full capacity while Thareratana 3 serves for other customers who have no involvement with any shareholder, board, and executive of the executives with approximate 70 percent of its transportation capacity. In this connection, in 2012 to 2014, the Company gained revenues from sea navigation at 2.32 percent, 0.83 percent, and 1.08 percent respectively.

2

Revenues from Ports and Terminals Servicing and Revenue from Ice cube

Revenue from ports services and ice cube selling is revenue arising on behalf of AI Ports and Terminals Co., Ltd. (AIPT) which operates port services and storage tanks, as well as ice factory for food industry. AIPT is a subsidiary of the Company and have 2 ports and storage tanks located in Tha Chalom in Samut Sakhon province and in Muang district of Chumphon province. Both ports have storage tanks providing storage services for fuel, lubricant oil, crude palm oil, and refined palm oil with total storage capacity 30,000 tons, or approximately 33,186,000 Liters.

Photos of Ports and Storage tanks in Tha Chalom District, Samut Sakhon Province



Photos of Ports and Storage tanks in Muang District, Chumphon Province



Currently, all fuel cargoes of AIPT serve for the Company only by providing services for the storage of crude palm oil (CPO) to be used for manufacturing and distribution. Such CPO came from extracting plants of oil palm in Southern of Thailand. AIPT also has revenue from ice factory for food industry located in Tha Chalom district in Samut Sakhon province which was previously the location of port prior to AIPT's purchasing from the former owner and taking surrounding land to develop as additional fuel cargoes. The groups of customers include entrepreneurs in food industry, namely meatball manufacturing, fish fillet plants, manufacturing and distributing plants of canned fish and processed seafood products. In this connection, in accounting periods of 2011 to 2013, the revenue from the sale of ice cube was equal to 1.10 percent, 0.83 percent, and 0.65 percent of the total revenue respectively. In 2012, AIPT had no revenues from port services provided for any other customers apart from the Company in which the Company entered into short-term contract with AIPT covering port servicing and storage tanks entirely.

Risk factors

1. Business Competition

The company operates business in producing and distributing biodiesel fuel (B100) and crude palm oil and by-product from the production process. If we consider the business growth of each product, biodiesel fuel is known to be a product which grow and competitive in the market compared to other products sold. As the Ministry of Energy together with the Ministry of Agriculture and Cooperatives and Ministry of Finance have set up an action plan to develop and promote biodiesel (B100) to improve such strategy fairly. This is considered one of the ways to support biodiesel producers by slowly increase such mixture of biodiesel from the enforcement of B2 in the past to the current B7 which is used nationwide (biodiesel rule B7 refers to diesel fuel which has 7% mixture of biodiesel and diesel fuel mixture of 93%). The alteration shows that the trend towards higher demand for biodiesel will increase in the future and with the guideline to improve renewable energy, which the cabinet has agreed to such strategy to develop and promote biodiesel use from plan oil.

Moreover, the Board of Investment (BOI) granted tax benefit to support biodiesel producers led to the number of 10 biodiesel (B100) producers and distributors of Fatty Acid Methyl Ester type in 2014 (excluding Pure biodiesel company limited) to have a total of 4.69 million liter production capacity per day. Therefore, from the potential business expansion of biodiesel caused by the support from the government, this may allow new producers to have enough capital to enter and compete in the biodiesel market. Also, the government policy regarding the ASEAN Economic Community (AEC) which will lead to the enter-exit of goods freely, which for the palm oil industry of Thailand that is mainly built on agriculture and small businesses causing cost of palm oil production to be higher than countries with large producers such as Malaysia and Indonesia. This is considered a weak point that could have an effect on the competitiveness of Thai palm oil after entering into the AEC in 2015 i.e. having more foreign competitors inside the palm oil business which will eventually lead to higher competition in the market.

The company has begun to prepare for tougher competition by giving importance to the development of efficiency in the production process continuously to bring about higher quality and the highest production efficiency. This will allow the company to control cost and expenses in production more efficiently. It will also allow us to maintain quality of the biodiesel according to standard. In the past, the company has invested in improving the production system Refinery tower 1 (Refine 1) which was able to expand production from 300 tons of crude palm per day to 350 crude palm per day. The in 2010, the company began to invest in refinery tower 2 (Refine 2). The refining technology is a closed vacuum distillation system, same as the first refinery which has 800 tons of crude palm per day. It was able to produce for commercial purpose during the first quarter of 2013. At the moment, the company is producing crude palm oil at 1,150 tons of crude palm per day, helping the company to gain benefit from Economy of Scale even more. Also, the company has plan to expand investment to further improve efficiency and reduce cost by using palm fatty acid which is a by-product as a raw material to produce biodiesel. Additionally, the company is investing to develop the production process of biodiesel so that the recovery methanol could be used at a higher rate than the current level which the process is fully operated in 2014. This process will help the company manage its raw material cost more efficiently and considered a way to develop potential in its competitiveness. It will also be a competitive advantage when compared to other companies in the industries since at the moment, raw materials are expensive. From our determination to give high importance to develop efficiency of production by managing raw material cost from the past to present, we are sure that will be lightly effected from the mentioned risk.

2. Customer Concentration Risk

The company sells 3 types of products- biodiesel fuel (B100), Olein palm oil "PAMOLA" brand, and crude palm oil and by-product from production. In the 2013 financial statement, the company's distribution share of all 3 products added up to 58.76%, 23.90% and 12.34% respectively. In 2014, the ratios were 63.04%, 21.32%, and 12.79% respectively. In the distribution process of all biodiesel fuel of the firm, it was done according to section 7 of the Fuel Trade Act B.E. 2543

which was sold in a made to order manner through inviting customers for bidding. The selling process after winning the bidding will be a 3-12 months contract depending on the project plan and customer's policy. Most customers will determine the product pickup or amount of goods clearly in the contract.

However, the purchasing ratio may adjust down according to the customer's demand during each period. The company is sure that there is very small chance for us to lose our customers as producers and distributors of biodiesel fuels are rare. From the information produced by the department of energy business, Ministry of Energy, in 2014, there are 10 producers with 4.69 million liters of production per day while the demand for such product is increasing according to the government's policy to induce higher usage of biodiesel fuel from their alternative energy development plan to be 25% in the next 10 years (2012-2021). The announcement of the department of energy business, Ministry of Energy regarding the specified condition for fuel traders according to the fuel trade act section 7 to reserve fuel that is produced domestically to increase from 5% to 7%. This led to traders according to the fuel trade act section 7 having to buy biodiesel fuel as raw material for diesel production. Also, they must find reserved area to store the mentioned biodiesel fuel.

3. Risk from trademark for PAMOLA brand

The company has produced and sold olein palm oil under the product name "PAMOLA" which the company has obtained trademark right from buying assets the former trademark owner that faced liquidity problem and is under business restructuring plan according to the court's bankruptcy order. The company has discussed to buy all assets from the previous owner which the former trademark has been registered for selling many types of product such as cooking oil and butter, rice, water, and sesame. According to trademark number Kor 115789, Kor 115816, Kor 115793, and Kor 115792 which the receiver of the previous owner has filed for bankruptcy to the central court to have the court withdraw its trading right "PAMOLA" and transfer it to our company with recompense fee in case the trademark is not transferred to the asset of the previous owner in the amount of 3.75 million baht

with 7.5% interest per year (less than 5% of total asset). On August, 9, 2012, the central bankruptcy court has cancelled such petition whereby the court specified that "the trade has been agreed by in the debtor's meeting and presented to the court. The court has given the authority for the trade, which such trade that includes trademark transfer, the company has paid compensation and proceeded according to all legal proceedings. Therefore, the company has traded with fair compensation and went according to legal procedures. The court has order for the petitioner to have to right to be granted such request." However, on October 2, 2012, the receiver of the former owner has lodged an appeal to the central bankruptcy court to have the court considered its writ. The company had disputed to such appeal on December, 7, 2012. At the moment, we are in the process of legal proceedings. Therefore, the company is exposed to trademark risk in that we may be ordered to stop using such trademark which could affect the net sale of "PAMOLA."

From the past year, the company mainly focuses on selling olein palm oil to industrial sector since they order a large amount to use in their frying process without any emphasis on the brand, but more towards the quality e.g. level of iodine value. Also, selling product to the instant group, the company has prepared a contingency plan to reduce the risk by proceeding to additionally register for a trademark with the trademark office, Department of Intellectual Property, on August, 5, 2013. The company has informed the registrar and the director of the our company is sure that this will not have negative effect on the matter. Therefore, the effect of such event on the financial statement will not be recorded as potential bad debt in the statement.

4. Risk from the government policy amendment

Palm oil is considered an important economic crop since it helps with stability in terms of food and energy of the country. Crude palm oil which is extracted from the factory of Thailand will be separated for various business sectors such as energy, industry, and other non- food sectors such as soap and cosmetics. Palm oil in the country has enough capacity for domestic use only, which palm oil and crude palm oil that are products of extruded palm oil, including products which use crude palm oil as raw material in the production process will be controlled by the state through various ministries, directly and indirectly such as the Ministry of Agriculture and Cooperative, Ministry of Energy,

and Ministry of Commerce since crude palm oil that has been extracted from palm oil is considered a raw material in various industries. With the direction of crude palm oil in Thailand moving in the same direction of the Malaysian crude palm oil, the largest crude palm oil in the world, and Malaysia owning 91% of the world's total crude palm oil production, in the past Thai palm oil industry has faced various factors that caused price to fluctuate and effected plan industries from the earlier stages. These includes farmers who grow palm oil, middle stage which are producers of palm oil down to consumers. We can see that during 2010, there is a huge fluctuation in the weather condition which caused the Southern area to face a huge drought and natural disasters during the end of 2010, these events caused a shortage of palm oil in the market since palm oil and palm fruits has decreased largely, this led to a huge shock in palm oil price and producer's cost to increase. This event continued till the end of 2011 and made prices other vegetable oils such as soy oil, sunflower oil, and rice bran oil to face increase. The government ultimately came out to ask for support from palm olein oil producers to sell at below 42 baht per bottle.

For the price and quantity fluctuation of crude palm oil, the government had issued a policy to control such problem from both the fluctuating price and quantity. The government has used its policy to reduce the portion of biodiesel in diesel oil such as at the moment, the government had lowered B7 to B5. For stocking crude palm oil in the country, they increased the ratio of biodiesel in diesel fuel when stocking crude palm oil high. This is to control the amount of crude palm oil used and focuses on the need of the general consumer. Also, price of oil palm and crude palm oil has been controlled in case of fluctuation and use the policy to buy crude palm oil from the market in case of crude palm oil stocking price being too high and the policy to import crude palm oil from abroad. In the case that domestic crude palm oil is at a shortage (at the moment Thailand has a policy to control imported palm oil even though the import tax rate is at 0% since 2010 whereby allowing palm oil to be an authorized imported product. Public Warehouse Organization, Ministry of Commerce is the only entity allowed to import such product so that there will be no effect on the domestic palm oil industry). The policies will affect producers in all sectors of the palm oil business, also the Department of Internal Trade of Thailand,

Ministry of Commerce had ordered that vegetable oil, fuel oil, and palm oil are controlled products according to the Act on Prices of Goods and Services of 1999 where vegetable oil and fuel oil are considered sensitive list products. The Department of Internal Trade will monitor the price and condition daily. Therefore, from what has been mentioned above, the company continues with business in producing and distributing palm oil that is obtained from palm fruits which is a controlled product by the government. The company therefore faces risk from policy shift which could affect the company's profit. However, the company is aware of such risk and is proceeding with the emphasis on efficiency developing in terms of capital management to support the mentioned risk and continuously develop our machinery and invest in the second refinery to be able to support demand. Also, we have plan to invest in production development by using by-product as raw material in biodiesel production from which is Palm Fatty Acid Distillates that is cheaper. The company also sees importance of tracking the change in government policy that is related to monitor news of policy shift continuously to be aware of any movement in a timely manner. Therefore, the company is are that the risk mentioned will not be severe.

5. Risks from unforeseeable event

The company has operated business in producing and distributing biodiesel and olein palm oil from crude palm oil and its subsidiaries which are AI Ports and Terminals Company Limited (AIPT) and AI Logistic Company Limited (AIL) which provide ports and storage tanks service and sea freight service (transport fuel, lubricant oil, crude palm oil, and refine palm oil) both domestic and international. The company and its subsidiaries operate business regarding fuel oil which might face unanticipated events such as bombing, fuel leak, and accident caused by vessels which could bring about damage for the company and its subsidiaries. The company and its subsidiaries however are aware of such risk and set guidelines to mitigate such risk through knowledge transfer for each departments of all companies via training at both public and private agencies that are related. This will also help create unity and help employees be aware of the work operation. This process is conducted along with the control of the managers of each department with strict training and guideline in case of emergency annually.

Also, the company has continuous monitoring and inspection of the safety equipment and has contract with well-renowned domestic and foreign insurance companies to protect the company and its subsidiaries from risk that could occur. The insurance covers all potential risk, including the asset that is used for business conduct and fuel stock, including risks that occur from natural disaster and accident. If such event occurs, the company and its subsidiaries will be effected to a certain level but since the company and AIPT began its operations, there had never been any incident. As for AIL, there was an incident where an international vessel crashed into AIL's vessel in a foreign area in 2008. AIL had asked for compensation from the insurance company but was refused since the insurance doesn't cover incident occurring in foreign territory. AIL therefore cancelled and renewed its insurance policy and no incident ever occurred since then.



Production-Related Risks

1. Material shortage risk.

The company is a manufacturer and distributor of alternative energy, biodiesel from crude palm oil. Also, the company has manufactured and distributed olein palm oil in the brand of "PAMOLA" as well as the raw materials and by-products, which is a by-product of the manufacturing process. The Company uses crude palm oil, CPO, as a raw material in the production process. By separated financial statements, fiscal year of 2012 and 2013, the company has a proportion of crude palm oil cost as 92.20 percent and 86.55 percent of raw materials cost respectively. Due to the purchasing of crude palm oil is in the short-term, 1 month, ordering contract or agreement, which states the purchasing price certainly without the long-term ordering contract with the supplier especially. Thus, the company may be risk to a shortage of raw materials if the supplier cannot supply the crude palm oil to the company adequately or stop to supply the crude palm oil to the company by the supplier's internal policies. Therefore, the company may be loosening the opportunity to conduct business, which may affect to the company's earnings.

The company is aware of the risk issue as above, the protective approach has determined for such risk by purchasing the raw material from more than 20 potential suppliers and maintaining of a good relationship with the suppliers continuously. More than 50 percent of raw material suppliers is in vendor list of the company is business partners with the company for more than 3 years. Now a day, Thailand have agriculturists, who is growing up the palm fruits, more than 1.28 hundred thousand of household. In 2011 the total of cultivated area for palm fruits is 3.75 million Rai and in 2012 the cultivated area increase to 4.84 million Rai approximately, which it is 29.07 percent of the last year (source: situation of the palm oil from Secretary General Office of Agricultural Economics, Ministry of Agriculture and Cooperatives.) The increasing that it is a result of Alternative Energy Development Plan, involve in the part of biodiesel of public sector, which setting the goal of biodiesel production, in 2021, to be 5.97 million Liters per day. The plan focuses on the potential development of the demand and supply. In aspect of supply, it focus on the promoting to increase the cultivated area for palm fruits to be 5.50 million Rai and yielding palm as a total of 5.30 million Rai within 2021. Together with, in the year of 2011 the palm fruits price increase to 5- 6 Baht per Kilogram. Therefore, the most of agriculturists turn to grew up the palm and result to increased fresh palm fruit to the markets from 10.25 million Tons in 2011 to 11.60 million Tons in 2012, which it is 13.17 percent of the last year and trend to be increasing cultivated area continuously. While, the company has the capacity to produce refined bleached deodorized palm oil as 1,150 Tons of crude palm oil per day. Thus, the company ensures that it will be less of material shortage risk.

2. The risk of fluctuations in raw material prices.

The company use crude palm oil, CPO, as key raw material for produce biodiesel and olein palm oil for distribution. The cost of crude palm oil in the global market is defined as the direction of the market of crude palm oil in Malaysia. Because of Malaysia has the proportion of export the crude palm oil per product highest in the world. The factors that affect the price of crude palm oil i.e. changing of economic conditions, consumer wants, weather, crude palm oil remaining in stock, and price of other alternative oil such as soy oil and rice bran oil etc.

For Thailand, the price of crude palm oil trend to fluctuates according to the price of crude palm oil in global market. The price of crude palm oil in 2014 increased from 2013, which it is 12.64 percent, the average price in 2013 is 25.24 Baht per Kilogram, and in 2014 the price is 28.43 Baht per Kilogram, (source: Department of Internal Trade of Thailand, Ministry of Commerce.) In the late of 2010 – early in 2011, the price of crude palm oil within the country very fluctuated and increased due to the global market at Malaysia. It is a result of the flood in Thailand, in the cultivated area of palm fruits in the southern, and results to low palm oil production. Together with the speculation of palm oil mill owners, that affect to the supply of crude palm oil in the country. Therefore, the price of crude palm oil in the country in that time is abnormally high as 58.02 Baht per Kilogram. While the government had a measurement to solve the problem of crude palm oil shortage, by an announcement to importing that it is a psychological affect to increase the amount of crude palm oil in the market. That, results to dramatically decrease the price in March 2011, from 58 Baht per Kilogram to 35 Baht per Kilogram. Thus, the company may be risk due to the fluctuation of the price of crude palm oil, which sensitive to the factors that impact both in and out of the country. The fluctuation of the price of crude palm oil may affect to the earning of the company.

The company aware of these risks, the policy has determined to adoption for the department who concerned. Emphasizing, the price situation is closely monitored through various channels such as television, newspapers, and website of government organizations which related, such as Department of Internal Trade of Thailand, Ministry of Commerce, coupled with monitoring the price situation, through the business partners continuously. These can help to decrease the fluctuation impact of price of the raw material. Moreover, the public sector has a measurement to control a serious fluctuation of the price, such as the control of purchasing price of palm fruit and crude palm oil in the case of crude palm oil price is fluctuated and affect to the agriculturists who grow up the oil palm, and purchase crude palm oil out of the market in the case of crude palm oil is too much stock in the country.



Financial Risks

1. Risks from Dependency on Financial Institution's Capital

As of 31 December 2014, the Company and its subsidiaries had credit support from a local financial institution. The total debt was 418.05 million Baht (categorized as debt on behalf of the Company for 295 million Baht and liabilities on behalf of the subsidiary, AIPT and AIL, for 121.46 million Baht and 1.59 million Baht, respectively) with financial cost liability of 23.18 million baht (divided into the Company's financial cost for 9.04 million Baht and the financial cost liability of the subsidiaries for 14.14 million Baht). Also, with the existing burden, the Company may have risks from fluctuations in interest rates which are the financial costs of the Company that may affect operating results eventually.

In addition, to reduce dependence on financing from financial institutions, the company had a policy to be listed on mai. to use money received from this sale of shares for investing in property used in the business, as well as use as working capital to support the credit of some financial institutions, as well as bring part of the proceeds to repay debt which could help reduce the risk from Dependency on Financial Institution's Capital to some degree.

2. Risk from Exchange Rate Fluctuation

In accounting period of 2014, the Company and its subsidiaries had assets denominated in foreign currencies and the U.S. dollar equivalent of \$ 0.36 million in U.S. dollars which could be converted into 12.12 million Baht, in which a part that were incurred by the Company was at 0.36 million U.S. dollars arising from the sale of crude glycerin to a customer in China without hedging foreign exchange risk as it was a small amount. The Company will consider the use of forward foreign exchange contracts to sell an amount in the case of foreign currency transactions of any significant amount in parallel with the news and exchange rate movements closely to assess the situation and figure ways out to prevent the potential risk to the company. Therefore, the Company is confident that if there is volatility of the exchange rate, the Company will be affected insignificantly.

Managing and Administrative Risks

1. Risks of Dependency on Main Executives

The Company was found in 2006 by having Thareratanavibool Family as key executives and principal shareholders by holding AI's stocks at the proportion of 59.59 percent of the Company's authorized capital, by having (1) Mr. Narong Thareratanavibool as Chairman, (2) Mr. Thanit Thareratanavibool as Vice Chairman, (3) Mr. Anurag Thareratanavibool as board of director, and managing director, and (4) Mr. Noppol Thareratanavibool as board of director, and accounting and finance director. All of them have knowledge and understand regarding Biodiesel and olein palm oil producing and distribution business and create the Company's credibility and good relationship with both domestic and international customers over 8 consecutive years. The change of executives may affect the business performance of the Company.

Company clearly determines scope of duties, responsibilities and authority of each position by decentralizing authority in administering and managing systematically through a systematic planning authority as prescribed. There is also delegation of duties and responsibilities to those who have the knowledge and ability appropriately. The Company also has storage systems and good database which is where the exchange of necessary information takes place. The company has also developed a set of guidelines for the performance of employees by delivering training courses to increase the efficacy and to reduce the reliance on any particular employee in parallel with to encourage employees to have a sense of ownership of the company by providing proper care and welfare of employees at each level to build morale and support in working. In addition, the Company also has a policy to recruit talented individuals to join the company in accordance with the business plan as well.

2. Risks in case that there are principal shareholders holding over 50 percent of shares

Thareratanavibool Family which is a major shareholder of the Company through its shareholding in the Company. As of 4 March 2014, Thareratanavibool Family had their shares in the company divided into direct shareholding of 12.41 percent and indirect shareholding through AI of 59.59 percent. Thareratanavibool Family has influence in determining policy for the administration of the company in either direction because they can control the resolution of the shareholders, particularly in the case of a vote taken at a meeting of shareholders not less than one-half of the total votes of shareholders attending the meeting and entitled to vote, exception for the matter that laws or regulations of the company requires to have a 3 out of 4 of the shareholders' meeting.

Anyhow, the Company has an audit committee consisting of 3 independent members for the total of 8 members. All of them have knowledge and ability which are widely accepted in the society. The auditing committee has a role as assigned by the Company's board based on SET's notification regarding qualifications and scope of responsibilities of auditing committee B.E. 2551 and qualifications of independent committee based on article 16 of Capital Market Supervisory Board's notification Number TJ 28/2551 which is deemed to help enhance efficiency and good audit and balance, as well as transparency of the Company's management. In addition, the company also hired Aim to Prosperity Company Limited to perform internal audit which is independent from the management team and can report directly to the Audit Committee. In addition, the Board of Directors of the Company also takes into account the importance of corporate governance by complying with good corporate governance guidelines strictly and consistently so that the company is confident that its shareholders and stakeholders of the Company will be treated fairly and equally.



Company Profile

Company's Name	AI Energy Public Company Limited
Year of Establishment	2006
Stock Code	AIE
Registration No.	0107556000311
Type of business	Manufacture and distribution of alternative energy Biodiesel (B100) and edible oil (Palm oil) branded "PAMOLA" from crude palm oil with capacity of 1,150 tons crude palm oil daily by a constantly refined system and environmental friendly. Also, distribution of crude palm oil and by-product such as Palm Fatty Acid, Palm Stearin, and Glycerine.
Head Office and Factory	55/2 Moo 8 Sethakit 1 Road, Klongmadua, Krathum Baen, Samut Sakhon
Address	74110
Telephone	034-877-485-8
Facsimile	034-877-491-2
E-mail	aienergy@aienergy.co.th
Website	http://www.aienergy.co.th
Registered capital	1,130,000,000 Baht
Paid-up capital	1,130,000,000 Baht, 1 Baht per share
Year of being listed	2014
Contacts	Investors Relation Telephone 66-34877-485 Facsimile 66-34877-491-2 e-mail : aienergy@aienergy.co.th



Subsidiaries

01



Company's Name of Establishment	AI Ports and Terminals Company Limited ("AIPT") 2007
Registration No.	0105550040092
Type of business	Provides the service of ports and the storage tanks for petroleum, crude palm oil, and lubricant oil.
Head Office address	23/1 Moo 7, Thajeen, Amphur Mueng, Samut Sakhon 74000
Telephone	034-497-184
Facsimile	034-497-186
E-mail	aiport1@asianinsulators.com
Paid-up capital	460,000,000 Baht
Comprise of	46,000,000 ordinary shares, 10 Baht per value
Branch address	1/9 Moo 1, Had Sairee, Amphur Mueng, Chumphon 86120
Telephone	077-522-709-10
Facsimile	077-522-711
E-mail	aiport2@asianinsulators.com
Relationship with AIE	- AIPT is subsidiary of AIE, with stakeholder of 99.99% of the registered capital of 460 million Baht - There are common directors; Mr.Narong Thare ratanavibool, Mr.Anurag Thareratanavibool, Mr.Noppol Thareratanavibool and Mr.Thanit Thareratanavibool who take a position as Managing Director

02



Company's Name	AI Logistics Company Limited ("AIL")
Year of Establishment	2006
Registration No.	0105549021411
Type of business	Provides the services for sea and land logistics and specializes in transport of lubricant oil, crude palm oil, and refined palm oil as a sea coast vessel.
Head Office address	254 Seri Thai Road, Kannayaow, Bangkok 10230
Telephone	0-2540-2528
Facsimile	0-2517-1465
E-mail	logistics@asianinsulators.com
Paid-up capital	209,000,000 Baht
Comprise of	20,900,000 Ordinary shares, 10 Baht per value
Relationship with AIE	- AIPT is subsidiary of AIE, with stakeholder of 99.99% of the registered capital of 209 million Baht - There are common directors; Mr.Narong Thare ratanavibool, Mr.Noppol Thareratanavibool and Mr.Thanit Thareratanavibool

Other References

01 Securities Registrar

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey Bangkok 10110
Telephone 0-2229-2800
Facsimile 0-2359-1259
Website : <http://www.tsd.co.th>

02 Auditors

1. Dr.Virach Aphimeteetamrong Certified Public Accountant No. 1378, or
2. Mr.Chaiyakorn Aunpitipongsa Certified Public Accountant No. 3196, or
3. Mr.Apiruk Atianuwat Certified Public Accountant No. 5202
Dr.Virach & Associates Office Co., Limited.
518/3 Maneeya Center Building 7th floor, Ploenchit Road, Lumpinee District
Patumwan, Bangkok 10330
Telephone 0-2252-2860, 0-2255-2518
Facsimile 0-2254-1210, 0-2250-0634
Website: <http://www.vaaudit.com>

03 Legal Consultant

KPA. & Associates Law Office Co., Ltd.
61/28 Soi Viphawadee 42, Viphawadee Rangsit Road
Chatujak, Bangkok 10900
Telephone 0-2561-3682, 0-2941-0465-6
Facsimile 0-2941-0078-9
Website: <http://www.kasemlawyer.com>

Others

- None -

Major Shareholders of AI Energy Public Company Limited

At the closing registration on March 4, 2014

No.	Shareholders	จำนวน (หุ้น)	สัดส่วน (%)
1	Asian Insulators Public Company Limited	673,354,060	59.59%
2	Mr. Narong Thareratanavibool	53,234,722	4.71%
3	Mr. Noppol Thareratanavibool	38,000,254	3.36%
4	Mr. Thanit Thareratanavibool	19,715,720	1.74%
5	Mrs. Sopha Thareratanavibool	10,104,742	0.89%
6	Mrs. Jarunee Worakitjanuwat	7,511,797	0.66%
7	Mr. Naphon Karintrakul	5,270,000	0.47%
8	Mr. Kovit Thareratanavibool	5,250,000	0.46%
9	Mr. Anurag Thareratanavibool	5,050,000	0.45%
10	Mr. Sirikul Thareratanavibool	5,000,000	0.44%
11	Others	307,508,705	27.21%
Total		1,130,000,000	100.00%

Remark : The up to date of major shareholders will be posted on the Company's website before the Annual General Meeting



Dividend Policy

● The company's dividend policy

The company has a policy to pay the dividend to the shareholder in each operation year, and not less than 40% of the net profit after tax and legal reserved. The dividend payout is depending on company's cash flow, regulations, and the investment of the new project in the future. The dividend payout should not significantly affect on company's financial operation. The Board of Directors' decision to payout the dividend is subjected to approval of shareholder at the General Annual Meeting,

except the interim dividend payout if the board of directors considers that it is appropriate and shall not affect the operation of the company. The Board of Directors has authorized to approve the interim dividend payout, and inform the shareholders at the next shareholder meeting. The company has to legal reserves at least 5% of net profits until legal reserves equal 10% of company's registered capital.

● The Subsidiaries' dividend policies

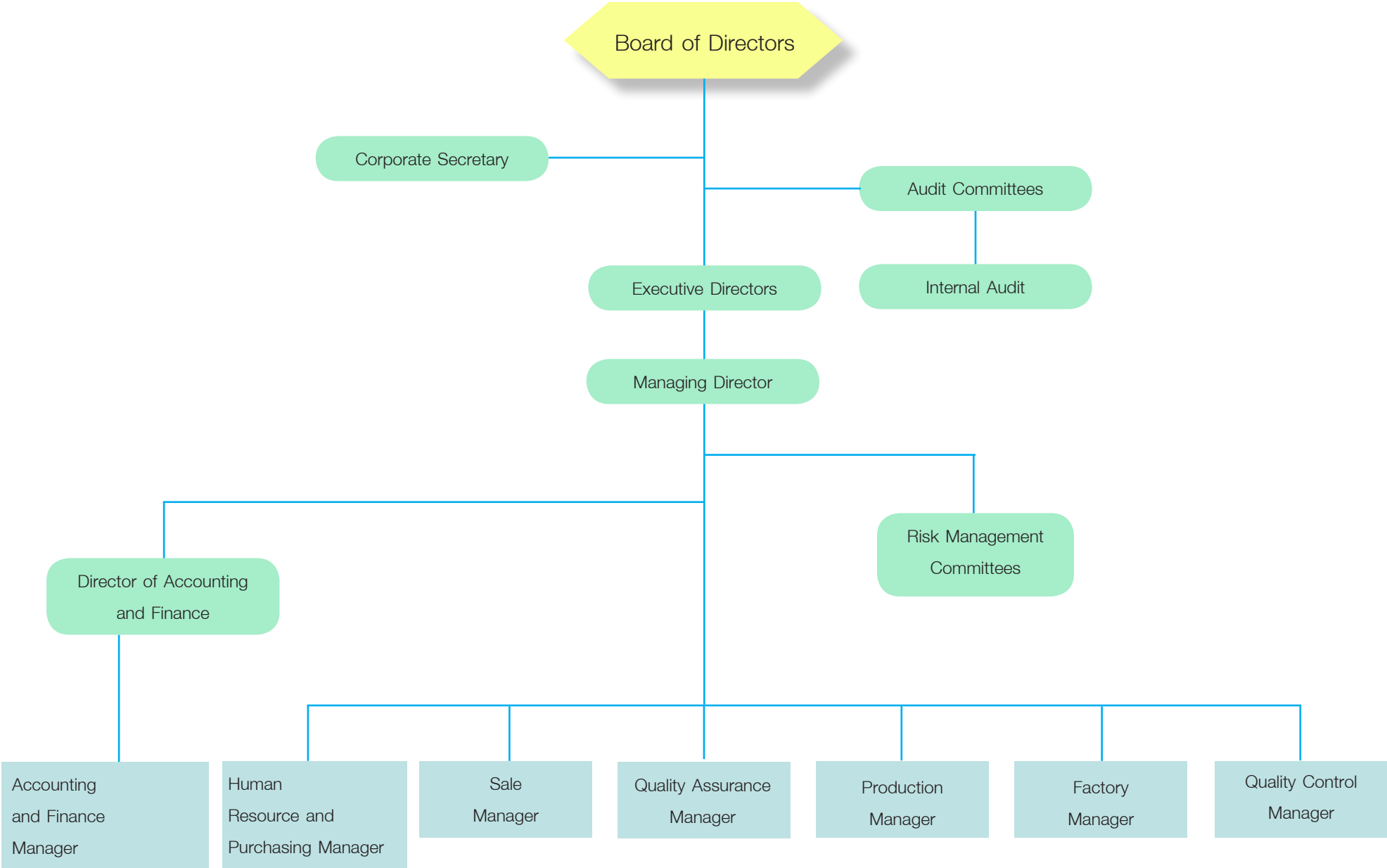
The company has not fixed a dividend payment ratio for our subsidiaries. Their dividend payments shall depend on the operating results of each company.

Dividend payments of subsidiaries to the company must be made accordance with each company's regulation on dividend payment that must be approved by a resolution of their general meeting of shareholders. Interim dividend payments are allowed. In paying dividends subsidiary companies shall record some profit. If there is an operating loss, dividend payments are barred until such losses are recovered. In additional, at least 5% of all profits must be set aside as legal reserves until legal reserves reach 10% of companies' registered capitals.





Organization Chart



Board of Directors



1. Mr. Narong Thareratanavibool

Date of first appointment :

4 October 2006

Shareholding in the Company as of

4 March 2014 :

4.71% (53,234,722 shares)

Position :

- Chairman of the Board / Chairman of Executive Committee

Educations :

- MBA, Kasetsart University, National Defense College

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association(IOD) No. 46/2004
- Chief Financial Officer Certification Program
- Director Accreditation Program (DAP), Thai Institute of Director Association(IOD)
- Chairman 2000, Thai Institute of Director Association (IOD) No. 10/2004
- Advanced Management Program, Capital Market Academy No. 15

Professional experiences :

- | | |
|-------------|---|
| 2006 - 2008 | Director
PPC Asian Insulators Co., Ltd. |
| 1983 - 2003 | Managing Director
Asian Insulators Co., Ltd. |

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- | | |
|----------------|---|
| 2007 - Present | Director
AI Ports and Terminals Co., Ltd. |
| 2006 - Present | Director
AI Logistics Co., Ltd. |
| 2004 - Present | Chairman
Asian Insulators Public Company Limited |
| 1995 - Present | Director
AI Engineering Service Co., Ltd. |

Other listed companies

- None -

Non-listed companies

- None -

Relation among family with other directors :

- Mr.Anurag Thareratanavibool and Mr.Thanit Thareratanavibool's brother
- Mr.Noppol Thareratanavibool's father

2. Mr. Thanit Thareratanavibool

Date of first appointment:

4 October 2006

Shareholding in the Company as of 4 March 2014:

1.74% (19,715,720 shares)

Position :

- Vice Chairman / Executive Director

Education :

- MBA, Kasetsart International, Kasetsart University
- Bachelor of Engineering (Mechanics), Northeastern University, USA

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association(IOD) No. 47/2004

Professional experiences :

- | | |
|-------------|--------------------------------|
| 2006 – 2008 | Director |
| | PPC Asian Insulators Co., Ltd. |
| 1998 – 2003 | Vice Managing Director |
| | Asian Insulators Co., Ltd. |

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- | | | |
|----------------|----------|---|
| 2007 - Present | Director | AI Ports and Terminals Co., Ltd. |
| 2006 - Present | Director | AI Logistics Co., Ltd. |
| 2004 - Present | CEO | Asian Insulators Public Company Limited |
| 1995 - Present | Director | AI Engineering Service Co., Ltd. |

Other listed companies

- None -

Non-listed companies

- | | | |
|---------|----------|-------------------------------|
| Present | Director | Digital Screen Play Co., Ltd. |
| Present | Director | Digit Brain Co., Ltd. |

Relation among family with other directors :

Mr.Narong Thareratanavibool and Mr. Anurag Thareratanavibool's brother

3. Mr.Anurag Thareratanavibool

Date of first appointment :

4 October 2006

**Shareholding in the Company as of
4 March 2014:**

0.45% (5,050,000 shares)

Position :

- Director / Executive Director / Managing Director

Education :

- MBA, Marshall University, USA
- B.A. Economics, Adelphi University, USA

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association(IOD) No. 168/2013
- Director Accreditation Program (DAP), Thai Institute of Director Association(IOD) No. 100/2013

Professional experiences :

- None -

Other directorship positions / other positions at present :
Subsidiaries/Related Company

2007 - Present Director
AI Ports and Terminals Co., Ltd.

Other listed companies

- None -

Non-listed companies

2002 - Present Manager
Thungka Fishmeal Partnership Limited

2002 - Present Managing Director
Chumporn Vision Co.,Ltd.

2003 - Present Managing Director
Pa-ngan Cable TV Co.,Ltd.

2003 - Present Ranong Vision Co., Ltd.

Relation among family with other directors :

Mr.Narong Thareratanavibool and Mr. Thanit Thareratanavibool's brother

4. Mr.Noppol Thareratanavibool

Date of first appointment :

6 July 2011

Shareholding in the Company as of

4 March 2014:

3.36% (38,000,254 shares)

Position :

- Director / Executive Director / Chief Financial Officer

Education :

- MBA – SASIN Graduate Institute of Business Administration of Chulalongkorn University
- B.Sc. Finance – University of Essex, UK

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association (IOD) No. 150/2011

Professional experiences :

- None -

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- | | | |
|----------------|----------|---|
| 2014 - Present | Director | Asian Insulators Public Company Limited |
| 2011 - Present | Director | AI Logistics Co., Ltd. |
| 2011 - Present | Director | AI Ports and Terminals Co., Ltd. |

Other listed companies

- None -

Non-listed companies

- None -

Relation among family with other directors :

Mr.Narong Thareratanavibool's son

5. Mr. Damrong Joongwong

Date of first appointment :

31 May 2013

Shareholding in the Company as of 4 March 2014:

- None -

Position :

- Director

Education :

- Master of Public Administration, NIDA

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association(IOD) No. 168/2013
- Director Accreditation Program (DAP), Thai Institute of Director Association(IOD)

Professional experiences :

- | | | |
|-------------|---|-----|
| 2008 - 2013 | Advisor | |
| | Asian Insulators Public Company Limited | |
| 1982 - 2008 | PEA Assistant Governor | PEA |

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- None -

Other listed companies

- None -

Non-listed companies

- None -

Relation among family with other directors :

- None -

6. Dr. Kaweepong Hirankasi

Date of first appointment :

9 April 2013

Shareholding in the Company as of 4 March 2014:

- None -

Position :

- Chairman of Audit Committee / Independent Director

Education :

- Doctor of Social Science, Marcus University, India
- MBA, International Program, Kasetsart University
- Bachelor of Commerce (Accounting),
Thammasart University

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association(IOD) No. 168/2013
- Director Accreditation Program (DAP), Thai Institute of Director Association(IOD) No. 100/2013

Professional experiences :

1984 - 2010 MEA Assistant Governor MEA

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- None -

Other listed companies

2008 - Present Independent Director
New City (Bangkok) Public Company Limited

Non-listed companies

- None -

Relation among family with other directors :

- None -

7. Assistant Professor Sampan Hunpayon

Date of first appointment :

9 April 2013

Shareholding in the Company as of 4 March 2014:

- None -

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association (IOD) No. 110/2008
- Director Accreditation Program (DAP), Thai Institute of Director Association (IOD) No. 100/2013

Professional experiences :

- | | |
|-------------|--|
| 2002 - 2010 | Dean of Faculty of Business Administration
Kasetsart University |
| 2009 - 2011 | Chairman of Executive Master Program
Kasetsart University |
| 2009 - 2011 | Director PEA |
| 2008 - 2011 | Chairman of Audit Committee PEA |

Position :

- Audit Committee / Independent Director

Education :

- MBA, Kasetsart University
- Certification of Law and Development, ISS, Hague, Nederland
- Bachelor of Law, Chulalongkorn University

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- None -

Other listed companies

Present	Independent Director E FOR L AIM Public Company Limited
---------	--

Non-listed companies

Present	Independent Director SpaceMed Co., Ltd.
Present	Independent Director Wuttisak Clinic Intergroup Co., Ltd.

Relation among family with other directors :

- None -

8. Mr. Choti Sontiwattananont

Date of first appointment :

31 May 2013

Shareholding in the Company as of 4 March 2014:

0.0064159% (72,500 shares)

Position :

- Audit Committee / Independent Director

Education :

- Executive MBA, Kasetsart University
- Bachelor of Business Administration (Accounting),
Ramkhamhaeng University

Trainings / Certifications :

- Director Certification Program (DCP), Thai Institute of Director Association (IOD) No. 178/2013

Professional experiences :

- | | |
|-------------|--|
| 2012 - 2013 | Director of Accounting & Finance
Richy Place 2002 Co., Ltd. |
| 2010 - 2012 | Factory Manager
Chomphan Group Co., Ltd. |
| 1991 - 2010 | Accountant
Watcharaphol Co., Ltd. |

Other directorship positions / other positions at present :

Subsidiaries/Related Company

- None -

Other listed companies

- None -

Non-listed companies

- None -

Relation among family with other directors :

- None -

Authority and Duties of the Board

The Board of Directors are responsible in lieu of company's shareholders, each director is a representative of shareholders and is involved in providing advice and complying with the regulations set out by the company independently for the public interests of shareholders and stakeholders. Duties and responsibilities of the Board of Directors include the following.

1. Perform their duties in accordance with the laws, objectives and regulations of the company, as well as the resolutions of the general meeting of shareholders
2. Consider and approve the business policy, goals, operational plans and annual budget
3. Consider the appointment of a person who is qualified and not disqualified as defined in the Public Company Act BE 2535 and the Securities and Exchange Act, including regulations and/or rules related to the position of director in case of vacancy for reasons other than retirement
4. Consider the appointment of executive director chosen from company's directors, and define the authority and responsibilities of the executive directors.
5. Consider the appointment of independent director and audit committee by considering the qualifications and the prohibited qualifications for independent directors and audit committee according to the Securities and Exchange Act, including announcement and/or regulations related to the Stock Exchange, or propose to the shareholders' meeting to further consider the appointment of an independent director and audit committee of the company.
6. Consider, determine, and change the names of directors who have duly authorized bidding company.
7. Appoint any other person to operate the company under the control of the Board, or delegate authority to such persons and / or within the period as the Board deems appropriate, provided that the Board may revoke or modify such a power.
8. Consider and approve the acquisition or disposition of assets, unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with the announcement, rules and / or regulations related to the Stock Exchange.
9. Approve the related transactions unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with the announcement, rules and / or regulations related to the Stock Exchange.
10. Approve paying an interim dividend to shareholders as the company deems reasonable, and report such payment to the meeting of shareholders in the next meeting.

However, the committee who has any conflict of interest or any other conflict of interest with the company shall be not entitled to vote on such respective matter.

In addition, in any of the following cases, it shall be approved by the Board of Directors Meeting, and the Meeting of Shareholders with votes of not less than 3 out of 4 of the total votes of shareholders attending the meeting and entitled to vote.

- | | |
|---|---|
| <p>(A) Sale or transfer of either whole or substantial part to any other person</p> <p>(B) Purchase or acquisition of a private company or other public company</p> <p>(C) Amend or cancel the contract relating to the leases of the company either whole or substantial part, assign any other person to manage the businesses of the company, or a merger with another person for the purpose of sharing profit and loss.</p> <p>(D) Amend or add the Articles of Association or company's regulations</p> | <p>(E) Increase or decrease of the registered capital</p> <p>(F) Dissolution</p> <p>(G) Issue of the debentures</p> <p>(H) Company's merger with another company.</p> <p>(I) Any other matters as set forth under the provisions of the Securities and Exchange Act, and/or the terms of the Stock Exchange of Thailand, which it shall be approved by the meeting of the shareholders with votes mentioned above, acquisition or disposition of assets and related transactions etc.</p> |
|---|---|

Directors' Term of Service on Board

Under the Articles of Association, the term of each director is approximately 3 years, a retiring director is eligible for re-election. In every Annual General Meeting of Shareholders, one-third of the Board or the number nearest to one-third, shall retire from office by choosing directors who have served the longest are most eligible to retire. Moreover, each elected directors are highly qualified with respected for being knowledgeable, moral, and effective, therefore the Company does not set a limit on consecutive terms of service if the shareholders are confident in such re-elected directors.

Duties and Responsibilities of the Chairman

1. Arrange Board Meetings and assign the Company Secretary to arrange for delivery of notices of meetings and documents to ensure that the Board receives sufficient information in a timely manner.
2. Chairman of the Board of Directors meeting
3. Chair at the Shareholders Meetings and ensure that the meetings are conducted in accordance with the Articles of Associations of the Company and the agenda specified.
4. Ensure efficient communication between the directors and the shareholders.
5. Perform duties specified by law as the duties of a chairman.

Authority and Duties of Managing Director

1. Manage and supervise the Company's normal business operations as well as empower the executive or any related person who carry on a routine daily operations of the Company.
2. Define and regulate the overall practice in accordance with the policy of the Board of Directors and / or the Executive Directors Committee.
3. Conducted as the Board of Directors' and / or the Executive Directors Committee's delegation.
4. Authority to approve all the purchase, leasing, hire purchase, or invest in an approved investment plan as well as the authority to revoke all the purchase, leasing, hire purchase, asset sales, investment and expenses that necessary in normal business operation. In accordance with the Company's Approval Mandate disputed by the Board.

5. Authority to approve the purchase of property or expenses' obligation to the contracts and / or agreements with suppliers as specified in the Company's Approval Mandate disputed by the Board.
6. Propose the business strategy and funding for the Company to the Board and / or Executive Director Committee.
7. Authority to approve all subject related to the employment from manager level downward such as hire, appoint, rotate, dismantle, retire, lay off and salary determination, bonus, salary's raise and other remunerations.
8. Authority to open and close accounts with selected financial institutions to facilitate the implementation of the normal business operation through the approval from the Executive Directors Committee.
9. To appoint consultants in various matters to the Executive Directors Committee to approve.
10. Authorized in declaring all regulations and announcements ensure compliance with the policy and the interests of the Company and to maintain discipline within the organization.
11. Propose the management strategies to the Board and the Executive Directors Committee.
12. Propose summarized operating results to the Board and the Executive Directors Committee.
13. Supervised all domestically and internationally sales.



Company Secretary

The Board appointed Mr.Noppol Thareratanavibool as the Company Secretary on 15 May 2013 to take responsibility for all meetings of the Board's and assist to best corporate governance. Also, he conducts as a coordinator to follow the subsequent actions in accordance with the Board's resolutions as the followings;

1. To advice the Company's Articles of Association, regulations and inform significant changes to the Board subsequently.
2. To arrange the Shareholders and the Board meetings in accordance with laws and regulations.
3. To take minutes of the Shareholders and the Board meetings and follow the subsequent actions are in accordance with such resolutions.
4. To disclosure all public information in accordance with regulations, and the SEC's and SET's regulations.
5. To filed all records of the Company's important documents such as directors' registration, invitation to the meetings, minutes of meetings, annual reports, invitation to shareholders' meetings and reports on directors' and management's interest etc.

Audit Committee

On quarterly basis, the Audit Committee reviews the financial statements and balance sheets of companies along together with Accounting and internal auditor, and report the audit results to the Board of Directors. The Board of Directors approves the company's consolidated financial statements in the annual report of the company. The company's financial statements have been prepared under the accounting standards.

As of 31 December 2014 the Audit Committee comprised three following persons.

No.	Name	Position
1.	Dr. Kaweepong Hirankasi	Chairman of Audit Committee
2.	Assistant Professor Sampan Hunpayon	Audit Committee
3.	Mr. Choti Sontiwattananont	Audit Committee

The Board is appointed Miss Pimwan Thareratanavibool as Secretary of the Audit Committee

Audit Committee's duties and responsibilities

The Audit Committee is established to support the operations of the Board of Directors under the Good Corporate Governance, especially in the financial reporting process, internal control system, auditing process, and compliance with laws and regulations set forth by the Securities and Exchange Commission, and the Stock Exchange of Thailand, and directly reports to the Board of Directors. The provisions of the Charter of the Audit Committee are as follows

1. Compositions of the Audit Committee

Audit Committee of the company shall be appointed by the Board of Directors and approved by shareholders of the company to assume the position of director and be qualified in accordance with the Securities and Exchange Act, all rules and / or regulations of the Stock Exchange of Thailand for no less than three persons. At least one Audit Committee must be knowledgeable of accounting and finance. The term of office of the Audit Committee is 3 years from the date of their appointment.

2. Qualifications of the Audit Committee

The Audit Committee must be able to express their opinion freely upon the mission assigned by the Board of Directors without any individual or group's influence over such a mission and the Audit Committee shall possess the following qualifications

1. Not being a director appointed by the Board to decide on the affairs of the Company, its subsidiaries, parent company, subsidiaries, affiliates, subsidiaries of the same order, major shareholders, or those empowered to control the company.
2. Not being a director of the parent company, subsidiaries or subsidiaries of the same order, and listed company
3. Be knowledgeable and experienced sufficiently to act as the Audit Committee. At least one Audit Committee shall be knowledgeable and experienced enough to perform a function of traceability to ensure the reliability of financial statements
4. Be responsible in the same manner as set forth in the SET announcement for qualification and scope of operations of the Audit Committee

3. Authority and responsibilities of the Audit Committee

The Audit Committee is responsible for overseeing the operations of the company to achieve clarity in the administration with integrity, as well as to ensure that the executive directors and company's executives have implemented the policies set out by the Board of Directors correctly in accordance with the standards and consider the interests of shareholders.

1. Review and make sure that the company's financial report is accurate and sufficient.
2. Review and make sure that the company provides appropriate and effective internal control system and internal audit, and consider the independence of the internal audit unit, as well as approve the appointment, transfer, dismissal of the Head of the Internal Audit, or any other agencies that are responsible for internal audit.

3. Review and ensure of the company's compliance with the Securities and Exchange Act, SET requirements, and laws relating to the company's business.
4. Consider, select and nominate an individual who is independent to act as auditor of the company, and offer the remuneration for such a person, including attending meetings with the auditors without management at least 1 time per year.
5. Consider the related-party transactions or transactions that may have conflict of interest to ensure of the compliance with the laws and regulations of the Stock Exchange of Thailand and to ensure that such transactions are reasonable with maximum benefits to the company.
6. Prepare a report of the Audit Committee to be disclosed in the annual report of the company. Such report must be signed by the Chairman of Audit Committee and must contain at least the following information.
 - (A) Opinion on the accuracy, completeness and reliability of the financial reports of the company.
 - (B) Opinion on the adequacy of internal control systems of the company
 - (C) Opinion on the compliance with the Securities and Exchange Act, regulations set out by the SET, or law related to the company's business
 - (D) Opinion on the suitability of an auditor
 - (E) Opinion on the transactions that may have conflict of interests.
 - (F) Number of the Audit Committee's Meeting and the attendance of each Audit Committee
 - (G) Opinion or overall observations the Audit Committee has obtained from its duties under the Charter.
 - (H) Other matters that should be known to the shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors.
7. Other functions assigned by the Board of Directors with the approval of the Audit Committee.

Term of office

1. The Audit Committee shall hold office for a term of 3 years from the date of their appointment, and at expiration of its term, if the Board of Directors or the shareholders' meeting has not approved the appointment of new committees, the original Audit Committee must continue functioning the Board of Directors or the shareholders' meeting appoints the new Audit Committee to replace the previous ones that will vacate the office upon the expiration of the term, and / or in accordance with the term of office of Directors. The appointment must be made within 2 months after the full term of the previous committees. Audit Committee vacating the office upon expiration of its term can be re-appointed for another term.
2. In case of the vacancy of the Audit Committee for whatsoever reasons in addition to the expiration of the term, and the term remains no less than two months, the Board of Directors or the shareholders' meeting can appoint a person whose qualification meets as audit committee in lieu of the vacancy in the next meeting. Such appointed person will assume a position for only the remaining term of the Director he replaces.
3. In addition to vacating the office upon the expiration of term mentioned above, the audit committee shall vacate the office upon any of the following cases.
 - 2.1 Vacating the office of being a director
 - 2.2 Resignation
 - 2.3 Dead
 - 2.4 The Board of Directors has a resolution to withdrawn them from office before the end of term.
 - 2.5 Disqualified by the Audit Committee Charter or by the rules of the Securities and Exchange Commission, and the Stock Exchange of Thailand
4. Audit Committee resigning before the term of office shall notify the Company in advance one month with reasons. The company shall disclose the shareholders or investors the information about the resignation of the audit committee with reasons to the Stock Exchange of Thailand immediately. However, the audit committee resigning before the term of office may explain the cause of resignation to the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. Meeting

Meetings of the Audit Committee are as follows.

- 5.1 The Audit Committee Meeting shall be held to consider the financial statements and others 6 times a year. Calling a meeting shall be made no less than seven days before the Board of Directors Meeting or the Audit Committee Chairman convenes a meeting in special case to consider any other urgent matters as they deem appropriate.
- 5.2 At the Audit Committee Meeting, No less than a half of all audit committees attending the meeting shall be regarded a complete quorum. The audit committee may invite the internal auditor, certified accountant, executives, or related parties to attend the meeting and provide the relevant information. If the Audit Committee Chairman is absent or is unable to perform his duties, and in case of the absence of Deputy Chairman, or unable to perform the duties, the audit committee attendants shall elect one among themselves as the chairman of the meeting.
- 5.3 The Audit Committee Meeting's resolution shall abide the majority of the Audit Committee at the meeting. One Audit Committee has one vote in the voting, except that the Audit Committee having an interest in the matter shall be entitled to vote on the respective matter. In case of a tie, the chairman of the meeting shall have an additional vote as final vote. However, other Audit Committees who did not vote for a resolution, it shall be presented as a dissenting opinion to the Board of Directors.
- 5.4 The Chairman of the Audit Committees shall report the results of the meeting to the Board of Directors in any next meeting.

The Board of Directors and the Audit Committee Meeting Attendance as of 31 December 2014

No.	Name of Directors	Position	Board of Directors	Audit Committee
1	Mr.Narong Thareratanavibool	Chairman of the Board / Chairman of Executive Directors Committee	5/5	
2	Mr.Thanit Thareratanavibool	Vice Chairman of the Board / Executive Director	5/5	
3	Mr.Anurag Thareratanavibool	Managing Director / Executive Director	5/5	
4	Mr.Noppol Thareratanavibool	Director / Executive Director	5/5	
5	Mr.Damrong Joongwong	Director	5/5	
6	Dr.Kaweephong Hirankasi	Chairman of Audit Committee / Independent Director	5/5	6/6
7	Assistant Professor Sampan Hunpayon	Audit Committee / Independent Director	5/5	6/6
8	Mr.Choti Sontiwattananont	Audit Committee / Independent Director	5/5	6/6

Remarks : * The figures show the number of directors attending a meeting per number of times of the meeting

Details of Directorship of AI Energy and Executives in Subsidiaries, and Related Companies

Subsidiaries and Related Companies													
Name of Directos	AIE	2.1	2.2	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.10
Mr.Narong Thareratanavibool	X	/&//	/&//	X	-	/&//	-	-	-	-	-	-	-
Mr.Thanit Thareratanavibool	/&//	/&//	/&//	/&//	-	/&//	-	/&//	/&//	-	-	-	-
Mr.Anurag Thareratanavibool	/&//	-	/&//	-	-	-	/&//	-	-	/&//	/&//	/&//	/
Mr.Noppol Thareratanavibool	/&//	/&//	/&//	-	-	-	-	-	-	-	-	-	-
Mr.Damrong Joongwong	/	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Kaweephong Hirankasi	/	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Professor Sampan Hunpayon	/	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Choti Sontiwattananont	/	-	-	-	-	-	-	-	-	-	-	-	-

Remarks

1. x = Chairman : / = Director : // = Executive Director

2. List of subsidiaries

2.1 AI Logistics Company Limited

2.2 AI Ports and Terminals Company Limited

3. List of related Companies

3.1 Asian Insulators Public Company Limited

3.2 PPC Asian Insulators Company Limited

3.3 AI Engineering Service Company Limited

3.4 Chumphon Vision Company Limited

3.5 Digital Screen Play Company Limited

3.6 Digit Brain Company Limited

3.7 Pa-ngan Cable TV Company Limited

3.8 Ranong Vision Company Limited

3.9 Thung Ka Fishmeal Partnership Limited

3.10 Chumphon Fishermen Ice Factor Partnership

- The Directors mentioned above do not receive compensation from being a director of the subsidiary.

To promote and support the affiliated companies, the company has proposed the directors or executives as directors for subsidiary in order to regulate the corporate policies and business plan for the highest benefit of shareholders or stakeholders.

Executive Committee

Executive Directors Committee as of 31 December 2014 includes four following persons.

No.	Name		Position
1.	Mr.Narong	Thareratanavibool	Chairman of Executive Directors Committee
2.	Mr.Thanit	Thareratanavibool	Executive Director
3.	Mr.Anurag	Thareratanavibool	Executive Director
4.	Mr.Noppol	Thareratanavibool	Executive Director

Authorities and responsibilities of the Executive Director Committee

1. Direct, plan, and set the policies and strategies for the operations of the company in accordance with the economic and competitive conditions and submit the Board of Directors for approval.
2. Supervise the operations of the company in accordance with the policy or business plan, including business strategy which has been approved or determined by the Board of Directors.
3. Propose investment plan and / or funding for the company that it shall be approved by the Board of Directors and / or the shareholders' meeting as the case may be.
4. Establish policies, business plans and business strategies of the company under the scope of the objectives
5. To approve fund investments as set forth in the annual budget that has been approved by the Board of Directors, or in accordance with the Board of Directors' resolution that has been approved in the principle.
6. Authorized to buy, sell, procure, rent, lease, hire-purchase, possess, occupy, improve, use or manage any assets, including investments in accordance with plan that has been approved by the Board of Director.
7. Authorized to approve the purchase of property, or any payment due to the company's operations as to the contract and / or agreements with suppliers as detailed in the authority plan set forth by the Board of Director.
8. Within the limits authorized by the Board of Director, the Executive Director Committee is authorized to approve the purchase, hire, lease , hire-purchase any properties, and authorized to make investment, and spending any expenses necessary to the operation of the company as detailed in the authority plan approved by the Board of Director.
9. Within the limits authorized by the Board of Director, the Executive Director Committee is authorized to approve loans and overdraft from financial institutions or other institutions for supporting operation of the Company as specified in the Company's Approval Mandate, which was approved by the Board of Director.
10. Authorized to determine the employees' welfare in accordance with the conditions and economic status.
11. Execute other matters to support the implementation mentioned above or as assigned by the Board of Director at each time.

Risk Management Committee

There are four Risk Management Committee as of 31 December 2014 as follows.

No.	Name	Position
1.	Mr.Anurag Thareratanavibool	Chairman of Risk Management Committees
2.	Mr.Noppol Thareratanavibool	Risk Management Committee
3.	Miss Pimwan Thareratanavibool	Risk Management Committee
4.	Mr.Phalat Palnak	Risk Management Committee

Duties and responsibilities of the Risk Management Committee

1. Direct the development and participate in the analysis of the risk management strategy of the organization yearly.
2. Develop and screen the risk levels permissible to the organization.
3. Provide direction and overseeing method to the supervisors and staffs in each department.
4. Assess the significant risks and report to the Managing Director
5. Assess and report the risk of the company.
6. Review the practical results compared to goals and quarterly-scheduled plans

Management Team

List of Management Team as at 31 December 2014 includes nine following persons.

No.	List of Management	Position	Shareholding in the Company as of 4 March 2014*
1.	Mr.Anurag Thareratanavibool	Managing Director	0.45% (5,050,000 shares)
2.	Mr.Noppol Thareratanavibool	Chief Financial Officer	3.36% (38,000,254 shares)
3.	Mr.Thongyoo Yodmanphien	Accounting and Finance Manager	-
4.	Mr.Kusol Sriboonyakeaw	Factory Manager	0.0053097% (60,000 shares)
5.	Miss Pimwan Thareratanavibool	Human Resource and Purchasing Manager	-
6.	Mr.Anucha Bunnaro	Sale Manager	-
7.	Mr.Phalat Palnak	Quality Assurance Manager	-
8.	Mr.Titiwach Tanyasakdamrong	Production Manager	-
9.	Mr.Chainarong Saenphuwa	Quality Control Manager	-

Remark: *Included spouse's and underage children's shareholding

Executive Directors and Management Compensation

1. Compensation in cash

a. Directors' remuneration

The company determines the remuneration policy for the company's Board of Director fairly and reasonably in awareness of the appropriateness and harmony with the responsibilities of the director, financial position of the company, and in the reference to the companies in the same industry. At the Annual General Meeting of Shareholders No. 1/2014 held on 24 March 2014, the company approved and determined the 2014 remuneration for the directors amounted to less than THB 2,500,000.

Compensation	2014
1) Standard monthly fee	
- Chairman	THB 18,000 บาท / person / Month
- Director	THB 15,000 บาท / person / Month
2) Meeting Allowance*	
- Chairman	THB 18,000 บาท / person / time
- Director	THB 15,000 บาท / person / time
3) Other remuneration	- None -

Remark : *Determine the meeting allowances will be paid only attended.

Directors' standard monthly fees and meeting allowances as of 31 December 2014

Name	Standard Monthly Fee	Meeting Allowances		Total (Standard Monthly Fee and Meeting Allowances)
		Board of Director	Audit Committee	
Mr.Narong Thareratanavibool	216,000.00	90,000.00	-	306,000.00
Mr.Thanit Thareratanavibool	180,000.00	75,000.00	-	255,000.00
Mr.Anurag Thareratanavibool	180,000.00	75,000.00	-	255,000.00
Mr.Noppol Thareratanavibool	180,000.00	75,000.00	-	255,000.00
Mr.Damrong Joongwong	180,000.00	75,000.00	-	255,000.00
Dr.Kaweephong Hirankasi	216,000.00	90,000.00	108,000.00	414,000.00
Assistant Professor Sampan Hunpayon	180,000.00	75,000.00	90,000.00	345,000.00
Mr.Choti Sontiwattananont	180,000.00	75,000.00	90,000.00	345,000.00
Total	1,512,000.00	630,000.00	288,000.00	2,430,000.00

b. Management's compensation

Management's compensation has been in accordance with policies and responsibilities linked to the operating results of the company and performance of individuals and the similar industries.

Management's remuneration	2012		2013		2014	
	No. of	Amount	No. of	Amount	No. of	Amount
	Person	(THB)	Person	(THB)	Person	(THB)
Salary	6	4,861,703	8	6,785,884	9	10,054,285
Bonus	6	366,102	8	851,516	9	1,146,791
Provident Fund	-	-	5	130,047	5	403,363
Others	6	485,000	8	275,880	9	1,221,270
Total		5,712,805		8,043,327		12,825,709

2. Other compensations

- None -

Management Team



MR. ANURAG THARERATANAVIBOOL

MANAGING DIRECTOR



MR. NOPPOL THARERATANAVIBOOL

CHIEF FINANCIAL OFFICER



MR. THONGYOO YODMANPHIEN

ACCOUNTING AND FINANCE MANAGER



MISS PIMWAN THARERATANAVIBOOL

HUMAN RESOURCE AND PURCHASING
MANAGER



MR.ANUCHA BUNNARO

SALE MANAGER



MR.PHALAT PALNAK

QUALITY ASSURANCE MANAGER



MR.TITIWACH TANYASAKDAMRONG

PRODUCTION MANAGER



MR.KUSOL SRIBOONYAKEAW

FACTORY MANAGER



MR.CHAINARONG SAENPHUWA

QUALITY CONTROL MANAGER

Corporate Governance

The Board of Director's policy is to comply with the Code of Best Practices for directors of the listed companies, as well as the policies on corporate governance to achieve efficiency and effectiveness in the administration and bring forth the fairness to all stakeholders under the principles of good corporate governance, the role of corporate social responsibility to create a sustainable foundation and stability to the Company, which can be categorized into 5 categories as described below.

1. Rights of Shareholders

The Board of Directors places an emphasis on the rights of shareholders in the manner that no any action will be committed to violate or ostracize the rights of shareholders, but facilitate the convenience to the shareholders in exercise of the rights. To disclose important information adequately and transparently for the benefit of shareholders and determine the practices to ensure that shareholders are protected the fundamental right as follows.

Prior the meeting of Shareholders

1. The Company shall inform all the shareholders of the progress of the business operations on regular basis, which notification to the shareholders will be made either directly or through the Stock Exchange of Thailand.
2. For the location of a meeting of shareholders, the company will choose a place where the shareholders can travel conveniently, including appointing the appropriate date and time.
3. The Company will deliver notice of meeting invitation with adequate information about the meeting agenda in advance no less than seven days as required by the Company's regulations and/or the applicable laws. In 2014, the Company has appointed Thailand Securities Depository Company Limited responsible for distributing the notice of meeting invitation and related documents. Also, the opinion of the Board of Directors shall be taken into consideration supporting the resolution of the shareholders in every agenda, including the opinion of the Audit Committee shall determine in any crucial agenda or as required by laws.
4. In the event that a shareholder cannot attend the meeting in person, the Company provide an opportunity for shareholders to appoint an independent director or any person attending the meeting in lieu of him/her, provided that it requires Proxy forms A and B delivers with the notice of meeting appointment.
5. Shareholders was invited to propose the agenda and to nominate candidates for director's election to the meeting of Shareholders and sending the related questions 3 months in advance.
6. The Company posts the notice of shareholders meeting invitation on the Company's website before the meeting date, allowing Shareholders be informed regards to date, time, and place of meeting. Also, for shareholders who are unable to attend, can download Proxy forms A and B in accordance with applicable laws.
7. The Company has appointed Thailand Securities Depository Company Limited responsible for distributing the notice of shareholder meeting invitation with the attachment of Proxy from A and B for unattended shareholders and annual report prior to meeting date 7 days.
8. The Company has posted the notice of shareholder meeting invitation on ThunHood newspaper for a consecutive 3 days in the period of 12 – 14 March 2014, specified date, time, location as well as agendas.
9. The Company facilitates shareholder request a hardcopy of annual report via the Company's email, website, and letter, then provide a hardcopy at the meeting.

The meeting of Shareholder

The Company recognizes the right of shareholders in attending and voting at the meeting. The Company's willing to facilitate the shareholders and holds the meeting with transparency and accountability without committing any deprivation of shareholders, including the opportunity for shareholders to ask questions and express opinions freely.

1. Prior to initiate a shareholder meeting, the Company typically informs the shareholders of the rights pursuant to the Articles of Association, meeting procedures, how to exercise voting, and the right to comment, as well as ask any questions at the meeting according to the meeting agenda. The Chairman of the Board, and directors holding the office for specific matters attend the meeting to provide information and answer questions. The Chairman of the Board or the Meeting Chairman will allocate time appropriately and the timing of the meeting that the shareholders have the opportunity to ask questions or make comments and any suggestions fully.
2. Prior to initiate a shareholder meeting, the Company has introduced all members of the Board of Directors and an external auditor to the shareholders. Also, reviewing the agenda as notified in the invitation altogether with the shareholders for the parallel understanding of agendas sequence without amend agenda itself.
3. Encourage directors, management team, and external audit attend the shareholders' meeting to acknowledge the comments and answer questions raised by shareholders.
4. The Company provides an independent persons in the meeting as observers to ensure the meeting was held with transparency.

After the meeting of Shareholder

1. After the completion of the shareholder meeting, the Company will inform the meeting's resolution to the SET immediately before the next trading session. In addition, the Company would have recorded a meeting of shareholders at all times with accurate and complete meeting content, including details of directors attending the meeting. Clarifying scores at every agenda and any questions or crucial comments will be done in order that it will be verified by the shareholders, and the meeting report will be notified to the SET within 14 days of the shareholder meeting.
2. The Company will inform the meeting's resolution to the SET immediately before the next trading session. For instance, if the meeting held in the morning then the meeting's resolution will be submitted by 02.00 pm same day, if it held in the afternoon then the meeting's resolution is submitted by 09.00 am in the next trading day.
3. The Company will immediately post video recorded of the shareholders' meeting after the meeting on the Company's website for some shareholders who did not attend, to be able to follow the event closely. This will be initiated in 2015.
4. The Company's policy guidance, suggestions and comments received from the shareholders regards to the meeting of shareholders for an evaluation of the meeting and find solutions for managing shareholder meeting next year.

2. Equitable Treatment of Shareholders

The Company places the importance on the rights of all shareholders equally with the following practices.

1. Practice and facilitate shareholders equally and do not commit no action to limit or curtail or violate the rights of shareholders. Shareholders have an equitable rights, which can adequately access all disclose information and to propose the agenda and to nominate candidates for director's election to the meeting of Shareholders. Also have a right to attend the meeting, voting at the AGM. The Company has established guidelines to treat all shareholders, regardless of gender, age, race, nationality, religion, social status or the difference. For some shareholders who are unable to attend the meeting, they can proxy others to attend.
2. Deliver the Proxy forms by nominating at least one independent director for the shareholders to appoint as authorized person in shareholders' meeting and to make the resolution in any agenda in lieu in the event that a shareholder cannot attend the shareholder meeting in person. This is to encourage shareholders to determine the direction of making the resolution in each agenda themselves.
3. If any shareholder makes a request to the company to propose the addition of agenda in any subjects no less than 3 days prior to shareholder meeting date and the Board has considered and agreed that such proposed agendas will benefit the company and shareholders, the company has a policy to facilitate the presentation of such agenda to the meeting of shareholders. The agenda will report to the shareholders through the stock market. In doing so, the company will inform the shareholders of the addition of the agendas through the SET. However, the executive shareholders must not add any agendas that are not informed in advance unnecessarily, especially the crucial agenda that shareholders must take time to examine the information before making a decision.
4. If any shareholder makes a request to the Company to nominate the person for the position of Director, which such request is made through the Company, with supporting information for consideration of the qualifications, and the letter of consent of the nominated person completely in advance no less than three months before the shareholder meeting date, the company has a policy to nominate such a person to assume the position of director in lieu of those directors who vacate the office upon the expiration of term yearly, in order that the shareholders shall further consider the resolution.
5. Adopt measures to prevent the misuse of internal information of those individuals involved, including the company's directors and executives involved with the data. (Including spouse and immature children of such persons)
6. Establish a guideline to prevent the misuse of internal information by prescribing them in employee's operation manual on topics of ethics and disciplinary action, which have been published for all employees.
7. Promote the use of the ballot for the important agendas of the shareholder meeting, for examples, related transaction, acquisition or disposition of assets, etc. This is to ensure the transparency and verification in case of the subsequent objections.
8. Establish policies and procedures to prevent executive directors from taking advantage of important information affecting investment. The Company will inform the Board of Directors' resolution at all times to the SET immediately before the SET opens trading for the next session. The company's Board of Directors and executives shall inform the Security and Exchange Commission the acquisition every time upon purchase or sale of securities within 3 business days.

3. Roles of Stakeholders

The Company respects the rights of all stakeholders, either be shareholders, employees, executives, customers, partners, as well social affairs that will be taken care of. Also, the practices have been established in the Corporate Governance to ensure the rights under any laws relating to the stakeholders. In addition, the Company also strengthens the cooperation with stakeholders in the various groups to continue the operation stably and yield benefits that are fair to all parties to achieve the long run success. The Company has established vision and ethics policies to apply the principles and guidelines for directors, executives, as well as employees. Considered to build relationships and enhance cooperation between the Company and stakeholders by adhering to the principles of corporate social responsibility.

The Board of Director's policy and guidelines for the treatment of stakeholders is clearly defined in the Company's Code of Conduct. To ensure that the Company will maintain and adhere to responsible stakeholders equally.

Shareholders :

The Company's policy to treat shareholders equally regardless of number of shares they held, major shareholders or minority shareholders. The Company operate to the progressive growth and generating noble returns to shareholders over the long term, which entitles the shareholders to comment on the operations of the company.

Employees :

The Company gives priority to employees at all levels and considered as a valuable resource to the Company, therefore, established main policy is to treat all employees equally. The Company's remunerated fairly according to skills and experience (Fair pay) to provide employees with better quality of life. Also pay attention to the safety of employees by participate Zero accident Campaign of the Ministry of Labor to prevent accidents, the impact and damage to the employee and the company.

Customer :

The Company emphasizes in production and distribution that satisfied customer with regard to the quality of products and services. As well as providing a process for complaints when there was an error or defect with product or services, this gives customers confidence and faith to the Company's operation.

Supplier :

The Company treats its suppliers with fair competition by encourage its partners, both large and small entities with fairness. In order to achieve better cooperation and efficient workplace.

Competitors :

The Company operates within the framework of competition honestly and operating under the laws. In the past, the Company has no dispute with a rival competitors, or damage to its opponent, or whatsoever.

Community and Socials :

The Company is committed to improving the quality of life in the surrounding communities by promoting activities such as unified society, build a good relationship, and encourage employees' contribution to the activities with community. Also conducting its business to grow along with society.

Environment :

The Company is engaged in a friendly environment. The Company has prepared a project that reduce the impact of their operations and continually improve the environment surrounding.

Public Sectors :

Public sector is one of the key stakeholders. The Company cooperates in working with public sector organizations compliance with laws and regulations of the government throughout the years.

The Company has a consciousness and awareness as part of society, responsible for social setting, support the community activities and assist the society at any available appropriate opportunity, as well as improve the urban environment and society for better life. Especially the environment aspect, the Company strategies to promote education and training its employees to work with the awareness of impact on environment.

For training can be divided into 2 types as follow;

1. **External training** : officer from Safety and Environment Department, those who have specialized expertise in environmental will be participated in the external training. Then, apply knowledge from training into practice suitable for the Company.
2. **In-house training** : the environment officer who trained from external training will hold a training secession for the Company's employees to transfer and share knowledge and awareness about the environment.

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4. Disclosure and Transparency

The Company has channels to disseminate news and information through its website; <http://www.aienergy.co.th>. The Company's policy is to give priority to the accurate complete timely and equitable disclosure to the investors and those concerned for news, company's information, financial reporting, and information presented to the analysts and investors, and other important information that affects the value of its securities. The Company have channels to communicate with investors and channels of disclosure as follows.

1. Channels for information disclosure



1.1 Disclosure in Form 56-1 and the Annual Report. All information presented in Form 56-1 and the Annual Report are transparently accurate and completed, also is compliance with SET and SEC regulations for all stakeholders. As well as shown a non-financial information such as disclosure of corporate governance policies, social responsibility, the Board of Director's remuneration or directors' shareholding and so on.

1.2 Disclosure through the Company's website and SET Community Portal (SCP) / <http://www.setsmart.com>. The shareholders and investors can easily access and receive all available information and news real-time through SET's website (SETSmart). Moreover, the Company publishes information and news on its website; <http://www.aienergy.co.th> right after disclosed through SETSmart. To facilitate both shareholders and investors to conveniently access information, including disseminate the notice of the meeting of shareholders which is direct and speediest way to communicate.

1.3 Disclosure news and financial information via SET website; SET Community Portal (SCP) / <http://www.setsmart.com>, which the Company will submit the financial statements every time with the information submitted to the SET and the SEC.

2. Investor Relation

The information that is accurate, complete which is important for shareholders and investors. Therefore, investor relations, it is a way to provide important information. The Company has established an Investor Relation to communicate all information news and activities that benefit shareholders investors and analysts in both parts of the inquiry concerning the operation and performance of the Company. However, investors and shareholders may contact the Investor Relations through the following channel.

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Name : Mr. Noppol Thareratanavibool
 Email : aienergy@aienergy.co.th or,
 Telephone : 0-34-877-485-8 Ext. 520 or,
 Website : <http://www.aienergy.co.th>

3. Complaints

The Company open opportunity for raising concerns or complaints to both employees and outsiders. The Company would like to get feedback from all stakeholders to bring that information to improve and develop itself in the future by filing a complaint through;

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Email : aienergy@aienergy.co.th or,
 Telephone : 0-34-877-485-8 Ext. 520 or,
 Website : <http://www.aienergy.co.th>

The Company's policy not to disclose the source of tips and complaints related, to prevent that may affect the whistleblower or the complainant.

5. The Board of Directors' Responsibilities

The Board of Directors consists of eight members, including four the executive directors, one non-executive directors, and three independent non-executive audit committees. More than one-third of the directors results in the balance of power of the executive directors appropriately. Moreover, the company has appointed the Audit Committee which consists of three independent directors with 3-year term of office. Such committees' authority and power in operation has been clearly stated in the Charter of the Audit Committee.

The Board of Director's Structure

The Board of Directors consists of eight members who fully experienced and qualified, have significant role in established policy and strategy of the Company. As well as review and monitor the Company's performance. The Company is comprised of 3 committees as follows;

1. Board of Directors

1.1 Executive Directors 4 persons;

1. Mr.Narong Thareratanavibool	Chairman
2. Mr.Thanit Thareratanavibool	Vice Chairman
3. Mr.Anurag Thareratanavibool	Director
4. Mr.Noppol Thareratanavibool	Director

1.2 Non-Executive Directors 1 person;

Mr.Damrong Joongwong	Director
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1.3 Independent Directors and Non-Executive Directors 3 persons;

1. Dr. Kaweepong Hirankasi	Independent Director
2. Mr.Choti Sontiwattananont	Independent Director
3. Assistant Professor Sampan Hunpayon	Independent Director

The company has prescribed the scope of authority for each committee panel clearly, especially the Board of Directors and Managing Director, thereby resulted that the Board of Directors and Managing Directors have no absolute power while a balance in the crucial resolution is balanced, which must be approved by the Board of Directors or the Shareholders Meeting as the case may be. In addition, the Directors shall be not entitled to vote on such transaction which they or persons have a conflict of interest with his own interest in such respective transaction.

2. The Audit Committee

The Audit Committee is established to support the operations of the Board of Directors under the Good Corporate Governance, especially in the financial reporting process, internal control system, auditing process, and compliance with laws and regulations set forth by the Securities and Exchange Commission, and the Stock Exchange of Thailand, and directly reports to the Board of Directors. The committee consists of 3 independent directors;

1. Dr. Kaweepong Hirankasi	Chairman of Audit Committee
2. Mr.Choti Sontiwattananont	Audit Committee
3. Assistant Professor Sampan Hunpayon	Audit Committee

3. Executive Directors Committee

The Executive Directors Committee was established to direct, plan, and set the policies and strategies for the operations of the company in accordance with the economic and competitive conditions and submit the Board of Directors for approval. Also supervise the operations of the Company in accordance with the policy or business plan, including business strategy which has been approved or determined by the Board of Directors. The committee consists of 4 executive directors;

1. Mr.Narong Thareratanavibool	Chairman of Executive Director Committee
2. Mr.Thanit Thareratanavibool	Executive Director
3. Mr.Anurag Thareratanavibool	Executive Director
4. Mr.Noppol Thareratanavibool	Executive Director

4. Risk Management Committee

The Company approved the appointment of the Risk Management Committee who will be responsible for assessing the risks in various fields covering the all systems of the company to ensure of the more efficient operation of the company. There are 4 Risk Management Committees as follows.

1. Mr.Anurag Thareratanavibool	Chairman of Risk Management Committees
2. Mr.Noppol Thareratanavibool	Risk Management Committees
3. Miss Pimwan Thareratanavibool	Risk Management Committees
4. Mr.Phalat Palnak	Risk Management Committees

Directors' Remuneration

The Company's policy on monetary remuneration for directors has been defined clearly and transparently, and is submitted at the shareholder meeting for approval annually. The criteria's for determining the remuneration for the directors are as follows.

- 1) Proper and consistent with the scope of the duties and responsibilities of each Director.
- 2) Compensation is fairly motivated that is able to retain the directors possessing the knowledge and qualities to perform their duties at the company.
- 3) Elements of remuneration are clear, transparent and easy to understand.
- 4) The rate is comparable to that in the same industries.

The Board of Directors' Meeting

The Company will hold the Board of Directors Meeting and conduct the meeting in accordance with the regulations of the company, laws relating to public company limited, and the regulations of the Stock Exchange of Thailand. Special meeting will be held as necessary. The President as chairman of the meeting promotes a prudent discretion and allocates sufficient time for the meeting in order that the Management is able to propose the topics and discuss the important matters completely. The Company will send notice of the meeting with detailed agenda and meeting materials to the directors no less than seven days before the meeting. In addition, it requires that directors shall have a duty to attend the Board Meeting every time, except in case of necessity. The meeting minutes will be recorded correctly and completely so that it can be verified by the shareholders.

The Board of Directors' Report

The Board of Director is responsible for managing the preparation of the financial report, including the financial statements of the Company and subsidiaries, and financial information contained in the annual report and disclose on SET's website, however, such a financial report has been prepared in accordance with generally accepted accounting standards and be observed on regular basis. Moreover, a careful discretion has been exerted in the preparation and sufficient disclosure in the notes to the financial statements, as well as the preparation of the report of the committee on financial reporting which divided into 2 parts;

1. The report of the Board of Director on financial reporting is report director's responsibilities on financial reporting by Chairman of the Board (Appears in the section "The Board of Director' Report")
2. The Audit Committee's Report is the report of the Committee's responsibilities' on financial reporting, which approved by Chairman of the Audit Committee. (Appears in the section "The Board of Director' Report")

Development of Directors and Executives

The Company encourages the Board of Directors and senior management to join the seminar courses that are beneficial to their performance, and always meet and exchange the opinion with the Board and senior management. The courses the directors should participate at least should be those held by the Thai Institute of Directors, for examples, Directors Certification Program (DCP), Directors Accreditation Program (DAP), Audit Committee Program (ACP), Executive Development Program (EDP); aiming that knowledge and experience will be applied to further develop the company.

Relationship with Investors

The Board of Directors focuses on the adequate disclosure to shareholders, investors and all parties concerned. The information disclosed must be accurate, complete, transparent, thorough and timely. Including financial reporting, operating results and other related information, as well as information that affects the securities price of the company as to the Good Corporate Governance. The dissemination of information and news will be done in order that the shareholders, investors and those concerned can make use of them to support a decision-making through various channels; delivery of documents by mail, disseminating medium by the SET and the SEC, and the Company's website.

In respect of the Investor Relation, the company has appointed Mr.Noppol Thareratanavibool to oversees the communications with investors, analysts and shareholders involved, contact number 034-877-485-8 Ext. 520. The investor relations information appears in 'the section 4: Disclosure and Transparency of Heading 2. Investor Relation's contact'.

In 2014, the Company presented its information to investors as follow;

1. Report its operating results on 'Opportunity Day' secession held by SET for 2 times in, 1st quarter 27 May 2014 and 3rd quarter 11 December 2014 by Mr.Anurag Thareratanavibool (Managing Director) and Mr.Noppol Thareratanavibool.
2. Attended seminars "Executive Director of the Listed Company and Investors Meeting", which held by Asset Pro Management Co., Ltd. for 3 times;
 - 2.1 "Executive Director of the Listed Company and Investors Meeting - Khon Kaen Province" on 26 September 2014 at Orchid Ballroom 3, Pullman Khon Kaen Raja Orchid Hotel.
 - 2.2 "Executive Director of the Listed Company and Investors Meeting - Udon Thani Province" on 31 October 2014 at Centara Hotel & Convention Centre Udon Thani
 - 2.3 "Executive Director of the Listed Company and Investors Meeting - Hat Yai, Songkhla Province" on 28 November 2014 at Grand Ballroom B fl.8 Lee Gardens Plaza Hotel, Hat Yai, Songkhla.

- C) Neither selling, nor transfer of securities of the company by sing confidential and/or internal data shall be conducted, and/or entering into any other transactions by using confidential and /or internal data that may cause damage to the company either directly or indirectly.

However, the directors, executive, officers and employees of the company which are subject to the department receiving the internal data of the company should avoid or refrain from trading securities of the company during a period of one month prior to the public disclosure of financial statements. Such regulations shall include the spouse and immature children of directors, executives, and employees of the company. Any violation of such regulations shall be deemed to have committed a serious offense.

2. Company's directors and executives, including the auditors of the company shall report the change in holdings the securities in their own companies, including the spouse and immature children, to the Securities and Exchange Commission and the SET pursuant to Section 59.
3. Such regulations shall be declared to the directors, executives, and employees accordingly.

Control of Internal Information

According to the Board of Directors held on 15 May 2013, the resolution included the regulations on the use of internal information in order to adhere to the principles of Good Corporate Governance of the company as follows.

1. Directors, executive, officers and employees of the company shall abide the following.
 - A) Maintain the confidentiality and/or internal data within the company.
 - B) No disclosure of secret information and/or internal data of the company shall be carried out to seek own benefits or the benefit of any other persons either directly or indirectly, and either receive or not receive the return.

The Board of Director's position as director up to 5 listed-companies policy

The Company has a policy that limits the number of listed companies, the Directors will serve as directors. Therefore, the Company can get the most benefit from the work of the director, which will be devoted knowledge and time to take responsibility and operational efficiency. By each member of the Board of Directors may be held position as director for up to 5 listed companies.

The Board of Director's Self-Assessment Report

The Board of Directors is self-assessing once a year to evaluate their performance, used as a tool to review and assessment on the development of the performance of each director more efficiently. The topic of self-assessment process will be based on the principles of good corporate governance and principles of the SET. The Company shall apply the director's self-assessment report for application director and the Company's development.

Anti-Corruption Policy

Anti-corruption practices are the key factor in the Company's operation, however, in 2014 the Company has not officially established the Anti-Corruption Policy in a written form, and the Company embraced the principles of anti-corrupt used in the business. By taken it as a crucial issue in business ethic. Nevertheless, the Company has planned to officially initiate the Anti-Corruption Policy and expecting to fully implement in 2015. The principles and practice are established below;

The bribery with money or other benefits.

There shall be no bribed with gifts of money or other benefits with the hope of personal advantage. Individuals or groups who have dealings with both the Company and third parties, such as the public sector and the private sector.

Grafting

- Prohibit employees received any gifts or other benefits that connected to fraud and corruption. In order to protect inefficiency and ineffective of the Company's performance.
- For the purchase and hire process must be conducted by the Company's working procedures, from the beginning of bidding, price comparisons, selected suppliers and/or contractors by prohibiting employees accept the bidding that enclose hidden benefits with suppliers and/or contractors. However, the Company have an active internal control system that monitor and involved by related manager departments, and all the procurements were approved by Managing Director only.

Donate to charity, public interest and Funding

There are restrictions on donations to charity, public interest, and funding as follow;

- To approve the donation is subject to the Company's approval authority but if donations in any form is worth more than THB 10,000 must be approved by Managing Director.
- The donation must be under 'the Company's name' only with reliable evidences and follow the Company's procedures. The Company shall not claim on the donation to other purpose.

To give or receive gifts or favors souvenirs.

To give or receive gifts or favors souvenirs. They are intended solely for the reception or congratulate only, no hidden agendas.

Those who witnessed the actions required to fraud. Both inside and outside the company can appeal through the Company as follows;

- Website: <http://www.aienergy.co.th>
- Email: aienergy@aienergy.co.th
- By Post or Directly submit at;
55/2 Moo 8 Sethakit 1 Rd., Klongmadua,
Krathum Baen, Samut Sakhon 74110

For publishing anti-corruption policy, mentioned policy shall be communicated to employees, suppliers, third parties, including notice to the shareholders and investors as the following.

- The Company shall announce to all employees about Anti-Corruption Policy via internal Email and posted in each department, including provide anti-corruption training to its employees.
- The Company shall send letters to all suppliers to announce its intention of Anti-Corruption Policy and all suppliers shall comply with such policy.
- The Company shall publish the Anti-Corruption Policy on its website; <http://www.aienergy.co.th>, for shareholders investors and potential investors.
- The Company shall publish the Anti-Corruption Policy in Form 56-1 and the Annual Report 2014.

Corporate Social Responsibility



AIE operates with a concern about Corporate Social Responsibility (CSR) by applying CSR into the Company's policies and visions. The Company has supported all stakeholders, including shareholders, business partners, employees, customers, and communities, society and the environment, to develop and grow together sustainably in line with the policies.

To operate with CSR, the company has built attitudes and organizational culture to all levels of employees, this allows the company to operate with a standard. The company adopts CSR policy from the Stock Exchange of Thailand (SET) as a guidance in setting a policy and a vision. The guidance is based on these principles:

1. Ethical Workplace Practice
2. Human Rights
3. Ethic Labour Practice
4. Responsibility for Consumers
5. Social and Community Development
6. Environment Management



In 2014, the company had continuing operated CSR and planned CSR's projects for 2015, which shows that the company is committed and attended to operate a business with respectable determination to society. This is consistent with best practices, the 6 items mentioned below.

1. Ethical Workplace Practice

AIE operates with ethic by clearly revealing all the workplace information and supporting a competition with business partners, customers and competitors. The operation of the company corresponds to all aspects and law of competition. For example, the company takes a biodiesel price from the Energy Policy and Planning Office by Ministry of Energy to calculate the selling price of biodiesel. So the goods from the company have a standardized price. Also the company has a regulation in choosing business partners. In which each business partner has to pass all the categories set by the company in order for those partners to do business with the company.



2. Human Rights

The company has an employment policy concerns about human rights. The important aspect of this policy is Against Child Labour, the company will not employ a person who has an age less than 18 years old. This corresponds to a basic rights in a Constitution of the Kingdom of Thailand 2007 section 49 which has been regulated as follow “ A person shall enjoy an equal right to receive the education for the duration of not less than twelve years which shall be provided by the state thoroughly, up to the quality, and without charge”. The company understands an importance of education and do not want to deprive the right of basic education. The company takes this section as part of the employment policy so the company do not employ a person whose age is less than 18 years old in order for those under age to have a maximum education before being employed.



3. Ethic Labour Practice

The company recognizes value and importance of all employees, as they are a key factor for the success. The company has established labor practice guidelines as following;

3.1 Social Security

The company employs employees with fairness and they were received appropriate compensations regarding to their roles and abilities as agreed at the time of agreement. As the company's employment policy, the employees will receive compensations suitable for the living standard, which will allow them have a good quality of life. Moreover, the company has an appropriate remuneration and welfare system and is committed to provide benefits to improve the quality of life of its employees.



- 1) The company establishes the compensation policy which based on the slogan "Fair Work Fair Pay". The compensation is based on a role, knowledge, ability and experience of each employees. The compensation corresponds to a minimum wage set by the government to give employees a good quality of life.
- 2) Other compensation, other than monthly salary.
 - Annual Bonus
 - Reward for outstanding employees
- 3) Welfare for employees
 - Provident Fund
 - Life and Health Insurance
 - Annual Health check
 - Employees development, that is developing knowledge, skills, and expertise through practicalbased learning by providing fundamental and technical training

3.2 Health and safety in the workplace.

The company highly concerns about health and safety of employees. A number of projects and activities have been held in order for every employee to work safely. Furthermore the company has a risk assessment team to monitor and analyze risks that could be harmful to employees. To prevent those risks, projects and activities have been created;

3.2.1 5S Standard, make it a habit and safety.

Apart from improving profitability, efficiency, good workplace environment and safety, 5S Standard also creates discipline and value to individuals. The standard also helps to avoid accident to individual and others, as they are conscious to their roles and duties. AIE applies 5S Standard to improve efficiency and effectiveness as a step to key success.

3.2.2.1. The objects and Places

- To improve better workplace by storing all equipment use in place.
- To improve works' effectiveness and efficiency of individual and raising safety awareness of employees at all levels in their work and daily life.

3.2.2.2. Personnel

- To drive employees in developing and improving quality of work and life to the high standard. Also improve consciousness in working with others.
- To prevent complain from customers and suppliers.



3.2.2 Zero accident project

Ministry of Labor initiates “Zero Accident” project to raise safety and healthy work environment as well as controlling accident risks which the company have applied “Zero Accident” project along with company’s accident preventive measure as followed.

As AIE’s business lines have high accident risks especially the production process that involved chemical. In order to reduce the risks, AIE has invested in providing sufficient personal protective equipment to employees. Apart from that, AIE also has risk assessment department to evaluate and give preventing instruction to employees.



As AIE has high risk of fire, which would harm employees and damage company assets, AIE provides fire and rescue technics and tactics training by a professional team annually. All employees are well informed about company’s fire and evacuation plan unit, who effectively handle when emergency occurred and in time.

Company has provided safety and occupational health training for employees that allow them to use equipment safely and properly. This would reduce the effect from accident.

4. Responsibility for Consumers

The company's focus is to provide goods and services to satisfy consumers to its best through the following policies;

4.1 Quality control policy and the Certified Standards

Goods and Services are manufactured accordance with national and international safety standards such as

- Certification of ISO 9001 : 2008 (Quality Management System) for processed Palm Oil and processed Olein Palm Oil, as well as Biodiesel issued by Management System Certification Institute (Thailand)
- Certification for Good Manufacturing Practice (GMP) for processed Palm Oil and processed Olein Palm Oil issued by Management System Certification Institute (Thailand)
- Certification for Hazard Analysis and Critical Control Points (HACCP) for processed Palm Oil and processed Olein Palm Oil issued by Management System Certification Institute (Thailand)
- Certification of HALAL for processed Olein Palm Oil under Pamola brand, Palm Fatty Acid, and RBD Palm Kernel Oil, Palm Kernel Fatty Acid, and Crude Glycerin issued by The Central Islamic Council of Thailand (Production process was annually inspected)
- Certification of Kosher for Jewish food standard for Refined Palm without fat, processed Olein Palm Oil, RBD Palm Oil, Palm Fatty Acid, Palm Kernel Fatty Acid, and Crude Glycerin from Thai Kashrut Services Co., Ltd. which provides Jewish food qualification inspection (Production process was annually inspected)
- Certification of Roundtable on Sustainable Palm Oil : RSPO supporting the sustainable use of Palm Oil. (Yearly surveillance)

In addition to the Standards, AIE allows Suppliers and Customers to inspect production process. This would increase goods and services' reliability to both suppliers and customers.



4.2 Fair Business Practices

Competitors and Customers

The company operates base on fairness, integrity and transparency to both competitors and customers in order to create satisfaction, confidence and reliability. So that the company set policies and procedures distinctly which employees must conduct accordance with the policies and procedures strictly to prevent unfair and unequal treated to customers and business partners. The policies as follow:

Competitors : To embrace equality, fairness and integrity without any exploitation, Company will apply the biodiesel cost that is indicated by Ministry of Energy in calculating raw material costs and price for biodiesel and CPO price that is indicated by Government in calculating raw material cost and price for edible oil.

Suppliers : To embrace equality, fairness and integrity without any exploitation, Company will select suppliers' base on experience and reliability to make sure that goods and services sent with high quality and on time. All suppliers must pass approved-list and is approved by approver. To avoid corruption between suppliers and employees, the approvers must co-sign the approved-list.

Creditors : Company concerns about responsibility to all creditors, especially financial institutions. Company has integrity to pay to all payable and maintain warranty securities and other conditions under the agreement fully and correctly. Nevertheless, management division's role is to maintain the company's liquidity. Company keeps good reputation and confidence to financial institutions, shareholders and stakeholders.

5. Social and Community Development

Social and community development is also concerned by the boards. The boards encourage employees to be a part of social and community development. Company has set social and community development project throughout 2015 as follow:

1. 'Safety Road' Project, the company has planned to donate various traffic equipment that necessary needed to police station nearby company such as traffic cones, flashing torches, traffic mirrors, traffic barriers and helmets. In order to use them to prevent accidents and supports all policeman on duty.
2. "Vegetarian lead to happy life" project. The company will provide Palm Olein for cooking vegetarian foods for the Vegetarian Festival every year. To promote merit and omit the consumption of meat in the vegetarian group. And will be sharing cooking officials to establish a good relationship with the community in a way.

6. Environment Management

The company is committed and determined to operate based on the principles of sustainable energy. Also to promote the appreciation of natural resources and the environmental and social impact. The Company was organized to achieve good environmental management, with both events held within the company and events held outside the company, the company has created a vision of the environment to its employees. The employees are required as part of the project, that truly benefit.

6.1 In 2014, the company changed all the light bulbs from Fluorescent bulbs to LED light bulbs, which will benefit company and society in 2 ways;

- Due to lower power consumption, LEDs are better for the environment, contributing a sustainable energy.
- With low power consumption helps company save on utility expenses, especially save expenses of lighting by 50%



6.2 Improving surrounding environment project such as dredging and planting helps improve quality of life in community

Internal Control

The Company established the Internal Audit, which operates independently, launching by the 4th quarter of 2012. Internal Audit is responsible for monitoring and tracking the accuracy and integrity in the operation of various departments in complying with the policy, as well as correcting and improving the internal controls to be more appropriate and effective.

In addition, to ensure of the good balancing and checking, the company also hired the 'Aim to Prosperity Company Limited' to be an internal auditor for the company.

This is to make sure that comments and additional suggestions for the internal control system will achieve greater efficiencies. The internal auditors overviewed and followed up the correction of comments and suggestions, then prepared the internal audit report for the Audit Committee Meeting on quarterly basis. The internal audit report date 30 October 2014 has been submitted by the Aim to Prosperity Co., Ltd, the following issues were observed.

Observations by Internal Auditor	Suggestions	Executive's Opinions
Organization and Environment Management		
<p>1. Purchase Order: PO, mostly did not refer to approved budgets whether it's in or out of budget.</p> <p>Effects and Risks : Internal control system lacks of efficiency.</p>	<p>Controlling the budget's utilization from Purchase Request (Moderate)</p>	<p>Agree and undertake since November 2014 by refer to budgets in Purchase Request's remarks.</p>
Accounting		
<p>2. The company's Tax Report does not have column for taxpayer number's column and has no designation whether headquarters or branches.</p> <p>Effects and Risks : Not comply with the new provision of VAT which will start on 1 January 2015.</p>	<p>Prepare a Tax Report in accordance with the provisions of the new VAT to complete within Q4/2014. (Low)</p>	<p>Agreed and already prepared all information needed, wait a modified form of tax report in SAP.</p>
<p>3. Receipts were controlled by pre-printed number but no control the use of such receipts.</p> <p>Effects and Risks : The lack of effective internal controls If there is a misuse of receipts, which cannot be checked easily.</p>	<p>Prepare a report control the use of pre-printed number receipts. The pre-printed number receipts and receipt number are both in SAP. If there is a cancellation, both of them should be cancel altogether by printed Cancelled on the report. (Moderate).</p>	<p>Agreed and implemented since 1 November 2014.</p>

Observations by Internal Auditor	Suggestions	Executive's Opinions
Store and Depot		
<p>4. There is no supervisor's review the information recorded in the SAP by Depot's officers.</p> <p>Effects and Risks : Internal control system is inefficiency.</p>	<p>Supervisors should examine all the records on SAP by approved in a written report.</p> <p>(Moderate)</p>	<p>Agree and immediately implemented</p>
<p>5. Take packaging from stock before record transactions into stock report.</p> <p>Effects and Risks : Internal control system is inefficiency.</p>	<p>Should record the transactions in to report immediately after taking packaging out from the stock.</p> <p>(Moderate)</p>	<p>Agree and immediately implemented, also apply into a written 'Standard Operation Procedures'.</p>
<p>6. No evidences of reviewed in the SAP system by packaging and chemical store supervisors.</p> <p>Effects and Risks : Internal control system is inefficiency.</p>	<p>Supervisors should review all stocks withdraw transactions in SAP correctly matched with the records of 'Materials supply', 'Materials transfer' and 'Packaging supply' forms.</p> <p>(Moderate)</p>	<p>Agree and immediately implemented, also apply into a written 'Standard Operation Procedures' if affected.</p>
<p>7. Store Department did not follow up the 'Delivery Goods' forms, which are non-stocking goods and use them for recording 'Goods Receipt' in SAP.</p> <p>Effects and Risks : Internal control system is inefficiency.</p>	<p>Should follow up the 'Delivery Goods' forms and record 'Goods Receipt' real time as their routine work.</p> <p>(Moderate)</p>	<p>Agree and immediately implemented.</p>
Safety		
<p>8. In Factory area, no drainage support the steam blow from steam pipe.</p> <p>Effects and Risks : Cause an insecurity in the workplace.</p>	<p>Should build drainage to control the direction of the flow of steam.</p> <p>(Moderate)</p>	<p>Agree and in the process of recovery wasted steam back into production line, which expected to complete in the beginning of 2015.</p>

Risk Management

The Board appointed Risk Management Committee on 18 October 2013 to take responsibility for assessing the risks in various functions covering the all systems of the company to ensure of the more efficient operation of the company.



No.	Name		Position
1.	Mr.Anurag	Thareratanavibool	Chairman of Risk Management Committees
2.	Mr.Noppol	Thareratanavibool	Risk Management Committee
3	Miss Pimwan	Thareratanavibool	Risk Management Committee
4.	Mr.Phalat	Palnak	Risk Management Committee

Duties and responsibilities of the Risk Management Committee

- Direct the development and participate in the analysis of the risk management strategy of the organization yearly.
- Develop and analysis the risk levels acceptable to the organization.
- Guidance and overseeing method to the supervisors and officers in each department.
- Evaluate the significant risks and report to the Managing Director.
- Evaluate the company's risk management report.
- Quarterly review the actual results compared to the goals set.

Related-Party Transactions

The Company has related transactions with persons who may have conflict of interest and with relevant companies owned by the same shareholders or having co-board of director or having any person related to the Company's executives, board, and shareholders as a board member, a controller, and shareholders of such related person. In this connection, the committee audited and reviewed the appropriation of items, reasonability, as well as compensation determination and any other conditions as generally conducted in common business performance.

Persons, who may have conflict of interest, having related transactions with the Company 2014 accounting period are as follows:-

Person with Related Transactions	Type of Business	Relationship Characteristics
1) Asian Insulators Public Company Limited (AI)	Perform business in manufacturing and selling electric insulators used for electricity generating system.	<ul style="list-style-type: none"> ● Parent company, Authorized Controller, and principal shareholder of the Company whereas AI is holding shares accounting for 59.59 percent of the Company's registered capital. ● Board members holding AI stocks are Mr. Narong Thareratanavibool, Mr. Noppol Thareratanavibool, Mr. Thanit Thareratanavibool, and Mr. Anurag Thareratanavibool, whose stocks accounts for 21.29%, 9.21%, 6.89%, and 1.80% of AI's registered capital. ● Board members authorized for co-signing are Mr. Narong Thareratanavibool, Mr. Noppol Thareratanavibool and Mr. Thanit Thareratanavibool.
2) AI Engineering Services Company Limited (AIES)	Provide services in the areas of design engineering, acquisition, and installation of sub-electricity stations and high voltage cables, as well as project management regarding electric engineering	<ul style="list-style-type: none"> ● AI subsidiaries whose shares are held by AI for 99.84% of AIES's registered capital. ● Board members authorized for co-signing are Mr. Narong Thareratanavibool and Mr. Thanit Thareratanavibool.
3) PPC Asian Insulators Company Limited (PPCAI)	Manufacturer and distributor of electric insulators of PPC Insulators Holding GmbH (PPC)	<ul style="list-style-type: none"> ● AI's joint venture company whose shares are held by AI for 25.10% of PPCAI's registered capital (Austrian Company holds shares for 74.90% of PPCAI's registered capital). ● Any person related to Company's shareholders and board is designated as executive, board, and board authorized for controlling of PPCAI
4) Samart Palm Company Limited (SP)	Manufacturer of crude palm oil (grade B)	● A company related to the Company because any person related to Company's executives, board members, and board authorized for controlling is a principal shareholder in its business.
5) Samart Palm Oil Company Limited (SPO)	Manufacturer of crude palm oil (grade B)	● A company related to the Company because any person related to Company's executives, board members, and board authorized for controlling is a principal shareholder in its business.
6) Samart Palm Industry Company Limited (SPI)	Manufacturer of crude palm oil (grade B)	● A company related to the Company because any person related to Company's executives, board members, and board authorized for controlling is a principal shareholder in its business.

The Company has related transactions with persons which may have conflict of interest for accounting period 2014 as follows:-

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		31 Dec 13	31 Dec 14	
1) Asian Insulators Public Company Limited (AI)	<u>Income gained from finished goods selling:</u> the Company sold bottled Olein Palm Oil to AI	0.04	0.05	- AI ordered bottled olein palm oil from the Company to use for charity and as New Year presents for its valued supporters. The Company sold such goods to AI under the normal trade conditions.
	<u>Relevant business receivables:</u> the Company had a list of trade receivables from the selling of bottled Olein palm oil to AI at the end of accounting period.	0.02	-	- The Company and AIPT ordered electric insulators, for selling to some manufacturer and distributor of electric insulator because such entrepreneur cannot order from AI directly due to internal policies. In 2014, AIPT ordered goods at the total value of 2.96 Million Baht.
	<u>Good purchasing:</u> The Company and AIPT ordered goods from AI for sales	33.56	2.96	- In 2008, AI as a parent company arranged accounting software to jointly use within the AI Group, including AI, the Company, AIPT, AIL, AIES. AI hired computer consultant to perform this with total expenses equal to 17.21 million baht, including 40 users in 5 companies. AI has also signed in the Agreement Concerning the Acceptance of Maintenance Services and has continuously supported the use of such software with computer consultants since 2008. Such services covered maintenance and software supports for the aforementioned 5 companies. The service fee accounted for 50,000 Baht per month. AI called for a payment of software purchasing from the Company on monthly basis based on actual number of users whereas each company would make final payment by December 2013. In addition, AI called for services fees for maintenance and software supports from the Company in the equal proportion.
	<u>Administrative Expenses:</u> The Company and its subsidiaries made a payment for accounting software service fees to AI. In addition, its affiliate, namely AIL, rented office space from AI.	2.86	2.30	- AIL rented office space located at Number 254 Seri Thai Road, Kannayaow, Kannayaow Bangkok from AI for the total space of 42 square meters to be use as office location. The rental term was 1 year in total (ended by 30 June 2015) by determined rental and service rate at 250 Baht/square meter monthly which was the rate as agreed upon. In this regard, such rate excluded in-building facilities whereas AI would call for the facilities payment (excluding telephone) based on actual payment balance per square meter.

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		31 Dec 13	31 Dec 14	
2) PPC Asian Insulators Company Limited (PPCAI)	<u>Income gained from finished goods selling:</u> the Company sold bottled Olein Palm Oil to PPCAI	-	0.02	PPCAI ordered bottled olein palm oil from the Company to use for charity and as new year presents for its valued supporters. The Company sold such goods to PPCAI under the normal trade conditions. <u>Audit committee's opinions</u> Audit Committee verified and provided comments for each item occurring between the affiliate and PPCAI, and agreed on the list appropriation, including listing conditions and price reasonability.
3) Samart Palm Company Limited (SP)	<u>Goods ordering:</u> the Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for manufacturing for sales	22.42	17.44	- The Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for product manufacturing for sales. In this connection, the Company set out policy concerning ordering crude palm oil from relevant companies which was presented to the auditing committee for its acknowledgement already. The Company assigned purchasing unit of the Company to consider prices, trade conditions, and deliverable amount of products comparatively before ordering. Such comparison shall be done among 3 distributors at the minimum, jointly with the comparison of crude palm oil prices from Department of Internal Trade, Ministry of Commerce, which are one-backdated reference price at every time. In this regard, price and trade conditions of the Company ordering from SP must comply with common trade conditions by having the proportion of the ordering value from SP for accounting period 2013 and accounting period 2014 at the amount of 9.85 and 1.48 percent of the ordering value of crude palm oil typed high acid over 5%, or which accounts for 0.87 and 0.19 percent of total ordering value of crude palm oil. <u>Audit committee's opinions</u> Audit Committee verified and provided comments for each item occurring between the Company and SP by considering supporting documents of pre-order price comparison based on the Company's policy, and agreed on the list appropriation, including listing conditions and price reasonability.
	<u>Relevant business payables:</u> the company has a list of trade payables from SP for the order of crude palm oil typed high acid over 5%	0.36	-	

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		31 Dec 13	31 Dec 14	
4) Samart Palm Oil Company Limited (SPO)	<u>Goods ordering:</u> the Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for manufacturing for sales	19.50	19.75	<p>- The Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for product manufacturing for sales. In this connection, the Company set out policy concerning ordering crude palm oil from relevant companies which was presented to the auditing committee for its acknowledgement already. The Company assigned purchasing unit of the Company to consider prices, trade conditions, and deliverable amount of products comparatively before ordering. Such comparison shall be done among 3 distributors at the minimum, jointly with the comparison of crude palm oil prices from Department of Internal Trade, Ministry of Commerce, which are one-backdated reference price at every time. In this regard, price and trade conditions of the Company ordering from SP must comply with common trade conditions by having the proportion of the ordering value from SP for accounting period 2013 and accounting period 2014 at the amount of 8.57 and 2.14 percent of the ordering value of crude palm oil typed high acid over 5%, or which accounts for 0.75 and 0.28 percent of total ordering value of crude palm oil.</p> <p><u>Audit committee's opinions</u></p> <p>Audit Committee verified and provided comments for each item occurring between the Company and its affiliate by considering supporting documents of pre-order price comparison based on the Company's policy, and agreed on the list appropriation, including listing conditions and price reasonability.</p>
	<u>Relevant business payables:</u> the company has a list of trade payables from SPO for the order of crude palm oil typed high acid over 5%	0.39	-	
5) Samart Palm Industry Company Limited (SPI)	<u>Goods ordering:</u> the Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for manufacturing for sales	-	4.67	<p>- The Company ordered crude palm oil typed high acid over 5% to be used as initial raw materials for product manufacturing for sales. In this connection, the Company set out policy concerning ordering crude palm oil from relevant companies which was presented to the auditing committee for its acknowledgement already. The Company assigned purchasing unit of the Company to consider prices, trade conditions, and deliverable amount of products comparatively before ordering. Such comparison shall be done among 3 distributors at the minimum, jointly with the comparison of crude palm oil prices from Department of Internal Trade, Ministry of Commerce, which are one-backdated reference price at every time. In this regard, price and trade conditions of the Company ordering from SP must comply with common trade conditions by having the proportion of the ordering value from SP for accounting period 2014 at the amount 1 percent of the ordering value of crude palm oil typed high acid over 5%, or which accounts for 0.13 percent of total ordering value of crude palm oil.</p> <p><u>Audit committee's opinions</u></p> <p>Audit Committee verified and provided comments for each item occurring between the Company and its affiliate by considering supporting documents of pre-order price comparison based on the Company's policy, and agreed on the list appropriation, including listing conditions and price reasonability.</p>
	<u>Relevant business payables:</u> the company has a list of trade payables from SPI for the order of crude palm oil typed high acid over 5%	-	1.68	

Furthermore, as of 31 December 2014, the Company had related transactions with persons who may have conflict of interest due to debt guarantee made with financial institutes of the Company and its affiliates as follows:-

Money Amount User	Person of Guarantee	Financial Institute	Type of Money Amount	Loan amount (Million Baht)	Debt (Million Baht)	Guarantee
AIE	Directors	Siam Commercial Bank Public Company Limited	Short-term Loan Long-term Loan	907.00 69.75	125.00 -	- Board members are Mr. Narong Thareratanavibool and Mr. Thanit Thareratanavibool who guaranteed for the full amount, as well as pledge some AI stocks under executives' ownership. In this connection, the amount of credit and conditions that the Company had with the bank shall remain the same. The Company completed such conditions.
AIPT	AIE	Kasikorn Bank Public Company Limited	Short-term Loan Long-term Loan Bank Guarantee	530.00 110.00 5.00	20.00 98.96 2.50	- Made a mortgage for land and construction on the deed number 13397 and 108147 located in Tah Jeen sub-district, Muang district, Samut Sakhon province, at the total land of 7-0-49.1 Rai and the deed number 18643 and 64303-64304 located in Pak Nam sub-district, Muang district, Chumphon province, at the total land of 9-1-63.2 Rai, which was the AIPT's title at the total mortgage amount of 700.00 Million Baht. - Negative Pledge all equipment and machine, which was the AIPT's title. - AIE guaranteed for the money amount of 645.00 Million Baht.
AIL	AIE and AIPT	Kasikorn Bank Public Company Limited	Short-term Loan	5.00	1.59	- AIE and AIPT guaranteed for the money amount of 5.00 Million Baht.

In this regard, as of 31 December 2014 the Company had related transactions with additional relevant person, namely Mr. Narong Thareratanavibool, Chairman authorized person and shareholder of the company, whose shares including those of his spouse accounts for 25.33% of registered capital through AI stock holding, and Mr. Thanit Thareratanavibool, authorized person and shareholder of the company, whose shares accounts for 6.89% of registered capital through AI stock holding. Both personal guaranteed debt for AIE and its affiliates based on conditions set out by financial institute payables in order to relieve from AI's guarantee liability. The total amount of guarantee was equal to 1,363.55 Million Baht for each director; excluding compensation resulted from such guarantee

Auditing Committee's opinions

Auditing committee considered related transactions of the Company and its affiliates with persons who may have conflict of interest, interests, or possibly future conflict of interest in accordance with Notification of the Securities and Exchange Commission at the Auditing Committee meeting. Therefore, the Committee agreed that such related transactions are reasonable, in accordance with fair trade conditions, consistent with general practices used with any irrelevant individual or business, and have no benefits transfer within the companies.

Policies or Trends for Preparing Related Transactions Including Acquisition or Selling of the Company's Properties in the Future

Measures and Procedures for the Approval of Related

In case of having related transactions of the Company and its affiliates with persons who may have conflict of interest, interests, or possibly future conflict of interest as trade agreement in the same format into which person of ordinary prudence may enter with general contractual party under the same situation by exercising trade negotiation power without any power as board, executive, or any relevant person, as well as having normal trade condition or market price under reasonable, accountable, and non-benefit transfer, the Management of the Company can perform such implementation normally under the principles approved by the Company's board and must prepare summary report to the auditing committee at every quarter.

In case that the related transactions are not normal transactions, the Company will have comments by the auditing committee on necessity and appropriation of such transactions. In case that the auditing committee does not have expertise in considering on possible related transactions, the Company will consider having independent price estimator, independent specialized expert, or account auditor prepare comments on such related transactions for the auditing committee so that the committee can apply such comments in support of their decision making and preparation of comments to the board of the Company or shareholders, as appropriate in each case, to approve such items before performing such transactions. In this connection, the Company will disclose such related transactions in the note to financial statements which are audited by the Company's auditor. If the Company's common stocks have been registered in mai stock market (mai.), the Company will disclose such related transactions in the annual transaction form (Form 56-1) and the Company's annual report (Form 56-2) based on principles and laws concerning securities and exchange market. In this connection, the consideration to approve such related transactions shall comply with laws concerning securities and exchange market, as well as regulations, notifications, orders, or provisions of the Stock Exchange of Thailand in which a person who may have conflict of interest or interests from the preparation of such related transactions will have no right to make any vote for such related transactions preparation.

Policies or Trends for Related Transactions Preparation in the Future

In the future, if the Company needs to prepare related transactions with a person who may have conflict of interest with the Company, the Company will set out conditions based on normal trade characteristics and as market prices which could be comparatively referred to conditions or prices incurring with the similar business that the Company does with any third party. In this connection, the Company will have the auditing committee provide opinions regarding price, compensation rate, as well as necessity and appropriation of such related transactions. In case that the auditing committee does not have expertise in considering on possible related transactions, the Company will consider having independent price estimator, independent specialized expert, or account auditor prepare comments on such related transactions for the auditing committee so that the committee can apply such comments in support of their decision making and preparation of comments as appropriate in each case. In this connection, the Company will disclose such related transactions in the note to financial statements which are audited by the Company's auditor. If the Company's common stocks have been registered in mai stock market (mai.), the Company will disclose such related transactions in the annual transaction form (Form 56-1) and the Company's annual report (Form 56-2) based on principles and laws concerning securities and exchange market. In this connection, the consideration to approve such related transactions shall comply with laws concerning securities and exchange market, as well as regulations, notifications, orders, or provisions of the Stock Exchange of Thailand.

Furthermore, regarding selling and purchasing of goods in exchange, only the purchase of crude palm oil typed high-acid over 5% will remain by considering the implementation under policies for ordering crude palm oil from relevant companies whereas the Company clearly determined transactions with relevant persons. In this regard, for any future related transactions the auditing committee must comply with regulations determined and must not approve any transactions related to themselves or any persons who may have conflict of interest of any kind with the Company, as well as must disclose such transactions to the Company's board for their consideration. In this case, the Company must abide by laws concerning securities and exchange market, as well as regulations, notifications, orders, or provisions of the Stock Exchange of Thailand, including regulations related to information disclosure of related transactions preparation and the acquisition or selling of the properties of the Company or its affiliates, as well as must be strictly consistent with accounting standard determined by the Accountants Association. In addition, the Company must not conduct any related transaction with any relevant company if it is not for the normal business performance of the company.

Financial Highlights Consolidated Financial Statement

AI Energy Public Company Limited and Subsidiaries

(Unit : Million Baht)

Statements of Income	2014	2013	2012
Net Sales	4,425.08	4,222.58	3,450.23
Total Revenues	4,441.44	4,235.78	3,461.94
Costs and expenses	4,291.82	4,040.63	3,548.43
Gross Profit	249.93	381.36	63.53
Profit before Interest and Income Tax Expenses	149.62	280.19	(29.88)
Net Profit	96.88	195.15	(86.49)
Statements of Financial Position			
Total Assets	2,458.59	2,022.90	2,355.68
Total Liabilities	609.12	270.31	1,981.80
Total Shareholders' Equity	1,849.47	1,752.59	373.88
Financial Ratio			
Gross Profit Margin (%)	5.65	9.03	1.84
New Profit Margin (%)	2.19	4.62	(2.51)
Return on Equity (%)	8.57	11.14	(23.13)
Return on Assets (%)	3.94	9.65	(3.67)
Debt to Equity (times)	0.33	0.15	5.30
Operating Result per Share (Baht)			
Net Profit per Share	0.09	0.25	(0.11)
Book Value per Share	1.64	1.55	1.01
Dividends per Share	-	-	-

Management Discussions and Analysis

Summary Matrix for Financial Status and Business Performance

Summary of Balance Sheet	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control				Consolidated Financial Statement	
	Ended 31 Dec 12		Ended 31 Dec 13		Ended 31 Dec 14	
	Million THB	%	Million THB	%	Million THB	%
<u>Assets</u>						
Cash and cash equivalent	18.84	0.81%	73.12	3.61%	189.59	7.71%
Temporary investment	-	0.00%	0.05	0.00%	0.09	0.00%
Trade receivables and other receivables	289.58	12.51%	273.96	13.54%	392.78	15.98
Inventory	787.94	34.04%	370.58	18.32%	471.81	19.19%
Fuel equipment inventory	2.30	0.10%	4.82	0.24%	2.37	0.10%
Other current assets	0.31	0.01%	2.92	0.14%	1.87	0.08%
Non-current Assets Held for sales	-	0.00%	-	0.00%	2.54	0.10%
Total current assets	1,098.97	47.48%	725.45	35.86%	1,061.05	43.16%
Bank deposit with guarantee liabilities	-	0.00%	2.00	0.10%	2.00	0.08%
Land Building Vessel and Equipment	1,207.68	52.18%	1,264.72	62.52%	1,378.46	56.07%
Intangible assets	0.05	0.00%	0.11	0.01%	0.14	0.01%
Deferred income taxes	-	0.00%	4.30	0.21%	0.76	0.03%
Other non-current assets	7.93	0.34%	26.32	1.30%	16.18	0.66%
Total non-current assets	1,215.66	52.52%	1,297.45	64.14%	1,397.54	56.84%
Total assets	2,314.63	100.00%	2,022.90	100.00%	2,458.59	100.00%
<u>Liabilities</u>						
Bank overdraft and short-term loans from financial institutes	1,262.99	54.57%	93.62	4.63%	316.92	12.89%
Trade payables and other payables	146.23	6.32%	63.70	3.15%	128.51	5.23%
Outstanding interests	1.90	0.08%	0.53	0.03%	0.33	0.01%
Short-term loans from relevant businesses	394.00	17.02%	-	0.00%	-	0.00%
Long-term loan due within 1 year	65.06	2.81%	32.34	1.60%	22.08	0.90%
Income Tax Payable	-	0.00%	-	0.00%	24.10	0.98%
Other current liabilities	16.79	0.73%	13.86	0.69%	28.37	1.15%
Total current liabilities	1,886.98	81.52%	204.05	10.09%	520.31	21.16%
Long-term loan	87.80	3.79%	56.29	2.78%	76.88	3.13%
Long-term Employee's reserve benefits	7.02	0.30%	9.97	0.49%	11.93	0.49%
Total non-current liabilities	94.82	4.10%	66.26	3.27%	88.81	3.61%
Total liabilities	1,981.80	85.62%	270.31	13.36%	609.12	24.78%
<u>Shareholders' Equity</u>						
Authorized capital	370.00	15.99%	1,130.00	53.06%	1,130.00	45.96%
Issued and paid-up capital	370.00	15.99%	1,130.00	45.08%	1,130.00	45.96%
Non-controlling interest	181.07	7.82%	-	0.00%	-	0.00%
Common stock premium	-	0.00%	605.11	29.91%	605.11	24.61%
Accumulated gain(loss)	(218.24)	(9.43%)	22.70	1.22%	119.58	4.86%
Premium from the integration of businesses under common control	-	0.00%	(5.26)	(0.26%)	(5.22)	(0.21%)
Total shareholders' equity	332.83	14.38%	1,752.59	86.64%	1,849.47	75.22%
Total liabilities and shareholders' equity	2,314.63	100.00%	2,022.90	100.00%	2,458.59	100.00%

Summary of Balance Sheet	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control				Consolidated Financial Statement	
	Ended 31 Dec 12		Ended 31 Dec 13		Ended 31 Dec 14	
	Million THB	%	Million THB	%	Million THB	%
Total revenue	3,450.23	100.00%	4,222.58	100.00%	4,425.08	100.00%
Selling revenue	3,403.48	98.65%	4,083.10	96.70%	4,334.32	97.95%
Manufacturing contracting revenue	18.17	0.53%	93.83	2.22%	54.47	1.23%
Navigation revenue	28.58	0.83%	45.64	1.08%	35.29	0.80%
Port services revenue	-	0.00%	-	0.00%	1.00	0.02%
Total selling and servicing cost	3,386.70	98.16%	3,841.22	90.97%	4,175.16	94.35%
Selling cost	3,334.87	96.66%	3,754.53	88.92%	4,090.37	92.44%
Manufacturing contracting cost	15.13	0.44%	46.74	1.11%	37.16	0.84%
Navigation cost	21.34	0.62%	39.95	0.95%	47.14	1.07%
Port services cost	15.36	0.45%	-	0.00%	0.497	0.01%
Gross profit	63.53	1.84%	381.36	9.03%	249.93	5.65%
Other revenues	11.71	0.34%	13.20	0.32%	16.35	0.37%
Profit before expenses	75.24	2.18%	394.56	9.45%	266.28	6.02%
Selling expenses	56.73	1.64%	59.92	1.38%	55.49	1.25%
Administrative Expenses	48.39	1.40%	52.56	1.29%	58.73	1.33%
Board compensation	-	0.00%	1.88	0.04%	2.43	0.05%
Profit before financial cost and taxes	(29.88)	(0.87%)	280.20	6.76%	149.62	3.38%
Financial cost	66.82	1.94%	48.07	1.23%	23.18	0.52%
Profit before income taxes	(96.70)	(2.79%)	232.13	5.50%	126.44	2.86%
Income tax	-	0.00%	36.97	0.88%	29.57	0.67%
Gain (Loss) for the period	(96.70)	(2.79%)	195.15	4.85%	96.88	2.19%
Share (loss)gain						
Company's share	(51.85)	(1.50%)	199.90	4.73%	96.88	2.19%
Non-controlling interest's share	(44.85)	(1.30%)	(5.23)	(0.12%)	-	0.00%
Total comprehensive gain (loss) for the period	(96.70)	(2.80%)	194.67	4.61%	96.88	2.19%
Profit per share (Baht/share)	(1.40)		0.25		0.09	
Par value (Baht/share)	10.00		1.00		1.00	
Number of common stocks (Million stocks)	37.00		803.23		1,130	

Note :

/1 Other revenues: mean revenue from goods transportation, revenue from inventory stock after manufacturing, revenue from equipment leftovers selling, and other revenues whereas revenue from goods transportation occurs when the goods transportation to some customers cannot be made in some period of time. In accounting period of 2012, 2013, and accounting period of 2014, the Company gained goods transportation revenue at the total of 8.16 Million Baht, 5.10 Million Baht, and 0.21 Million Baht, consecutively. In this regard, revenue from inventory stock return occurs when there is the return of raw materials from manufacturing contracting or crude palm oil condensing contracting resulted from premium of manufacturing conversion as agreed with customers.

Summary Cash Flow Statement (Unit : Million Baht)	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control		Consolidated Financial Statement
	2012	2013	2014
Profit before income taxes	(96.70)	232.13	126.44
Adjustment of gain(loss) into received(paid) cash from operations			
Depreciation	69.08	66.02	71.75
Amortized computer software	0.03	0.02	0.04
Amortized non-current assets	-	-	0.73
(Gain) Loss from vessel and equipment sales	2.01	-	-
(Gain) Loss from termination of equipment use	0.36	-	0.52
Doubtful accounts	0.69	0.32	(0.43)
Bad debt	0.45	-	0.02
Loss from decrease in goods value	7.01	-	-
Allowance of Diminution in value of Inventory	-	(8.60)	0.12
Loss from termination of non-current assets held for sales	-	0.02	1.93
(Gain) Loss from exchange rate	(0.28)	(0.05)	-
Unrealized loss from exchange rate	-	-	0.12
Expense on employees' long-term benefits	1.55	2.23	1.97
Received interest	(0.35)	(0.52)	(0.70)
Paid interest	66.46	46.94	21.77
Less withhold taxes	0.0002	0.00	0.08
Operation profits before changes in operating assets and liabilities	50.31	338.51	224.37
Trade receivables and other receivables	(116.08)	15.38	(118.46)
Inventory	(209.16)	425.95	(101.34)
Fuel equipment inventory	0.35	(2.52)	2.45
Other current assets	0.48	(0.82)	(0.74)
Current assets held for sale			(2.44)
Other non-current assets	(0.0008)	(0.04)	(8.73)
Trade payables and other account payables	97.62	(84.45)	59.37
Retention account payables	-	-	-
Other current liabilities	4.59	(2.93)	14.50
Long-term Employee's reserve benefits	(0.27)	-	-
Case from income tax refund	-	1.27	1.79
Paid income tax	(0.81)	(2.76)	(2.32)
Net operating cash	(172.97)	687.58	68.46
Receive interest	0.35	0.51	0.70
Increase in temporary investment	-	(0.05)	(0.04)
Cash paid to purchase affiliates' stocks from former shareholders	-	(435.07)	-
Bank deposit with guarantee liabilities	-	(2.00)	-
Purchase additional building, vehicle, and equipment	(35.55)	(115.30)	(157.00)
Paid interest for equipment installation	(2.91)	(0.25)	-
Cash received from sales of fixed assets	14.81	-	0.12
Cash back from diminution of assets resulted from delay fees	-	-	-
Increase in intangible assets	(0.02)	-	(0.08)
Paid guarantee for assets	(1.91)	(20.55)	(2.16)

Summary Cash Flow Statement (Unit : Million Baht)	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control		Consolidated Financial Statement
	2012	2013	2014
Paid to asset payables	(10.04)	(3.78)	(5.19)
Cash paid to invest in subsidiaries	-	-	-
Net investing cash	(35.27)	(576.49)	(163.65)
Bank overdraft and short-term loans from financial institutes (decrease)	342.05	(1,169.38)	223.30
Increase in short-term loan from relevant businesses	25.00	-	-
Paid for loan from relevant businesses	-	(394.00)	-
Paid for interest	(71.12)	(48.32)	(21.96)
Paid for debts under financial rental contract	-	-	-
Increase in long-term loan from financial institute	-	-	110.00
Paid for long-term loan from financial institute	(131.85)	(64.23)	(99.97)
Cash received from raising capital	-	1,365.11	-
Capital from Non-controlling interest	-	254.00	-
Net financing cash	164.08	(56.82)	211.67
Decrease in net cash and cash equivalent	(44.16)	54.28	116.47
Beginning cash and cash equivalent	63.01	18.84	73.12
Ending cash and cash equivalent	18.85	73.12	189.59
<u>Additional disclosure supporting non-cash cash flow including</u>			
Asset payables for fixed assets	0.76	5.69	10.63
Deposit transfer for fixed assets	0.54	1.90	20.55
Paid for short-term loan from relevant businesses by raising sub-sidiaries' capital	80.00	-	-
Transfer machine as non-current assets held for sale	-	-	2.03
Deposit transfer as other non-current assets	-	-	0.03

a) Summary Matrix of Key Financial Ratio

Financial Ratio		2012	2013	2014
Liquidity ratio				
Liquidity ratio	time	0.58	3.56	2.04
Quick liquidity ratio	time	0.16	2.20	1.12
Cash Liquidity Ratio	time	(0.10)	2.51	0.13
Account Receivable Ratio	time	15.07	15.46	11.27
Average Collection Period	day	23.88	23.28	31.95
Inventory Stock Ratio	time	54.03	10.37	8.81
Average Selling Period	day	6.66	34.72	40.89
Account Payable Ratio	day	41.14	58.94	32.49
Trade Payable Payback Period	day	8.75	6.10	11.08
Cash cycle	day	21.80	(0.94)	61.76
Gross Profit Rate	%	1.84%	9.03%	5.65
Operating Profit Rate	%	(2.79%)	4.85%	2.19
Return on Equity	%	(28.34%)	11.14%	5.24
Return on Asset	%	(4.39%)	9.65%	3.94
Return on Fixed Asset	%	(2.23%)	15.43%	7.03
Asset Turnover Ratio	time	1.57	2.09	0.04
Debt to Equity Ratio	time	5.95	0.15	0.33
Interest Coverage Ratio	time	(1.54)	5.79	6.45
Liabilities Coverage Ratio (cash basis)	%	0.00%	0.00%	0.00%
Dividend Payout	%	(28.34%)	11.14%	5.24

Explanation and Analysis on Financial Status and Business Performance

Business Performance

Overall previous performance

The company operates manufacturing and distribution of biodiesel produced from crude palm oil, produce and distribute Olein Palm Oil through processes under the brand “Pamola”, distribute raw materials, namely crude palm oil and Refined Bleached and Deodorized Palm oil, as well as distribute products, which are byproducts gained from manufacturing process, including palm fatty acid, refined palm fat, and glycerin, for being used as raw materials in continuous manufacturing industries, such as soap, creamer/coffee mate and cosmetics, as well as bringing back to be used as raw material in biodiesel production. The company manufactures and distributes products based on customers’ orders. Apart from products manufacturing, the company also provides contractual services for crude palm oil condensing from customers in petroleum business. Customer groups of the company for biodiesel products include oil trader group in article 7 of Fuel Trade Act B.E. 2543, processed Olein palm oil product customers including both direct and indirect food production industry group, and finished customers including hotel, and chained restaurants, as well as customer group which purchases for re-containing for retailing sales. The company received certificates and assurances representing good management and quality and standard manufacturing, i.e. ISO 9001: 2008 HACCP GMP Kosher, as well as the certification of the accession to Roundtable Sustainability of Palm Oil or RSPO which is an international organization supporting growth and the sustainable use of palm oil by collaboratively implement within the supply chain.

The Company reorganized the Group in order to prepare for spin-off and to prevent conflict of interest which could possibly take place in the future by purchasing 2 businesses from AI in April 2013. Therefore, the Company currently has 2 subsidiaries, including AIL and AIPT in which the Company is holding their shares at 99.99% of their authorized capital. AIL performs sea transportation services by providing transportation for fuel, lubricant oil, crude palm oil, and refined palm oil to customers domestically and internationally. AIPT provides port services and storage tanks, as well as produce and distribute ice for food industry by having 2 deep sea ports and storage tanks located in Tah Chalom in Samut Sakhon province and Muang district in Chumphon province. Such storage tanks could contain oil at the total of 33,186,000 Liters. Both companies have been supported for investment based on Investment Promotion Act B.E. 250 for Biodiesel manufacturing business, sea transportation business, and vessel goods loading business (For more information, please see article 2.3 concerning business performance for each product). In this connection, currently the Company has not started exercising such benefits. Over the past 3 years, the Company and its subsidiaries had no income taxes expenses for the period because of loss in terms of income taxes after adjustments with accumulated loss carried forward from up to 5 tax shield.

The Company and its subsidiaries gains revenue from businesses which could be divided into (1) selling revenue including revenue from Palm Oil business, revenue from ice selling, and revenue from selling equipment for electric insulators, (2) Manufacturing Contracting Revenue, (3) Sea Navigation Revenue, and (4) Port Servicing Revenue. Regarding the financial statements for the period ended 31 December 2014, the Company and its subsidiaries have operating revenue equal to 4,441.44 Million Baht, consisting of 97.95 percent from selling revenue, 1.23 percent from manufacturing contracting revenue, 0.80 percent from Sea freight service and 0.02 percent from port servicing revenue (AIPT’s revenue from port services is servicing item for the Company entirely). Over the past 3 years, the Company’s total revenue had been continuously increased from 3,461.94 Million Baht in 2012 to 4,235.78 Million Baht in 2013. Such increase in revenue was caused by the increase in sales of palm oil business. The increase in 2012 was caused by the increase in Olein Palm Oil for industrial customers group, sales of Olein Palm Oil abroad, and sales of raw materials and by-products. Concomitantly, the increase in 2013 and 2014 were caused by the increase in sales of Biodiesel, raw materials, and by-products as well.

Generally for palm oil industry, biodiesel industry, and Olein palm oil industry, the price of crude palm oil has been continuously fluctuated in 2012, the situation of palm oil price was fluctuated due to palm oil price available in the market which had decreased because of historically high palm oil inventory stock and world economic downturn. Such situation caused manufacturing flood in the market so the price of oil palm and crude palm oil has been significantly decreased. The government had to intervene by issuing measures to buy palm oil out of the market. Presently, the purchasing period has been extended for palm oil and palm price decrease solution project in 2012-2013 round 2 at the total amount of 50,000 tons, 25,000 Baht per ton or 25 Baht per Kilogram. Such implementation helps reduce the fluctuation of oil palm and crude palm oil price. For 2013, crude palm oil price started to be close to its stability condition because the government tried to push implementation based on 25% alternative energy development plan for the next 10 years (2012 – 2021) (AEDP) in order to achieve biodiesel manufacturing target at 5.97 million liters per day, along with the aim to promote the extension of planting area to 5.5 Million Rai to have 3.05 Million ton of palm oil manufacturing capability per year at the minimum and to have oiling rate 18 percent at the minimum to support crude palm oil demand based on such AEDP plan. For 2014, the palm oil price may fluctuate some period of times since the adjustment of palm oil world's price. However, there was a intervention from government who maintain the price and support for changing mandate of biodiesel blend from B5 into B7 in accordance to the nation energy plan.

Performance Analysis

Income

The Company had revenue balance for the accounting period in 2012 equal to 3,461.94 million Baht, for accounting period in 2013 equal to 4,235.78 Million Baht, , and for accounting period in 2014 equal to 4,441.44 Million Baht, which could be divided into 3,403.48, 4,083.10, and 4,334.32 Million Baht for selling revenue, 18.17, 93.83, and 54.47 for manufacturing contracting revenue. Also, revenues from sea navigation for the accounting period year 2012-2014 were 28.58, 45.64, and 35.29 million Baht consecutively, as well as port servicing revenue for the accounting period year 2014 was equal to 1.00 million Baht and none of such revenue occurred in 2012 and 2013.

The Company acknowledged selling revenue when already transferring risk and compensation which are substantial in terms of product ownership to customers completely. The subsidiary, namely ALL, recorded the acknowledgement of sea navigating revenue based on the proportion of time used for travelling by any vessel comparing to time which has to be used for entire sea navigation of such vessel. AIPT recorded the acknowledgement of goods loading, goods depositing revenue, and other services after finishing services rendering. Both Company and its subsidiaries recorded the acknowledgement of other revenues and expenses on the accrual basis.

Type of Revenue (Unit : Million Baht)	Consolidated Financial Statement (Audit) from Integration of Businesses Under Common Control				Consolidated Financial Statement	
	2012		2013		2014	
	Million THB	%	Million THB	%	Million THB	%
1. Selling revenue	3,403.48	98.65%	4,083.10	96.70%	4,334.32	97.95%
1.1 Palm oil business revenue	3,349.76	97.09%	4,012.25	95.02%	4,299.03	97.15%
1.1.1 Biodiesel	1,686.64	48.89%	2,481.28	58.76%	2,789.62	63.04%
1.1.2 Olein Palm Oil	1,017.01	29.48%	949.85	23.90%	943.63	21.32%
1.1.3 Raw materials & by-products	646.10	18.73%	580.75	12.34%	565.78	12.79%
1) Raw materials	397.23	11.51%	261.96	4.78%	246.80	5.58%
2) Palm Fatty Acid	102.12	2.96%	126.06	2.99%	144.20	3.26%
3) Palm Stearin	84.83	2.46%	51.45	1.22%	66.00	1.49%
4) Crude Glycerin	61.93	1.79%	141.28	3.35%	108.78	2.46%
1.2 Revenues from ice selling	28.71	0.83%	27.90	0.66%	31.45	0.71%
1.3 Revenues from selling of equipment for electric insulators	25.01	0.72%	42.96	1.02%	3.84	0.09%
2. Refining service revenue	18.17	0.53%	93.83	2.22%	54.47	1.23%
3. Sea Logistics revenue	28.58	0.83%	45.64	1.08%	35.29	0.80%
4. Ports and Terminals servicing revenue	-	0.00%	-	0.00%	1.00	0.02%
Total revenues	3,450.23	100.00%	4,222.58	100.00%	4,425.08	100.00%
Other revenues	11.71		13.20		16.35	

Selling Revenue

Selling revenue from the business operations of AIE and its subsidiary can be divided into 3 types; revenues from palm oil business, revenues from ice cube for food industry, and revenues from selling of equipment for electric insulators. (Currently, AIE stop selling equipment for electric insulators completely and have no policy to continue such business again in the future.) The Company had revenue in 2012 and 2014 equal to 3,403.48 Million Baht, 4,083.10 Million Baht, and 4,334.32 Million Baht which accounts for 98.61%, 96.70% and 97.95% of total revenue consecutively. The major contribution of revenue was from palm oil business while the revenue from ice cube for food industry business and selling of equipment for electric insulators accounted for less than 3% of total annual revenue. In this connection, the details of selling revenues could be explained by types of sales as follows:-

1) Revenues from Palm Oil Business

Revenues from palm oil business are revenues entirely incurred on behalf of the Company which could be divided by types of products sold as follows:-

1.1 Revenue from Biodiesel

The company manufactures and distributes biodiesel to the fuel trader under Section 7 of Fuel Trade Act B.E.2543 in which consists of the major oil traders in the country. AIE's business is to distribute products to all domestic whereas for accounting period in 2012, 2013, and 2014, the Company had sales volume of Biodiesel equal to 1,686.64 million Baht, 2,481.28 million Baht, and 2,789.62 million Baht, accounting for 50.35 percent, 61.69 percent, and 64.89 percent of total revenue from biodiesel sold respectively. In 2012, the Company's revenue from the sales of biodiesel increased from 2011 which accounts for 6.97%. Such increasing rate was lower than that in 2011 as a result of the decrease of biodiesel selling price in that period due to the recovery of shortage of palm oil in the first quarter of 2011 as well as the government's policy to support the use of biodiesel by focusing on forcing to use B5 as driven force in the decrease of average selling price of biodiesel in 2012 even though the Company's Biodiesel sales to traders of Article 7 has increased by 17.28 percent compared with the previous year.

For accounting period of 2013, the Company's revenue from the sales of biodiesel was equal to 2,481.28 million Baht or 61.69 percent of the revenue from palm oil business. Comparing with the previous period, it could be found that in 2013 the Company's revenue from the sales of biodiesel is higher than that of 2012 due to the full operation of the second refinery tower of crude palm oil with production capacity of 800 crude palm oil tons per day in February 2013. Presently, AIE has production capacity at the total of 1,150 crude palm oil tons per day. As a result, in 2013 the Company had sales volume of biodiesel more than every other year. For accounting period of 2014, the Company's revenue from the sales of biodiesel was equal to 2,789.62 million Baht or 64.89 percent of the revenue from palm oil business. Higher than those in 2013 due to an increased in existing Biodiesel traders' sale volume.

1.2 Olein Palm Oil

The Company manufactured and distributed olein palm oil under "PAMOLA" brand to customers domestically and internationally. In 2012 - 2014, the Company gained revenue from the sales of olein palm oil equally to 1,017.01 Million Baht, 949.85 Million Baht, and 943.63 Million Baht, which account for 30.36%, 23.67%, and 21.95% of revenue in palm oil business respectively by dividing into 61.42 percent for domestic sales and 38.58 percent for export in 2012, and 97.90 percent for domestic sales and 2.10 percent for export in 2013, there is no export in 2014. Such increase in sales volume of olein palm oil in 2012 by 191.13 percent compared with that of 2011 was resulted from the purchase of olein palm oil from Indonesian producers and directly sell to Vietnamese customer (Trade outside the Kingdom of Thailand) which was deemed as non-domestic sales accounting for 36.98 percent of olein palm oil sales value. The Company hired AIL to transport such olein palm oil. In this regard, such action was not deemed as key business policy of the Company but it was based on opportunity and appropriation of such transactions as well. In addition to increase of sales from non-domestic sales mentioned above, in 2012 the Company was also capable to sell olein palm oil to more customers. Therefore, the sales volume of olein palm oil increased from 8.13 Million Kilograms in 2011 to 28.52 Million Kilograms in 2012, which accounts for 250.85 percent in comparison, even though selling price of olein palm oil decreased continuously in consistent with the trend of global olein palm oil market in such period of time.

Olein palm oil customers can be divided into 3 group of customers, including (1) industrial customer, i.e. food processing factory using olein palm oil in frying process and other continuous industries using olein palm oil in production process such as condensed milk, cookies, and animal foods, (2) Packaged olein palm oil customer including hotel, chained restaurants, and general shops, modern trades and (3) repacking customer who ordered olein palm oil from the Company to segregate, re-packed and re-contain for further sales. In this connection, in 2012 2013 and 2014 the Company sole olein palm oil for industrial customer at the proportion of 35.33%, 55.12%, and 43.95% of total sales of olein palm oil respectively, to Packaged olein palm oil customer at the proportion of 22.91%, 28.73%, and 44.07% of total sales of olein palm oil respectively, and to repacking customer at the proportion of 4.78%, 16.15%, and 11.98% of total sales of olein palm oil respectively. Considering trend in selling olein palm oil of the Company previously, it was found that AIE had continuous increase in the proportion of olein palm oil sales to industrial customer due to the Company's policy focusing in the creation of certain sales volume to industrial customer group who orders products in the format of ordering form and contract covering the period of approximately 3-12 months. However, the proportion of olein palm oil sales to packaged customer and repacking customer had decreasing trend, particularly in 2012 in which the proportion of olein palm oil sales to packaged customer and repacking customer was 22.91% and 4.78% of total sales of olein palm oil. In this connection, because in 2012 the Company operated refining in only 1 Refinery with the capacity of up to 350 crude palm oil tons per day. Therefore, the Refined Bleached and Deodorized Palm oil (RBD Palm Oil) was not sufficient. As the ordering balance of biodiesel and RBD Palm Oil from industrial customer had increased, the Company is required to use RBD Palm Oil for Biodiesel production for sales and olein palm oil for sales to industrial customer. In this connection, the increase in sales proportion in 2013 for packaged customer and repacking customer caused by the increase in refining capacity of the Company from 350 crude palm oil tons per day to 1,150 crude palm oil tons per day by having the second Refinery tower. Therefore, AIE can sell more olein palm oil regardless sales volume. The Company also had policy in reducing olein palm oil for repacking customer in order to indirectly prevent any possible competition during such selling period. In 2014, the company gained more packaged customer and prioritized to maintain existing customers and aim new target market such as in other area outside Bangkok.

1.3 Raw Materials and By-products

The company's revenue from sales of raw materials and by-products in 2012, 2013, and 2014 was 245.90 million Baht, 580.75 million Baht, and 565.78 million Baht respectively. Raw Materials distributed by the Company included crude palm oil which is an initial raw materials for manufacturing, and RBD palm oil obtained from the refining process, which requires the removal of gum, bleaching, deodorizing, but not separating of fat. Such raw materials will be sold to manufacturer and distributor of biodiesel and olein palm oil, as well as customers in both domestic and international food industry. By-products received from manufacturing and sold by the Company included palm fatty acid, palm stearin and crude glycerin. Such by-products will be supplied to the customers in continuous industries, such as cosmetic industry and supplement food industry. The increase of revenues from sales of raw materials and by-products in the last 3 years was significantly resulted from the changes in the distribution of raw materials.

In 2012, 2013, and 2014, the revenues from sales of raw materials was 397.23 million Baht, 261.96 million Baht, and 246.80 million Baht, or equivalent to 61.48 percent, 45.11 percent, and 43.62 percent of total sales of raw materials and by-products. In 2012, the Company sold raw materials to both domestic and foreign buyers for 36.53 percent and 63.44 percent of the total sales of raw materials in which 78.17 percent of sales in such year was resulted from the enormous amount of crude palm oil due to the order to be used in commissioning the second refinery tower (production capacity of 800 crude palm oil tons per day) prior to the date of machine acceptance in 2011. The company found errors in the installation of machine by the suppliers which make the quality of RBD palm oil obtained from the refining process is lower than the agreed level. AIE, therefore, sold raw materials exceeding production capacity of the first refinery tower (production capacity of 350 crude palm oil tons per day) to both domestic and international buyers because if the crude palm oil has been kept for too long, the qualification will be changed which will result in increasing of production costs. In addition, in 2013 AIE had crude palm oil accounting for 46.71 percent of total sales of raw materials by being a distributor for both domestic and international customers in palm oil industry. The company has no policy to speculate in crude palm oil stock.

2) Revenue from Ice cube for food industry

Revenue from the sale of ice cube is the revenue generated on behalf of AIPT which is not considered as a core business of the Company (AIPT operates the ports and storage tanks). The ice factory of AIPT is located in Tha Chalom in Samut Sakhon province. The produced ice cube will be sold to various food industries such as meatball manufacturing, fish filet plants, manufacturing and distributing plants of canned fish and processed seafood products. AIPT has proprietary ownership of the ice factory. The Company has taken surrounding land to develop as additional storage tanks. In 2012 2013 and 2014, the revenue from the sale of ice cube was equal to 28.71 million Baht, 20.07 million Baht, and 31.45 million Baht, or equivalent to 0.83 percent, 0.65 percent, and 0.71 percent of the total revenue respectively.

3) Revenue from Selling of equipment for Electric Insulators

Revenue from sales of equipment for electric insulators is the revenue generated from the sale of equipment for electric insulators to one of entrepreneurs in the electric insulator industry who cannot order the products directly from AI due to internal policy of such entrepreneurs. In 2012 and 2013, the company gained revenue from sales of equipment for electric insulators was 84.40 percent and 21.88 percent of the revenue from the total sales of equipment for electric insulators. The rest was entirely revenue generated on behalf AIPT. Currently, the company have stopped the sales of equipment for electric insulators since September 2013 and have no policy to reorder such products from sales in the future.

4) Revenue from refining service

Revenue from refining service is revenue on behalf of AIE resulted from providing service on refining crude palm oil and crude palm kernel oil to separate fat from palm oil and palm kernel oil. The customer will supply crude palm oil and crude palm kernel oil, as well as taking liabilities in transporting such raw materials to the factory. Currently, the company serves the refining contract with the customer, which a member of a group of operators in the fuel sector under section 7 of the Fuel Trade Act B.E. 2543 one by contracting the Company to refine crude palm oil and crude palm kernel oil over the three consecutive years. In 2012 2013 and 2014, the revenue from the contract distillation was 18.17 million Baht, 93.83 million Baht, and 54.47 million baht, or at the percentage of total revenues at 0.52 percent, 2.22 percent, and 1.23 percent respectively. In 2012 the company's revenue from refining contracting decreased by 71.94 percent compared to that of 2011 as a result of the company's more expansion of its customer database in the areas of biodiesel and olein palm oil has increased. As a result, the production capacity of the company was not sufficient to provide contract refining services because at that time there was only one refinery tower for crude palm oil with the production capacity of 350 crude palm oil tons per day. Therefore, such revenue had decreased significantly. In 2013, the revenue from operating refinery increased from 18.16 million Baht in 2012 to 93.83 million Baht, accounting for 516.69 percent comparing with that of 2012 as a result of the second refinery tower which could generate commercial revenues since the last February 2013. Therefore, the Company has towers that can refine more palm oil at maximum 1,150 tons of crude palm oil per day. Nevertheless, revenue from refining service is not considered as a core business of the company but it is only considered to serve for supporting the Company's fixed costs. In 2014, the company received revenue form refinery service decreased by 41.95% compared to those in 2013, as a result of the increased in sale volume of Biodiesel and Olein Palm oil replace the utilization of capacity.

5) Revenue from Sea freight Business

Revenue from sea freight is revenue arising on behalf of AIL which operating vessel transportation services with 2 high-quality vessels, namely "Thararatana 1" and " Thararatana 3" (in 2012, AIL has sold " Thararatana 2" to the third party who has no involvement with any shareholder, board, and executive of the executives). Both vessels of the Company receive license to transport fuel, lubricant oil, crude palm oil, and refined palm oil, as well as receive the investment promotion in accordance with Investment Promotion Act B.E. 2520 in which the benefits that each boat received will be due by 26 June 2014 and 10 June 2015. AIL provides transportation for fuel, crude palm oil, refined palm oil to the Company, as well as other customers performing business in palm oil industry both domestically and internationally .

In 2012, revenue from sea freight was 28.58 million Baht, or accounting for 0.83 percent of total revenues. The growth rate had decreased by 47.41 percent compared to that be 2011 because in such year AIL focused on providing freight service primarily to the Group. Therefore, there was a significant decrease in such revenue shown in the consolidated financial statements. For 2013 and 2014, the revenue from sea freight was equal to 45.64 million Baht and 35.29 million Baht, representing 1.08 percent and 0.80 percent of total revenues, respectively.

6) Revenue from Ports and Terminals Services

Revenue from ports and terminals services is revenue arising on behalf of AIPT which is considered as AIPT's core business. AIPT operates 2 port services and storage tanks located in Tha Chalom in Samut Sakhon province and in Muang district of Chumphon province. In this connection, AIPT received investment promotion based on Investment Promotion Act B.E. 2520 in which benefits are for goods loading business of vessels. Such benefits will be due by 30 June 2017 and 5 August 2017 respectively. In this regard, over the past 3 years, 99.99 percent of revenue from port services and storage tanks was revenue arising from services provided to AIE. The Company rendered short-term rental agreement with AIPT which covers ports services and storage tanks of AIPT for both ports at Tha Chalom in Samut Sakhon province and in Muang district of Chumphon province. Therefore, revenue from port services appeared in financial statements of the accounting period of 2012 and 2013 there was no revenue for port services because AIPT solely provides services to AIE. For 2014, there was revenue for 1.00 million baht or 0.02 percent of total revenue.

7) Other revenues

AIE had other revenues in the accounting period of 2012 2013 and 2014 equal to 11.71 Million Baht, 13.20 Million Baht, and 16.35 Million Baht, or accounting for 0.34 percent, 0.31 percent, and 0.37 percent of total revenue. In this connection, other revenues on behalf of AIE included revenues from goods transportation, revenues from the return of leftovers from manufacturing, revenues from selling material pieces, and other revenues. Revenues from goods transportation was resulted from transporting goods to some customers who could not arrange their own vehicles during some period of time. Such revenues from goods transportation in the accounting period of 2012, 2013, and 2014 was 8.16 Million Baht, 5.20 Million Baht, and 0.21 Million Baht respectively. Revenues from the return of leftovers from manufacturing was resulted from the return of raw materials from manufacturing contracting or crude palm oil refining service due to premium of manufacturing conversion as agreed upon with customers. Other revenues on behalf of the subsidiaries consisted of revenue from water services, revenue from power supply services, revenue from scarps, and others.

Selling Costs and Gross Profit

Items for selling and services costs could be classified into cost of sales, cost of refining service costs. Cost of sea freight service, and cost of ports and terminals services. In the accounting period of 2012, 2013, and 2014, the cost of sales and services was 3,386.70 million Baht, 3,841.22 million Baht, and 4,175.16 million Baht, or equivalent to 98.16 percent, 90.69 percent, and 94.35 percent of total revenues respectively. For accounting period of 2012, although the level of palm oil prices started to decline due to higher crude palm oil in the world market and increase in domestic production, as well as the more stable price level as a result of the government policy to purchase palm oil out of the market and to determine price to purchase palm fruits and crude palm oil which overall helped the Company to be able to better manage cost of raw materials, the company needed to sell crude palm oil ordered since late 2011 to support the second refinery tower for both domestic and foreign buyers at the lower piece than average cost of palm oil due to the inconsistency of operational plan of the second refinery tower (as planned to use such second refinery tower in early 2012). With respect to accounting period of 2013, the company could make money from refinery of crude palm oil surplus (tower 2), which caused the economy of scale resulting in the decrease of the ratio of cost of goods sold to total revenue from 96.66 percent in accounting period of 2012 to 90.69 percent in accounting period of 2013 and 94.35 percent for 2014.

For gross profit in accounting period of 2012 2013 and 2014 the Company had gross profit equal to 63.53 Million Baht, 381.36 Million Baht, and 249.93 Million Baht, or accounting for 1.84 percent, 9.03 percent and 5.65 percent of rate of gross profit respectively.

Expenses

The Company had incurred expenses in accounting period of 2012, 2013, and 2014 equal to 105.12 million Baht, 114.36 million Baht, and 116.65 million Baht, representing of 3.04 percent, 2.70 percent, and 2.64 percent of total revenue respectively. This could be understood that the company could maintain its relatively stable proportion of cost to total revenues over the past 3 years. However, regarding the value of the expenses transaction over the past 3 years, it could be found that in accounting period of 2012 the Company had increase in expenses by 76.44 percent compared to that of accounting period of 2011 as a result of the increase in selling expenses by 177.95 percent compared to that of accounting period 2011 because of the loss from crude palm oil sales used for quality test of the second refinery tower. Transportation and goods insurance expenses increased due to the expansion of total revenue balance; while administrative expenses for accounting period of 2012 had increased from accounting period of 2011 by 23.54 percent as a result of loss from decrease in goods value and loss from the sales of vessel and its equipment. In this connection, in 2013 and 2014 the Company had expenses equal to 114.36 million Baht and 116.65 million Baht which accounts for 2.70 percent and 2.64 percent of total revenue. That could be divided into 59.92 million baht and 55.49 million baht for selling expenses, 52.56 million baht and 58.73 million baht for administrative expenses, and 1.88 million baht and 2.43 million baht for board compensation, respectively.

Net Profit and Net Profit Rate

The Company's net income for accounting period of 2012 was net loss of 96.70 million Baht, representing a net margin negative equal to 2.79 percent respectively. The loss in the accounting period of 2012 was caused by reasons as discussed in costs and expenses transaction. However, in 2013 and 2014 which was audited by an auditor, the Company and its subsidiaries had net income for such period equal to 195.15 million Baht and 96.88 million Baht, representing a net profit margin of 4.85 percent and 2.19 percent, respectively. Over the past three years, the Company and its subsidiaries had no liabilities on income tax of such period because they were still receiving tax benefit from the net loss over five accounting periods (Tax Shield). The transaction concerning income tax expenses shown in the financial statements for accounting period of 2013 of 36.97 million Baht was caused by deferred tax accounts from temporary difference due to the adoption of Thailand Accounting Standard Vol. 12 concerning income taxes which was adopted in 2013.

Return on Equity (ROE)

AIE had ROE for accounting period of 2012 equal to negative 28.34 percent. The reason why ROE had continuously decreased was the Company's operating loss as a result of the increase in cost of goods sold in accounting period of 2011 and increase in expenses transaction for selling and administration in accounting period of 2012. The Company had accumulative loss for accounting period of 2012 equal to 218.24 million Baht. In this connection, the Company had non-controlling interest caused by integration of businesses under common control equal to 181.07 million Baht. For financial statement of accounting period of 2013, the Company and its subsidiaries used accounting policy regarding deferred income taxes to be consistent with Thailand Accounting Standard Vol. 12 concerning income taxes. Therefore, the Company and its subsidiaries had to belatedly modify financial statements as if the Company and its subsidiaries recorded income taxes assets at all time. This resulted in as of 1 January 2013 the Company had increase in deferred income tax by 41.04 million Baht and decrease in accumulative loss by 41.01 million Baht. The remaining balance was only 177.19 million Baht. But in accounting period of 2013 the Company had net profit for such period at 195.15 million Baht in which 199.90 Million Baht was under the Company. Therefore, the accumulative profit was 22.71 million Baht and premium for business reorganization under common control was negative 5.23 million Baht. (For more information: explanations on shareholders' equity transaction) This showed trend of good business performance from better ability in managing costs and expenses as mentioned. Over the past 3 years,

the Company and its subsidiaries had no dividend payment to shareholders at all. For 2014, the company had net profit of 96.88 million Baht in which 112.71 million Baht was under the company. The accumulative profit was 119.58 million Baht.

Company's Financial Statement

Assets

Total assets of the Company as of 31 December 2012 was equal to 2,314.63 million Baht, as of 31 December 2013 was equal to 2,022.90 million Baht, and as of 31 December 2014 was equal to 2,458.59 million Baht. The important asset transactions resulted in changes of Company's total assets are as follows:-

- Cash and cash equivalent

As of 31 December 2012, the Company had cash and cash equivalent decreased to 18.84 million Baht or 0.81 percent. Such decrease of cash and cash equivalent compared to 2012 was mainly caused by the business had loss due to the fluctuation of production costs of palm oil business, as well as in accounting period of 2011 and 2012, the Company and its subsidiaries invested in assets for business performance although received credit amount from financial institute payables. In this connection, for cash and cash equivalent transactions as appeared in intersession financial statements as of 31 December 2013 and 31 December 2014, the Company had cash and cash equivalent transaction equal to 73.12 million Baht and 189.59 million Baht, or accounting for 3.61 percent and 7.71 percent of total assets, respectively.

- Trade Receivables and Other Account Receivables

As of 31 December 2012 it was equal to 289.58 million Baht, as of 31 December 2013 it was 273.96 million Baht, and as of 31 December 2014 it was 392.78 million Baht. For 2012 to 2014, it was consisted of the account receivable transaction- net at 265.96 million Baht, 283.64 million Baht, and 388.13 million Baht. Other receivables including expenses paid in advance, accrued interest, advance, deposit, and other receivables, which was equal to 5.94 million Baht, 8.00 million Baht, and 4.65 million Baht. Changes to accounts receivables was consistent with the change of revenue increased steadily from year 2012 to 2014 whereas the Company had policy to determine allowance for doubtful accounts on the basis of trade receivables overdue for more than one year, and the Company's management had assessed that it is unable to collect money from such receivables.

Trade receivables were mostly receivables not yet due as of 31 December 2014. The Company had trade receivables not yet paid at the total of 339.39 million Baht, representing a ratio of 86.70 percent of total account receivables which mostly are traders under Section 7 who buy biodiesel from AIE. Such group of customers paid to the Company by schedule. For customers who did not pay for goods to the Company who mostly are a group of trades with overdue receivables, the majority of them were receivables arising from the purchase of olein palm oil. The Company found that as of 31 December 2014 the Company had overdue trade receivables at the total of 44.73 million Baht, or equivalent to 11.43 of total account receivables. There are over the age of accounts receivable and payable not later than 3 months was 41.39 million baht or 10.57 percent of the total accounts receivable. As for receivables that were overdue more than three months, there were at the total of 3.33 million Baht, accounting for 0.85 percent of total account receivables. It could be summed up the accounts receivables based on its maturity as of 31 December 2013 and as of 31 December 2014 as follows:-

Trade Receivables (Unit : Million Baht)	Consolidated Financial Statements As of 31 December 2013	Consolidated Financial Statements As of 31 December 2014
Note receivable	-	7.35
Trade receivable		
Undue	222.91	339.39
Overdue for 3 months	37.94	41.39
Overdue for 12 months	3.76	3.33
Total	288.04	391.46
Less Doubtful Account	(3.76)	(3.33)
Trade receivable-Net	265.96	388.13

The Company determined credit term policy for receiving payments from clients between 30-60 days depending on the type of products and determined debt collection policy for overdue accounts receivable over 30 days through the issuance of a letter of demand to the receivable in writing. In the past, The Company's average collection period was relatively constant at 23.88 days in 2012 to 25.00 days in 2013 with the company policy on collection of accounts receivable that are more stringent in debt. Therefore, the company could manage the debt relatively constantly and there were lesser receivables with overdue. As of 31 December 2014, the average collection period was 31.95 days.

- Inventory Stock

The inventory consisted of raw materials and chemicals, works in process, finished goods, and supplies. As of 31 December 2011 it was 585.79 million Baht and as of 31 December 2012 it was 787.94 million Baht. The changes in inventory were mostly caused by changes in the list of ingredients and chemicals into the mainstream. The increase in 2011 was caused by the increase in price of crude palm oil which was rising steadily since late 2010 due to the shortage of palm oil as described above. Moreover, in late 2011, the company purchased crude palm oil more to support the production and expansion of palm oil refinery tower 2 with a production capacity of up to 800 tons of crude palm oil per day. The company planned to launch the second tower in early 2012; but due to the refining process of quality testing prior to award and in 2012 it was found that there were defects in the installation of machine by machine suppliers, the Company had to sell crude palm oil order to support the production of the second refinery tower to both domestic and international buyers because they were afraid that the quality of crude palm oil would be changed. For the increase in inventory in 2012, it was caused by the increase in crude palm oil, the Company had more orders to test the quality of the refinery tower 2 after the modification was completed, as well as the increase of goods in process and finished goods items. Increasing orders of biodiesel of one of the Traders in Section 7 whose orders came in late 2012 made the Company to have inventory increase in 2012 by 34.51 percent compared to 2011. As of 31 December 2013, the Company had net inventory at 370.59 million Baht or 18.32 percent of total assets. Decrease of inventory as of 31 December 2013 was caused by the start of operations of the refinery tower 2 in Q1 2013. Currently, the Company implements an inventory of raw materials to not exceed 45 days depending on the amount of working capital that they have at various period of time. In 2014, the company had net inventory as of 31 December 2014 at 471.81 million Baht or 19.19 percent of total assets in accordance with the above mentioned stocking policy.

- Land, building, vessels, and equipment - net

In 2012 - 2014 the Company's land, building, vessels and equipment - net was 1,207.68 million Baht, 1,264.72 million Baht, and 1,378.46 million Baht or equivalent to 52.18 percent, 62.52 percent, and 56.07 percent of total assets. The items were mainly composed of land and land improvements, building and building improvements, infrastructure, equipment and tools, vessels and equipment, furniture and office equipment, vehicles and assets under construction, and installation of the assets. Most of transaction was land, building, and machinery which the Company and its subsidiaries used as collateral for secured credit facility with financial institute. (Please refer to Section 2.5, assets used in business.) In 2011 2012 and 2013, the Company and its subsidiaries had details concerning the cost of the investment to expand and/or improve the production efficiency and service of the company and its subsidiaries as follows:-

- Deferred Income Taxes Asset

In 2013 the Company changed its accounting policy concerning income taxes by applying the accounting policies for deferred income taxes in consistent with Thailand Accounting Standard concerning income taxes . The Company and its subsidiaries therefore restated the financial statements as if the Company and its subsidiaries had assets or liabilities over time. Deferred taxes assets or liabilities were determined based on temporary differences in the balance sheet among the tax bases of assets and liabilities. The carrying amount of the asset or liability which would be recognized as income taxes or amortization was charged to tax when income was recognized as revenue or costs saved and the actual deduction as an expense for tax purposes under the tax Code. Then, the Company had to recognize the tax temporary differences as deferred tax assets or add taxes as deferred tax liabilities.

If it was quite certain that the Company would have taxable profit from operations which would be sufficient to make good use of deferred income tax assets or liabilities, the Company would review the carrying value of deferred tax assets or liabilities in the balance sheet. The Company would adjust such carrying value when the possibility was quite certain that the Company would not have sufficient taxable profits to make good use of deferred income tax assets or liabilities

Regarding such changes in accounting policies which resulted in the consolidated financial statements of the Company as of 1 January 2013 to have more transactions, namely deferred tax assets, equal to 41.04 million Baht, and accumulated loss of 41.04 million baht as of 31 December 2013 and 31 December 2014, the Company had deferred income assets by calculating from income tax for accounting period of 2013 at 20 percent, which was equal to 4.30 million Baht and 0.76 million Baht. The Company and its subsidiaries recognized tax deductible temporary differences to the deferred tax assets if the possibility was quite certain that the Company would have taxable profit from future operations enough to bring the assets to be utilized.

Deferred Income Taxes Asset (Unit : Million Baht)	2013	2014
Temporary Accumulated Difference Recorded in Income Statement		
Doubtful account	4.07	3.64
Employees' long-term reserve benefits	6.71	9.42
Accumulated loss carried forward up to 5 accounting periods	9.58	-
Temporary Accumulated Difference Recorded in Accumulated Profits		
Employees' long-term reserve benefits	1.16	-
Deferred Income Tax calculated from 20 percent Income Tax Rate	4.30	0.76

Liquidity

Current assets as of 31 December 2012, 31 December 2013, and 31 December 2014, the Company had current assets 1,098.97 million Baht, 725.46 million Baht, and 1,061.05 million Baht resulted primarily from an increase of current assets in the period during 2013 to 2014 due to the increase in trade receivables and inventory. The decline of current assets as of 31 December 2013 was resulted from the reduction of inventory of refinery tower 2 of crude palm oil for commercial operations during the 1st quarter of 2013. The Company's liabilities were equal to 1,886.98 million Baht and 204.05 million Baht as of 31 December 2012 and 31 December 2013. As of 31 December 2014, the Company had current liabilities of 520.31 million Baht. Most of increase of current liabilities over time during 2012 came from the increase in bank overdrafts and short-term loans from financial institutions which corresponded to an increase in revenue as of 31 December 2013 and as of 31 December 2014, decrease in current liabilities, repayment of loans, overdrafts, and short term loans from financial institutions.

Regarding changes in current assets and current liabilities as such, the company's liquidity ratio was at 0.58 times in 2012 and 3.56 times in 2013. By accounting period of 2014, such ratio increased to 2.04 times with the quick ratio of 0.16 times in 2012, to 2.20 times in 2013, and to 1.12 times in 2014 as a result of the increase in current assets which were increased in proportion than increased in current liabilities. The list of current assets changed significantly as discussed above. Considering the company's Cash Cycle, the Cash Cycle of the Company was equal to 21.80 days in 2012, to (0.94) days in 2013, and equal to 61.76 days in auditing period of 2014 which has caused the decline resulting from the ability in better debt management, as well as the negotiations with creditors which caused the company to have very good credit terms. As can be seen from the decrease in average collection period and inventory turnover, they were 23.88 days and 6.66 days in 2012, to 23.28 days and 34.72 days in 2013, and 31.95 days and 40.89 days in 2014 respectively.

Financing Resources

Liabilities

As of 31 December 2012, it was 1,981.80 million Baht. As of 31 December 2013, it was 270.31 million Baht. As of 31 December 2014, it was 609.12 million Baht. The significant changes of liabilities are as follows:-

- Bank overdrafts and short-term loans from financial institutes

As of 31 December 2012, it was increased by 1,262.99 million Baht. Such increase in overdrafts and short-term loans from financial institutions previously was consistent with the increase in revenue with the aforementioned changes. As of 31 December 2013, the Company had overdrafts and short-term loans from financial institutions dropped to 93.62 million Baht as a result of the repayment of debts to financial institute payables to cancel the credit facility with 4 financial institutes which had a parent company guarantee. It is a structured approach to the preparation of spin-off. As of 31 December 2014, the Company had overdrafts and short-term loans from financial institutions dropped to 316.92 million Baht, source of fund for raw material which in line with the increased of sale volume.

- Trade Payables and Account Payables

Trade and other payables transaction consisted of trade payables, asset payables, and other payables, i.e. accrued expenses and the receipt of advance payment. As of 31 December 2012, 31 December 2013, and 31 December 2014, the Company had accounts payables and other payables equal to 146.23 million Baht, 63.70 million Baht, and 128.51 million Baht, or 6.32 percent, 3.56 percent, and 5.23 percent respectively, in which accounts Payable was 128.86 million Baht, 46.86 million Baht, and 84.60 million Baht accounting for 5.56 percent, 17.34 percent, and 13.89 percent of total liabilities respectively. Most payables were mainly raw material payables which the company mostly purchased domestically. Change of trade payable transaction was consistent with change of the company's revenue as noted above. Considering average payment period over the past 3 years, it was found that the Company has increase in debt payment period from 8.75 days in 2012 to 6.10 days in 2013 and 11.08 days in accounting period 2014 as a result of the ability to negotiate with creditors to obtain better credit terms.

Trade Payables and Other Account Payables (Unit : Million Baht)	Consolidated Financing (Audit) from Integration of Businesses under Common Control		Consolidated Financial Statements
	As of 31 Dec 12	As of 31 Dec 13	As of 31 Dec 14
Trade payables	128.86	46.86	84.60
Asset payables	4.36	6.03	11.37
Other payables	13.01	10.81	32.54
Total trade payables and other payables	146.23	63.710	128.51

- Short-term Loans from Relevant Businesses

Company had short-term loans from relevant businesses by applying for short-term financial support from its parent company or AI to use as working capital to run the business. As of 31 December 2012, the Company had short-term loans from relevant companies at 394.00 million Baht. The short-term loans from relevant businesses as such was borrowing money to use in normal business operations of the Company and its subsidiaries. After re-structuring of the Group to eliminate conflicts of interest and preparation in the company's Spin-off which was completed in 2013. The Company and its subsidiaries had paid back the loan to AI already.

- Long-term Loan for Financial Institutes

As of 31 December 2012, the Company had long-term loans from financial institutions (including current portion due within one year) at 152.86 million Baht, as of 31 December 2013 was 88.63 million Baht, or equivalent to 6.60 percent, 4.38 percent accordingly. The decline of long-term loans from financial institutions was the decrease based on payback conditions which the business had with financial institutes. The Company and its subsidiaries supported the long-term credit for investment in property used by business, such as property, plant and equipment for loans. The Company and its subsidiaries brought assets used in the business of mortgage loans as collateral to financial institutions. However, in 2014 the company had paid off the long-term loan in April 2014.

Shareholders' Equity

As of 31 December 2012, the Company had shareholders' equity at 332.83 million Baht, there were non-controlling interest equal to 181.07 million Baht. Such transactions were resulted from the preparation of consolidated financial statements in a business combination under common control which the Company prepared for comparison as if AIL and AIPT were subsidiaries of the Company continually due to the restructuring of the Group by acquiring shares of AIPT and AIL from AI. The performance of such operations is considered as a business combination under common control. As of 31 December 2012, the Company had accumulated losses of 218.24 million Baht, which resulted from the net loss incurred in such accounting period as mentioned above.

As of 31 December 2013, the Company had equity share at 1,752.59 million Baht which increased from the end of 2012 by 1,378.71 million Baht from the increase in registered capital to 590.00 million Baht by issuing new shares to sell to existing shareholders. The objective was to settle the loan from a related company of 150.00 million baht and to be used to purchase common shares of AIL and AIPT from AI to structure the Group in order to prevent conflicts of interest and preparation for spin-off. as well as the fact that the Extraordinary General Meeting of Shareholders No. 1/ 2013 on 2 May 2013 (pre-restructuring) approved additional capital from 960.00 million Baht to 1,130.00 million Baht by issuing new shares to sell to the public for the first 170 million shares at par value of 1 Baht per share whereas it was the offering of new ordinary shares along with the existing ordinary shares held by the parent company to be sold for 275 million shares in which 170 million shares had been issued and called for payment as at 25 December 2013. In addition, the Company adopted accounting policies for income taxes for practice. Consequently, the Company's accumulated deficit reduced from such accounting policies by 41.04 million Baht, together with the fact that the Company's net income for the period at 195.15 million baht created increase in the Company's shareholders to 1,752.59 million Baht in such period. As of 31 December 2013, the Company had retained earnings of 22.71 million Baht with premium on common shares of 605.11 million Baht and has a surplus of structuring business under common control negative at 5.23 million Baht which was resulted from the group structure by investing in common stocks of AIPT and AIL based on Spin-off whereas such value was the result of the payment of the shares to the AI in an amount greater than the net asset value as at the investment date, namely 10 April 2013. It could be stated that the company made a payment from investment in shares of AIPT and AIL to the AI at the total value worth 435.07 million Baht; while net asset value as at the date of investment (10 April 2013) was equal to 429.85 million Baht. In 2014, the Company's shareholders to 1,849.47 million Baht or equivalent to 75.22 percent in which increased from net profit of 96.88 million Baht.

The ratio of total liabilities to shareholders equity of the company based on virtual financial information as of 31 December 2012 was 5.95 times whereas such changes were caused by increase in loans from financial institutions which increased more than the increase in the list of shareholders. As of 31 December 2013 and 31 December 2014, the Company's debt to equity ratio 0.15 times and 0.33 times because the Company has increased its registered capital by issuing new shares as described above., as well as the reimbursement of loans from related parties, including the repayment of short-term loans to financial institutions, as well as at that time the company had net profit for the period. Therefore, the Company's shareholders' equity had increased then resulting in the decrease of debt to equity ratio as described.

Cash Flows

In accounting period 2012, the Company had negative cash flow from operating activities at 172.97 million Baht whereas the Company had net operating loss from fluctuations in raw material prices as well as the increase of inventory, particularly crude palm oil for use in the refinery tower 2. For accounting period of 2013 and 2014, net cash flow from operating activities increased to 687.58 million Baht and 68.46 million Baht as a result of the decrease in company's net income and inventory for the period by the reduction of entry materials, particularly crude palm oil which is used in the refinery tower 2 and just started to create commercial revenues in February 2013. The company had cash flow from investing activities negatively in the accounting period 2012 at 35.27 million Baht,

in the accounting period 2013 at 576.49 million Baht, and in accounting period 2014 at 163.65 million Baht without causing the negative cash flow from investing activities. The cash paid for the acquisition of AIPT and AIL was from AI Spin-Off plan, as well as investment in property used in the business operations of the Company and its subsidiaries for use in business operations due to cash flow from financing activities. Capital of the Company in accounting period 2012 and accounting period 2013 was equal to 164.08 million Baht and 56.82 million Baht respectively. In the accounting period 2013, net cash flow from financing activities felt by 56.82 million Baht due to the deficit in Company cash flows from financing activities in the accounting period 2013 as a result of the repayment of short-term loans from financial institutions and the repayment of loans from related parties at the total of 1,627.61 million Baht despite proceeds from shares at 1,365.11 million Baht. In 2014, the financing activities equal to 211.67 million Baht as a result from short-term loans from financial institutions.

“The investors may seek for more information regarding the company issuing securities from annual information transaction (Form 56-1) of the company as appeared in www.sec.or.th or the company’s website”

Statement of the Board of Directors responsibilities for the financial statements

To: The Shareholders of AI Energy Public Company Limited

The Board of Directors ("The Board") comprehend of its responsibilities for AIE and its subsidiaries' financial statements for the year 2014 as of 31 December 2014 in accordance with generally accepted accounting principles with careful discretion by sensibly and reporting including disclosures are adequate and transparent in the notes to the financial statements.

The Board realized of good corporate governance by established systems of risk management and internal control to ensure the accuracy, completeness of information used and prevent potential fraud or operating with significant abnormalities

For an accuracy of the Company's the financial statements. The Board has appointed an Audit Committee, in which consist of independent directors to review the accurateness of the financial report for reliability of the reporting. However, the Audit Committee had given an opinion on the financial statements in the Audit Committee report, which is presented in this annual report.

As regulatory and policies for financial report mentioned above, the Board has an opinion that the Company's financial statement as of 31 December 2014 is adequately disclose, complete, and reliable in accordance with accounting standards and related regulations.



Narong Thareratanavibool
Chairman of the Board of Director

Audit Committee Report

To: The Shareholders of AI Energy Public Company Limited

The Audit Committee consists of Mr.Kaweephong Hirankasi (PhD), Chairman of Audit Committee, Mr.Sampan Hunpayon (Asst. Professor), and Mr.Choti Sontiwattananont, all of whom are independent and non-executive directors. The Secretary to Audit Committee is Miss Pimwan Thareratanavibool. All Audit Committee members are qualified to the Audit Committee Charter and in accordance with the Securities and Exchange Commission and the Stock Exchange of Thailand regulations.

In 2014, the Audit Committee held 6 meetings in which it invited an external audit and an internal audit to join the meeting as to the due agenda, presented to the Board of Directors at every time. Audit Committee's meeting attendance can be summarized in table below;

No.	Audit Committee Member	Position	No. of Meeting / No. of Meeting Attendance
1	Dr. Kaweephong Hirankasi	Chairman of Audit Committee	6/6
2	Assistant Professor Sampan Hunpayon	Audit Committee	6/6
3	Mr. Choti Sontiwattananont	Audit Committee	6/6

Duties and Responsibilities

The key responsibilities are to oversight and regulate in relation to financial reporting to ensure of the accuracy, completeness and compliance with generally accepted accounting principles and adequate disclosure prior to present the Board of Directors. As well as, review the risk management and internal control to be effective and suggest solutions to the Board of Directors when the systems should be corrected or improved. The key responsibilities are summarized below;

1. Financial Statements

Reviewed the information in the financial statements of the Company and its subsidiaries quarterly and for the year 2014, which had a meeting with the external auditor and the Company's Accounting Department for accuracy, completeness, according to accepted accounting principles and adequately disclosed. Moreover, the Audit Committee responsible for reviewing all related-parties transactions are as reasonable, appropriated, and free of conflicts of interest such as the acquisition or disposition of assets prior to submission to the Board of Director for approval.

In the Audit Committee meeting, there is no executive directors attended, to allow the Audit Committee and the external audit discuss freely, including inform all the problem and obstacle in auditing process. As a result, the Audit Committee has an opinion regards to the financial statements for the year 2014 are adequately disclosed in an appropriate information, no conflict with the facts and are prepared in accordance with accepted accounting principles.

2. Internal Controls

The Audit Committee has appointed Aim to Prosperity Co., Ltd. as an internal auditor to review and monitor the accuracy and integrity in the operation of various departments in complying with the policy. In 2014, the Company has proper and adequate internal control systems and there is no significant deficiencies that impact on the Company's financial statement. The internal auditor has a duty to follow up the correction of comments and suggestions, then prepared the internal audit report for the Audit Committee Meeting on quarterly basis.

3. Compliance

In quarterly meeting of Audit Committee, the Audit Committee has been audited and reviewed regarding the Securities and Exchange Act and the Stock Exchange of Thailand regulations including laws relating to the Company's operation. In 2014, there is no report of committing an offense under Section 89/25 of the Securities and Exchange Act. The Company has been in compliance with laws and regulations, which enforced in the Company's operation.

4. Whistleblowing

In 2014, No reports of misconduct, fraud, and abnormal activities.

5. Appointment of the External Auditor

The Audit Committee has appointed Dr.Virach Aphimeteetamrong Certified Public Accountant No. 1378, and/or Mr.Chaiyakorn Aunpitipongsa Certified Public Accountant No. 3196, and/or Mr.Apiruk Atianuwat Certified Public Accountant No. 5202 on the behalf of Dr.Virach & Associates Certified Public Accountant as an external auditor to examine and comment on the Company's FY2014 financial statements and set the Audit fee for no more than THB 1.25 Million and proposed for the Board of Director's approval prior to present the Annual General Meeting for approval.

On behalf of Audit Committee



Kaweepong Hirankasi
Chairman of Audit Committee

AUDITOR'S REPORT

To the Shareholders of AI Energy Public Company Limited

I was engaged to the audit of the accompanying consolidated financial statements of AI Energy Public Company Limited and subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of AI Energy Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. However because of matters as described in the basis for disclaimer of opinion paragraph, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

I am unable to obtain sufficient appropriate audit evidence of inventories shown in the consolidated and the separate statements of financial position as at December 31, 2014 amount of Baht 471.81 million and Baht 471.67 million, respectively, and cost of sales and production contract shown in the consolidated and the separate statements of comprehensive income for the year ended December 31, 2014, amount of Baht 4,127.52 million and Baht 4,304.69 million, respectively. Due to the Company has no effective of internal control regarding to cost of sales and inventories including misappropriation of assets utilization. As a result, information and evidence about the production transaction is not reasonable and the controlling process of taking raw materials and goods in and out of the factory is not proper. This evidence has impact on cost of sales and inventories including other related accounts. Therefore, I am unable to conclude the evidence and information that I have got are accurate, adequate and reasonable or not. I am unable to determine whether any adjustments might have been found necessary in respect of assets, income or expenses. If it has to be adjusted, how it will affect to the financial position and operating results of the current year including to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

(Dr. Virach Aphimeteetamrong)

Certified Public Accountant Registration No. 1378



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
DECEMBER 31, 2014

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

ASSETS

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Current Assets					
Cash and cash equivalents	4.2 and 5	189,591,817	73,120,383	176,912,104	66,680,183
Short-term investments		88,560	50,000	88,560	50,000
Trade and other receivables	4.3 and 6	392,779,285	273,961,013	389,908,743	270,553,270
Inventories	4.4 and 7	471,807,858	370,585,067	471,671,218	370,454,923
Oil supplies	4.5 and 8	2,368,196	4,821,153	-	-
Other current assets		1,869,814	2,919,657	1,198,481	2,688,409
Non-current assets classified as					
held for sale	4.6 and 9	2,540,000	-	2,540,000	-
Total Current Assets		<u>1,061,045,530</u>	<u>725,457,273</u>	<u>1,042,319,106</u>	<u>710,426,785</u>
Non-current Assets					
Investments in subsidiaries	4.7 and 10	-	-	435,073,140	435,073,140
Fixed deposits with obligation	11	2,000,000	2,000,000	2,000,000	2,000,000
Property, plant, vessel and equipment	4.8, 4.9 and 12	1,378,460,787	1,264,715,897	851,351,743	714,782,473
Intangible assets	4.10 and 13	145,046	105,178	145,046	104,293
Deferred tax assets	4.11 and 22	763,946	4,304,495	763,946	4,304,495
Other non-current assets					
Withholding tax		5,926,995	5,611,538	5,530,392	5,611,384
Deposit		2,095,292	20,575,920	2,009,542	29,575,920
Others		8,156,825	128,106	8,112,625	83,906
Total other non-current assets		<u>16,179,112</u>	<u>26,315,564</u>	<u>15,652,559</u>	<u>35,271,210</u>
Total Non-current Assets		<u>1,397,548,891</u>	<u>1,297,441,134</u>	<u>1,304,986,434</u>	<u>1,191,535,611</u>
TOTAL ASSETS		<u>2,458,594,421</u>	<u>2,022,898,407</u>	<u>2,347,305,540</u>	<u>1,901,962,396</u>

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	316,918,380	93,617,810	295,016,368	40,000,000
Trade and other payables	15	128,514,116	63,703,271	125,634,405	56,244,289
Accrued interest		333,115	526,568	297,826	199,303
Current portion of					
long-term loans	16	22,080,000	32,343,000	-	10,803,000
Accrued income tax		24,101,420	-	24,101,420	-
Other current liabilities					
Revenue Department payable		27,075,600	12,297,882	26,396,238	12,037,379
Others		1,289,409	1,564,412	1,021,648	1,521,855
Total other current liabilities		28,365,009	13,862,294	27,417,886	13,559,234
Total Current Liabilities		520,312,040	204,052,943	472,467,905	120,805,826
Non-current Liabilities					
Long-term loans	16	76,880,000	56,286,589	-	20,587,700
Provision for long-term employee benefits	4.12 and 17	11,932,488	9,966,005	9,424,803	7,870,307
Total Non-current Liabilities		88,812,488	66,252,594	9,424,803	28,458,007
TOTAL LIABILITIES		609,124,528	270,305,537	481,892,708	149,263,833

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Shareholders' Equity					
Share capital	18				
Authorized share capital					
1,130,000,000 common stocks of Baht 1 par value		1,130,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Issued and paid-up share capital					
1,130,000,000 common stocks at Baht 1 each		1,130,000,000	1,130,000,000	1,130,000,000	1,130,000,000
Premium on common stocks		605,113,717	605,113,717	605,113,717	605,113,717
Retained earnings					
Appropriated					
Legal reserve	19	6,514,956	879,242	6,514,956	879,242
Unappropriated		113,066,335	21,825,026	123,784,159	16,705,604
Other components of shareholders' equity					
Difference on business combination under common control	10	(5,225,115)	(5,225,115)	-	-
Total Shareholders' Equity		1,849,469,893	1,752,592,870	1,865,412,832	1,752,698,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,458,594,421	2,022,898,407	2,347,305,540	1,901,962,396

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

		BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	Notes	2014	2013	2014	2013
REVENUES					
Sales		4,334,327,668	4,083,102,531	4,482,747,317	4,022,199,678
Revenues from production contract		54,469,397	93,834,113	54,469,397	93,834,113
Vessel operating income		35,291,157	45,640,250	-	-
Port service		1,000,000	-	-	-
Other incomes		16,351,255	13,204,015	19,833,804	13,064,238
Total Revenues		4,441,439,477	4,235,780,909	4,557,050,518	4,129,098,029
EXPENSES					
Cost of sales		4,090,367,195	3,754,527,855	4,267,533,853	3,712,717,675
Cost of production contract		37,155,419	46,739,417	37,155,419	46,739,417
Cost of vessel operating		47,143,226	39,952,389	-	-
Cost of port service		496,687	-	-	-
Selling expenses		55,490,542	59,924,554	51,555,703	56,955,275
Administrative expenses		58,733,144	52,560,250	47,054,378	40,593,459
Directors' remuneration	20	2,430,000	1,884,900	2,430,000	1,884,900
Finance costs		23,180,230	48,066,482	9,040,885	37,529,271
Total Expenses	21	4,314,996,443	4,003,655,847	4,414,770,238	3,896,419,997
Profit before income tax		126,443,034	232,125,062	142,280,280	232,678,032
Income tax expenses	22	29,566,011	36,970,105	29,566,011	36,970,105
Profit for the years		96,877,023	195,154,957	112,714,269	195,707,927

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Notes	BAHT			
		CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Other comprehensive income (loss)					
Actuarial losses from employee benefit plan					
Components of income tax		-	(717,200)	-	(1,164,470)
		-	232,894	-	232,894
Actuarial losses from employee benefit plan					
-net of tax		-	(484,306)	-	(931,576)
Other comprehensive income (loss) for the years		-	(484,306)	-	(931,576)
Total comprehensive income for the years		96,877,023	194,670,651	112,714,269	194,776,351
Profit (Loss) Attributable to					
Equity holders of the parent		96,877,023	200,827,349	112,714,269	195,707,927
Non-controlling interest		-	(5,672,392)	-	-
		96,877,023	195,154,957	112,714,269	195,707,927
Total Comprehensive Income (Loss) Attributable to					
Equity holders of the parent		96,877,023	199,895,773	112,714,269	194,776,351
Non-controlling interest		-	(5,225,122)	-	-
		96,877,023	194,670,651	112,714,269	194,776,351
Earnings per Share of the Parent					
Basic Earnings per Share		0.09	0.25	0.10	0.24
The number of common stocks used in					
computation earnings per share (share)		1,130,000,000	803,232,877	1,130,000,000	803,232,877

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014
CONSOLIDATED

		BAHT							
		Shareholders' equity of the parent							
		Issued and paid-upshare capital	Premium on common stocks	Retained earnings (deficits)		Difference on business combination under common control	Total equity of the parent	Non-controlling interests	Total
Notes				Legal reserve	Unappropriated				
Year 2013									
Beginning balances as at January 1, 2013 - before restated		370,000,000	-	-	(218,233,211)	-	151,766,789	181,073,147	332,839,936
Cumulative effect of the change in accounting policy									
- Income taxes	3	-	-	-	41,041,706	-	41,041,706	-	41,041,706
Beginning balances as at January 1, 2013 - restated balances		370,000,000	-	-	(177,191,505)	-	192,808,495	181,073,147	373,881,642
Capital increase	18	760,000,000	605,113,717	-	-	-	1,365,113,717	-	1,365,113,717
Increase (decrease) in non-controlling interests									
- from increase in investment		-	-	-	-	-	-	254,000,000	254,000,000
- from share purchase from old shareholders		-	-	-	-	-	-	(429,848,025)	(429,848,025)
Legal reserve	19	-	-	879,242	(879,242)	-	-	-	-
Comprehensive income for the year 2013 :-									
Total comprehensive income for the year		-	-	-	200,827,349	-	200,827,349	(5,672,392)	195,154,957
Actuarial losses from employee benefit plan		-	-	-	(931,576)	-	(931,576)	447,270	(484,306)
Total comprehensive income for the year 2013		-	-	-	199,895,773	-	199,895,773	(5,225,122)	194,670,651
Surplus on business combination under common control	10	-	-	-	-	(5,225,115)	(5,225,115)	-	(5,225,115)
Ending balances as at December 31, 2013		1,130,000,000	605,113,717	879,242	21,825,026	(5,225,115)	1,752,592,870	-	1,752,592,870
Year 2014									
Beginning balances as at January 1, 2014		1,130,000,000	605,113,717	879,242	21,825,026	(5,225,115)	1,752,592,870	-	1,752,592,870
Legal reserve	19	-	-	5,635,714	(5,635,714)	-	-	-	-
Total comprehensive income for the year 2014		-	-	-	96,877,023	-	96,877,023	-	96,877,023
Ending balances as at December 31, 2014		1,130,000,000	605,113,717	6,514,956	113,066,335	(5,225,115)	1,849,469,893	-	1,849,469,893

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

SEPARATE FINANCIAL STATEMENTS

BAHT						
	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits) Legal reserve	Unappropriated	Other components of shareholders' Total
<u>Year 2013</u>						
Beginning balances as at January 1, 2013 - before restated		370,000,000	-	-	(218,233,211)	- 151,766,789
Cumulative effect of the change in accounting policy - Income taxes	3	-	-	-	41,041,706	- 41,041,706
Beginning balances as at January 1, 2013 - restated balances		370,000,000	-	-	(177,191,505)	- 192,808,495
Capital increase	18	760,000,000	605,113,717	-	-	- 1,365,113,717
Legal reserve	19	-	-	879,242	(879,242)	- -
Comprehensive income for the year 2013 :-						
Total comprehensive income for the year		-	-	-	195,707,927	- 195,707,927
Actuarial losses from employee benefit plan		-	-	-	(931,576)	- (931,576)
Total comprehensive income for the year 2013		-	-	-	194,776,351	- 194,776,351
Ending balances as at December 31, 2013		1,130,000,000	605,113,717	879,242	16,705,604	- 1,752,698,563
<u>Year 2014</u>						
Beginning balances as at January 1, 2014		1,130,000,000	605,113,717	879,242	16,705,604	- 1,752,698,563
Legal reserve	19	-	-	5,635,714	(5,635,714)	- -
Total comprehensive income for the year 2014		-	-	-	112,714,269	- 112,714,269
Ending balances as at December 31, 2014		1,130,000,000	605,113,717	6,514,956	123,784,159	- 1,865,412,832

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/2)

FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT BEFORE INCOME TAX	126,443,034	232,125,062	142,280,280	232,678,032
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	71,748,687	66,021,580	37,397,518	32,752,477
Amortization of computer softwares	41,324	16,971	40,439	14,451
Gain on equipment disposal	733,681	-	733,681	-
Amortization of other non-current assets	(566)	-	(5,020)	-
Doubtful debt	(431,851)	319,534	(431,851)	319,534
Bad debts	18,518	-	18,518	-
Unrealized (gain) loss on exchange rates	118,795	(46,780)	118,747	(55,469)
Loss on unused equipment	524,810	17,137	501,009	2
Loss on provision for non-current assets classified as held for sale	1,934,990	-	1,934,990	-
Increase (decrease) on provision for diminution in inventory value	120,260	(8,594,010)	120,260	(8,594,010)
Long-term employee benefit expenses	1,966,483	2,227,341	1,554,496	1,766,468
Interest income	(697,430)	(524,237)	(4,400,961)	(483,136)
Interest expenses	21,768,520	46,943,644	8,722,157	36,432,029
Amortization of withholding tax	80,992	257	80,992	-
PROFIT FROM OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES ITEMS	224,370,247	338,506,499	188,665,255	294,830,378
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other receivables	(118,459,643)	15,377,207	(118,996,844)	14,174,818
Inventories	(101,343,051)	425,953,824	(101,336,555)	425,957,632
Oil supplies	2,452,957	(2,521,134)	-	-
Other current assets	(739,244)	(823,919)	(299,159)	(658,983)
Non-current assets classified as held for sale	(2,440,000)	-	(2,440,000)	-
Other non-current assets	(8,732,400)	(40,700)	267,600	(9,040,700)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	59,375,516	(84,448,502)	63,956,635	(83,707,188)
Other current liabilities	14,502,715	(2,927,202)	13,858,652	(3,013,358)
CASH PROVIDED FROM OPERATING ACTIVITIES	68,987,097	689,076,073	43,675,584	638,542,599
Income tax refunded	1,789,087	1,264,821	1,789,087	1,264,821
Income tax expenses paid	(2,320,491)	(2,758,200)	(1,924,042)	(2,757,789)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	68,455,693	687,582,694	43,540,629	637,049,631

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (2/2)
FOR THE YEAR ENDED DECEMBER 31, 2014

	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	702,990	506,117	4,406,521	465,015
Increase in short-term investments	(38,560)	(50,000)	(38,560)	(50,000)
Payment for shares purchase in subsidiaries				
from old shareholders	-	(435,073,140)	-	(435,073,140)
Increase in fixed deposits with obligation	-	(2,000,000)	-	(2,000,000)
Purchase of plant, vessel and equipment	156,999,223	(115,298,260)	(145,445,118)	(110,720,369)
Interest payment for equipment installation	-	(248,077)	-	(248,077)
Proceeds from disposal of equipment	120,861	-	120,000	-
Purchase of computer softwares	(81,192)	-	(81,192)	-
Payment deposit on equipment	(2,164,895)	(20,545,920)	(2,079,145)	(20,545,920)
Payment payable from purchase of equipment	(5,193,248)	(3,778,240)	(5,193,248)	(3,667,495)
NET CASH USED IN INVESTING ACTIVITIES	(163,653,267)	(576,487,520)	(148,310,742)	(571,839,986)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest expenses paid	(21,961,973)	(48,319,185)	(8,623,634)	(37,822,305)
Increase (decrease) in bank overdrafts and				
short-term loans from financial institutions	223,300,570	(1,169,379,746)	255,016,368	(1,172,912,695)
Decrease in short-term loans from related party	-	(394,000,000)	-	(150,000,000)
Increase in long-term loans from financial institutions	110,000,000	-	-	-
Payment for long-term loans from financial institutions	(99,669,589)	(64,231,030)	(31,390,700)	(18,191,000)
Proceeds from capital increase	-	1,365,113,717	-	1,365,113,717
Increase in non-controlling interests	-	254,000,000	-	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	211,669,008	(56,816,244)	215,002,034	(13,812,283)
NET INCREASE IN CASH AND CASH EQUIVALENTS	116,471,434	54,278,930	110,231,921	51,397,362
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	73,120,383	18,841,453	66,680,183	15,282,821
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	189,591,817	73,120,383	176,912,104	66,680,183

BAHT			
CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
2014	2013	2014	2013

ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS

Non-cash flows items :

Assets payable for equipment	10,628,529	5,623,101	10,626,729	4,786,003
Assets payable for intangible assets	-	67,500	-	67,500
Transferred deposit to equipment	20,545,920	1,904,500	20,545,920	1,904,500
Transferred machinery to non-current assets classified as held for sale	2,034,990	-	2,034,990	-
Transferred deposit to other non-current assets	30,000	-	30,000	-

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

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. GENERAL INFORMATION

1.1 Company status	(1) A juristic person established under Thai law on October 4, 2006. (2) A subsidiary of Asian Insulators Public Company Limited.
1.2 Company location	55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.
1.3 Type of business	1. Producing and distributing fuel oil, energy product, vegetable fats and animal fats. 2. Invested in subsidiaries which operate business according to Note 10 to the financial statements.

On May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 was held and approved the transformation from company limited to public company limited. The Company has registered the transformation to the public company limited with the Ministry of Commerce on May 9, 2013.

The Company listed on the Market for Alternative Investment (mai) on January 6, 2014.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 These consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission.

- 2.2 The consolidated financial statements included the financial statements of AI Energy Public Company Limited and its subsidiaries as follows :

COMPANIES	% HOLDING	
	2014	2013
AI Logistics Company Limited	100.00	100.00
AI Ports and Terminals Company Limited	100.00	100.00

On April 10, 2013, the Company invested in subsidiaries as mentioned in Note 10 to the financial statements, which constitutes a business combination under common control. To be presented herein as if AI Logistics Company Limited and AI Ports and Terminals Company Limited are subsidiaries of the time. Therefore, the Statements of Comprehensive Income for the year ended December 31, 2013, included the results of operations of AI Logistics Company Limited and AI Ports and Terminal Company Limited for the year ended December 31, 2013, without regarding to the date of the acquisition of subsidiaries.

- 2.3 Inter-company balances and significant transactions between the Company and the subsidiaries have been eliminated from the consolidation.
- 2.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 2.5 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.6 Accounting standards that become effective in the current accounting year, which the Company has adopted as follows :

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases

TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement Contains a Lease
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 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes

TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on financial statements.

2.7 The Federation of Accounting Professions has issued the new accounting standards not yet effective as follows :

- (a) Become effective to the financial statements for periods beginning on or after January 1, 2015

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grant and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (revised 2014)	Borrowing Cost
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plan
TAS 27 (revised 2014)	Consolidated and Separate Financial Statements

TAS 28 (revised 2014)	Investments in Associates and Joint Venture
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity of Its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 ((revised 2014)	Determining whether an Arrangement Contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction for TAS 19 Employee Benefits
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

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

TFRS 4 (revised 2014)	Insurance Contracts
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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 has adopted accounting policy of deferred tax in accordance with Thai Accounting Standard No. 12 : Income Taxes. To adopt this accounting policy, the Company has to restate the financial statements, as if the Company has recorded deferred tax

assets or deferred tax liabilities, by adjusted to the beginning deficits of the period in the year 2013, for the consolidated and separate financial statements in amount of Baht 41.04 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

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

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

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

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

4.2 Cash and cash equivalents

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

4.3 Allowance for doubtful accounts

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

4.4 Inventories

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

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

The Company set up the provision for diminution in inventories for the deteriorated goods and expected to be unsalable.

4.5 Oil supplies

Oil supplies stated at cost are calculated by the weighted average method.

4.6 Non-current assets classified as held for sale

Non-current assets classified as held for sale are stated at book value or net fair value, whichever is the lower. The Company set up the provision for diminution in non-current assets classified as held for sale by estimating from the realizable sale value.

4.7 Investments in subsidiaries

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

4.8 Property, plant, vessel and equipment

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

PARTICULARS	YEARS
No depreciation is provided on land and assets under construction and installation	
Land improvement	5
Building and improvement	5 - 40
Utility systems	5 - 15
Machinery accessories and tools	5 - 20
Vessel and improvement	3 - 10
Office furniture and equipment	5
Motor vehicles	5 - 20

In 2013, one subsidiary has reviewed the useful life of its buildings and structures, which resulted changes in the estimated useful life of building and structures from 5 - 20 years to 5 - 30 years.

4.9 Borrowing cost

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

4.10 Intangible assets

Intangible assets are computer softwares which amortized to expense by the straight-line method for 4 - 10 years.

4.11 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 statement 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 year 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.

4.12 Employee benefits

Short-term employee benefits

The Company and subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

4.13 Basic earnings per share

Basic earnings per share is calculated by dividing the annual net profit by the number of weighted average common stocks held by outsiders during the years.

4.14 Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the end of the years are converted to Baht at the rate of exchange in effect on that date. Except the agreed rates of forward exchange contracts with the bank, will be recorded at fair value. Gains or losses on exchange rate are credited or charged to operations during the years.

4.15 Use of accounting judgments and estimates

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

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company and subsidiaries make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in inventories, provision for diminution non-current assets classified as held for sale, allowance for depreciation of land improvement, plant, vessel and equipment, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Cash	470,152	146,060	300,000	-
Savings account	186,545,278	75,355,994	174,065,717	69,064,226
Current account	25,063	(4,406,378)	(4,937)	(4,408,750)
Fixed deposit	2,551,324	2,024,707	2,551,324	2,024,707
Total cash and cash equivalents	189,591,817	73,120,383	176,912,104	66,680,183

6. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Notes receivable	7,348,300	5,103,118	7,348,300	5,103,118
Trade accounts receivable				
Classified by aging of receivables as follows:				
Current	339,388,451	222,914,781	338,643,435	222,221,750
Overdue within 3 months	41,392,200	37,940,330	41,223,629	37,261,465
Over 12 months	3,334,211	3,766,062	3,334,211	3,766,062
Total trade accounts receivable	391,463,162	269,724,291	390,549,575	268,352,395
<u>Less</u> Allowance for doubtful accounts	(3,334,211)	(3,766,062)	(3,334,211)	(3,766,062)
Trade accounts receivable-net	388,128,951	265,958,229	387,215,364	264,586,333
Other receivables	4,956,684	8,309,134	2,999,729	6,273,287
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	(306,350)	(306,350)
Other receivables - net	4,650,334	8,002,784	2,693,379	5,966,937
Total trade and other receivables-net	392,779,285	273,961,013	389,908,743	270,553,270

7. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Raw materials and chemicals	271,751,099	290,303,177	271,751,099	290,303,177
Goods in process	116,115,718	26,937,334	116,115,718	26,937,334
Finished goods	70,483,986	38,911,588	70,347,346	38,781,444
Consumed supplies	13,577,315	14,432,968	13,577,315	14,432,968
Total	471,928,118	370,585,067	471,791,478	370,454,923
<u>Less</u> Provision for diminution in inventories	(120,260)	-	(120,260)	-
Inventories - net	471,807,858	370,585,067	471,671,218	370,454,923

8. OIL SUPPLIES

BAHT

PARTICULARS	CONSOLIDATED	
	2014	2013
Bunker oil	1,725,114	4,218,866
Lubricants	643,082	602,287
Total	2,368,196	4,821,153

9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

BAHT

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	2013	Increase	Transfer from	2014
Non-current assets classified as held for sale	-	2,440,000	2,034,990	4,474,990
<u>Less</u> Provision for diminution	-	(1,934,990)	-	(1,934,990)
Non-current assets classified as held for sale - net	-			2,540,000

10. INVESTMENTS IN SUBSIDIARIES

THOUSAND BAHT

SUBSIDIARIES	% HOLDING		SEPARATE FINANCIAL STATEMENTS	
	Dec. 31, 14	Dec. 31, 13	Dec. 31, 14	Dec. 31, 13
AI Logistics Company Limited	100.00	100.00	82,678	82,678
AI Ports and Terminals Company Limited	100.00	100.00	352,395	352,395
Total Investments in Subsidiaries			435,073	435,073

SUBSIDIARIES	NATURE OF BUSINESS	PAID-UP SHARE CAPITAL (THOUSAND BAHT)		DIVIDEND (THOUSAND BAHT)	
		Dec.31, 14	Dec.31, 13	Dec.31, 14	Dec.31, 13
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	209,000	209,000	-	-
AI Ports and Terminals Company Limited	(1) Servicing port (2) Producing and distributing ice cube (3) Trading electrical equipment vegetable fat and other fuel oil	460,000	460,000	-	-

On April 9, 2013, the Ordinary General Shareholders' Meeting of AI Logistics Company Limited was held and approved to increase authorized share capital from Baht 160,000,000 (amount of 16,000,000 shares of Baht 10 par value) to Baht 209,000,000 (amount of 20,900,000 shares of Baht 10 par value), which has registered the capital increase with the Ministry of Commerce on April 10, 2013.

On April 9, 2013, the Ordinary General Shareholders' Meeting of AI Ports and Terminals Company Limited was held and approved to increase authorized share capital from Baht 255,000,000 (amount of 25,500,000 shares of Baht 10 par value) to Baht 460,000,000 (amount of 46,000,000 shares of Baht 10 par value), which has registered the capital increase with the Ministry of Commerce on April 10, 2013.

On April 10, 2013, the Company has invested in AI Logistics Company Limited, the common stock of 20.90 million shares amount of Baht 82.68 million, and AI Ports and Terminals Company Limited, the common stock of 46 million shares amount of Baht 352.39 million, to be 100% in shareholding proportion of two companies, total amount of Baht 435.07 million. The book value of net assets as at the date of investing total amount of Baht 429.85 million, part of the purchase price over the book value of net assets of Baht 5.22 million, was presented under shareholders' equity in the consolidated financial statements under the caption "Difference on business combination under common control". The purchase of share from Asian Insulators Public Company Limited, the parent company of the group companies, which is the existing shareholders in AI Logistics Company Limited of 98.42% and AI Ports and Terminals Company Limited of 99.45%. This purchase is considered as a business combination under common control.

11. FIXED DEPOSITS WITH OBLIGATION

The Company has pledged deposit at bank as collateral for the issuance of bank guarantee.

12. PROPERTY, PLANT, VESSEL AND EQUIPMENT

BAHT

CONSOLIDATED	Land	Land improvement	Building and improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<u>Cost</u>										
As at January 1, 2013	291,251,288	250,000	507,653,482	23,811,328	344,160,200	183,229,828	6,104,355	50,749,376	129,688,399	1,536,898,256
Purchases	-	-	2,669,822	8,750	13,993,218	2,352,759	1,368,312	17,448,224	85,232,853	123,073,938
Sold and amortization	-	-	-	-	(190,547)	(9,854,140)	-	-	-	(10,044,687)
Transfer to/from	-	2,697,560	3,941,913	-	135,015,428	-	256,900	-	(141,911,801)	-
As at December 31, 2013	291,251,288	2,947,560	514,265,217	23,820,078	492,978,299	175,728,447	7,729,567	68,197,600	73,009,451	1,649,927,507
Purchases	4,328,633	-	158,703	-	3,886,956	5,908,138	924,353	322,430	172,644,459	188,173,672
Sold and amortization	-	-	-	-	(2,325,146)	(2,315,046)	(44,800)	-	-	(4,684,992)
Transfer to/from	-	-	8,012,236	11,655,628	171,856,221	-	1,329,280	6,112,503	(203,136,868)	(4,171,000)
As at December 31, 2014	295,579,921	2,947,560	522,436,156	35,475,706	666,396,330	179,321,539	9,938,400	74,632,533	42,517,042	1,829,245,187
<u>Accumulated depreciation</u>										
As at January 1, 2013	-	68,493	85,452,276	7,531,444	122,338,364	94,206,668	4,441,227	15,179,108	-	329,217,580
Depreciation for the year 2013	-	118,732	13,761,014	1,297,369	29,679,540	17,482,159	950,914	2,731,852	-	66,021,580
Sold and amortization	-	-	-	-	(173,410)	(9,854,140)	-	-	-	(10,027,550)
As at December 31, 2013	-	187,225	99,213,290	8,828,813	151,844,494	101,834,687	5,392,141	17,910,960	-	385,211,610
Depreciation for the year 2014	-	319,756	14,187,339	1,282,600	33,124,432	18,482,091	1,175,581	3,176,888	-	71,748,687
Sold and amortization	-	-	-	-	(1,700,429)	(2,315,046)	(24,412)	-	-	(4,039,887)
Transfer to/from	-	-	-	-	(2,136,010)	-	-	-	-	(2,136,010)
As at December 31, 2014	-	506,981	113,400,629	10,111,413	181,132,487	118,001,732	6,543,310	21,087,848	-	450,784,400
<u>Net book value</u>										
As at December 31, 2013	291,251,288	2,760,335	415,051,927	14,991,265	341,133,805	73,893,760	2,337,426	50,286,640	73,009,451	1,264,715,897
As at December 31, 2014	295,579,921	2,440,579	409,035,527	25,364,293	485,263,843	61,319,807	3,395,090	53,544,685	42,517,042	1,378,460,787

BAHT

SEPARATE FINANCIAL STATEMENTS	Land	Land improvement	Building and improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
<u>Cost</u>									
As at January 1, 2013	157,135,835	-	137,626,601	23,797,674	277,027,854	3,078,111	48,710,834	129,688,399	777,065,308
Purchases	-	-	2,669,822	8,750	11,070,396	1,228,904	17,448,224	85,232,853	117,658,949
Sold and amortization	-	-	-	-	(2)	-	-	-	(2)
Transfer to/from	-	2,697,560	3,941,913	-	135,015,428	256,900	-	(141,911,801)	-
As at December 31, 2013	157,135,835	2,697,560	144,238,336	23,806,424	423,113,676	4,563,915	66,159,058	73,009,451	894,724,255
Purchases	-	-	158,703	-	2,914,440	577,735	322,430	172,644,459	176,617,767
Sold and amortization	-	-	-	-	(2,200,646)	(44,800)	-	-	(2,245,446)
Transfer to/from	-	-	8,012,236	11,655,628	171,856,221	1,329,280	6,112,503	(203,136,868)	(4,171,000)
As at December 31, 2014	157,135,835	2,697,560	152,409,275	35,462,052	595,683,691	6,426,130	72,593,991	42,517,042	1,064,925,576
<u>Accumulated depreciation</u>									
As at January 1, 2013	-	-	25,149,825	7,529,521	98,117,324	2,264,392	14,128,243	-	147,189,305
Depreciation for the year 2013	-	68,732	5,050,832	1,294,639	23,383,891	398,240	2,556,143	-	32,752,477
As at December 31, 2013	-	68,732	30,200,657	8,824,160	121,501,215	2,662,632	16,684,386	-	179,941,782
Depreciation for the year 2014	-	269,756	5,493,124	1,279,869	26,525,008	827,685	3,002,076	-	37,397,518
Sold and amortization	-	-	-	-	(1,605,045)	(24,412)	-	-	(1,629,457)
Transfer to/from	-	-	-	-	(2,136,010)	-	-	-	(2,136,010)
As at December 31, 2014	-	338,488	35,693,781	10,104,029	144,285,168	3,465,905	19,686,462	-	213,573,833
<u>Net book value</u>									
As at December 31, 2013	157,135,835	2,628,828	114,037,679	14,982,264	301,612,461	1,901,283	49,474,672	73,009,451	714,782,473
As at December 31, 2014	157,135,835	2,359,072	116,715,494	25,358,023	451,398,523	2,960,225	52,907,529	42,517,042	851,351,743

In 2013, subsidiary has mortgaged its land with structure and port with commercial bank as collateral for loans obtained from the financial institutions (Notes 14 and 16) with various commitments as specified in the loan contract, for example: the transfer of beneficiary to the lender, etc.

In 2013, the Company has capitalized borrowing cost to the cost of machinery under installation amount of Baht 0.25 million.

In 2013, one subsidiary has calculated depreciation of building and improvement to reflect the new estimated useful life and residual value (Note 4.8), which had the effect to decrease depreciation of building and improvement of subsidiary estimated amount of Baht 9.44 million.

13. INTANGIBLE ASSETS

BAHT

CONSOLIDATED	Jan. 1, 13	Increase	Dec. 31, 13	Increase	Dec. 31, 14
<u>Computer softwares</u>					
Cost	242,017	67,500	309,517	81,192	390,709
<u>Less</u> Cumulative amortization	(187,368)	(16,971)	(204,339)	(41,324)	(245,663)
Intangible assets - net	54,649		105,178		145,046
Amortization expenses for the years			16,971		41,324

BAHT

SEPARATE FINANCIAL STATEMENTS	Jan. 1, 13	Increase	Dec. 31, 13	Increase	Dec. 31, 14
<u>Computer softwares</u>					
Cost	162,570	67,500	230,070	81,192	311,262
<u>Less</u> Cumulative amortization	(111,326)	(14,451)	(125,777)	(40,439)	(166,216)
Intangible assets - net	51,244		104,293		145,046
Amortization expenses for the years			14,451		40,439

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

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Bank overdrafts	1,918,380	3,617,810	16,368	-
Short-term loans from financial institutions	315,000,000	90,000,000	295,000,000	40,000,000
Total	316,918,380	93,617,810	295,016,368	40,000,000

The subsidiary has mortgaged its land with structure and port as collateral for loans (Note 12), with jointly guaranteed by the Company and AI Ports and Terminals Company Limited.

15. TRADE AND OTHER PAYABLES

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Trade accounts payable	84,599,972	46,862,327	80,182,179	40,973,335
Accrued expenses	10,425,826	6,011,041	9,353,782	4,878,149
Assets payable	11,372,400	6,030,347	11,370,600	5,193,248
Advance received from customers	17,504,518	787,201	17,504,518	787,201
Other payable	4,611,400	4,012,355	7,223,326	4,412,356
Total trade and other payables	128,514,116	63,703,271	125,634,405	56,244,289

16. LONG-TERM LOANS

CREDIT LINE	REPAYMENT CONDITIONS	PRINCIPAL BALANCES (BAHT)	
		2014	2013
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.	-	6,853,700
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.	-	24,537,000
Long-term loans from financial institutions	Separate financial statements **	-	31,390,700
<u>Less</u> Current portion of long-term loans		-	(10,803,000)
Long-term loans from financial institutions-net	Separate financial statements	-	20,587,700
Baht 90 million started on April 3, 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.	-	38,719,970
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.	-	18,518,919
Baht 110 million Started on June 30, 2014 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 July 2014 and will be finished within June 2019. - Monthly payment of interest rate at MLR-1 per annum.	98,960,000	-
Total long-term loans from financial institutions	Consolidated (include **)	98,960,000	88,629,589
<u>Less</u> Current portion of long - term loans		(22,080,000)	(32,343,000)
Long-term loans from financial institutions-net	Consolidated	76,880,000	56,286,589

During the quarter 2/2014, the Company and subsidiary have made repayment of the principal before due date with the bank. The Company and subsidiary have to pay fee of prepayment and the different of interest rate according to the interest rate swap contracts.

On June 30, 2014, the subsidiary has borrowed long-term loans from new financial institution with credit line Baht 110 million. The significant conditions under loan contract of subsidiary and the financial institution are summarized as follows:

- The subsidiary will not take the machinery and equipment in the ports and terminals to commit obligations (Negative Pledge).
- The subsidiary agreed to transfer its 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 subsidiary will maintain the ratio of debt to equity not exceeding 2:1 including loan from director as part of capital.
- The subsidiary will maintain the debt coverage ratio at minimum ratio of 1.25:1.

The subsidiary has mortgaged its land with structures and port as collateral for loans (note 12) with jointly guaranteed by the Company.

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

17. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<u>Defined benefit obligation</u>				
Balances as at January 1,	9,966,005	7,021,464	7,870,307	4,939,369
Actuarial losses (recognized in other comprehensive income)	-	717,200	-	1,164,470
Current service cost	1,641,115	1,968,261	1,296,936	1,560,156
Interest cost	325,368	259,080	257,560	206,312
Balances as at December 31,	11,932,488	9,966,005	9,424,803	7,870,307

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Discount rate	3.18-3.38 % per annum	3.38 % per annum
Future salary increase rate	5.00 % per annum	5.00 % per annum
Average staff turnover rate	0-15 % per annum	0-15.00 % per annum

18. SHARE CAPITAL

On April 9, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved to increase the Company's authorized capital from Baht 370 million (37 million shares at Baht 10 par value) to be Baht 960 million (96 million shares at Baht 10 par value) by issuing new common stocks amount 59 million shares at Baht 10 par value offered to existing shareholders of the Company in accordance with the right and proportion shareholding of each shareholder who have appeared in the register of shareholders of the Company as at March 20, 2013. The money received from capital increase, the Company plans to repay the loan from Asian Insulators Public Company Limited amount of Baht 150 million and has approved to acquire of 46 million shares of AI Ports and Terminals Company Limited amount and 20.90 million shares of AI Logistics Company Limited, totaling amount of Baht 435.07 million from existing shareholders of both companies for restructuring the Group Company. By two companies become subsidiaries of the Company for preparing to list on Market for Alternative Investment (mai). The Company registered the resolution of changing its authorized and paid-up share capital with the Ministry of Commerce on April 10, 2013.

On May 2, 2013, the Extraordinary General Shareholders' Meeting No. 1/2013 was held and approved as follows:

- To change the par value from initial Baht 10 to be Baht 1 par value, all shares are also ordinary shares. After the changing of par value, the Company has the ordinary shares of 960 million shares.

- To increase the Company's authorized capital from Baht 960 million (960 million shares at Baht 1 par value) to be Baht 1,130 million (1,130 million shares at Baht 1 par value) by issuing new ordinary shares of 170 million shares at Baht 1 per share by offering to the public.

The Company has registered the resolution of changing its par value and the authorized capital with the Ministry of Commerce on May 9, 2013.

During 23 to 24 December 2013, the Company has sold its initial public offering of ordinary share amount of 170 million shares with the par value of Baht 1 per share. The offering price of these shares was Baht 4.75 per share totally to Baht 807.50 million. The Company recorded expenses in respect of share distribution amount of Baht 32.39 million as a deduction from the share premium and the shares of the Company have been traded in the Market for Alternative Investment (mai) on January 6, 2014.

19. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside for legal reserve at least 5% of annual net profit less deficits (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend.

In 2014 and 2013, the Company has provided legal reserve amount of Baht 5.64 million and 0.88 million, respectively.

20. DIRECTORS' REMUNERATION

On March 24, 2014, the Ordinary General Shareholders' Meeting for 2014 was held and approved to pay the directors' remuneration for 2014 at the maximum of Baht 2.50 million.

On April 9, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved to pay the directors' remuneration for 2013 at the maximum of Baht 1.54 million.

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.

21. EXPENSES BY NATURE

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(Increase) decrease in change of finished goods and work in progress	(120,750,782)	221,449,727	(120,744,286)	221,453,535
Raw materials and consumables used	3,942,629,477	3,097,209,517	3,934,201,750	3,108,981,445
Purchase of goods for sale	134,463,588	294,422,717	314,482,916	268,263,717
Vessel operating expenses	23,178,566	20,185,298	-	-
Management benefit expenses	14,025,257	7,323,528	13,034,398	6,567,695
Employee benefit expenses	74,139,002	72,984,489	59,496,803	55,790,893
Depreciation and amortization expenses	72,523,692	66,038,551	38,171,638	32,766,928
Finance costs	23,180,230	48,066,482	9,040,885	37,529,271
(Reverse) loss on diminution in inventories	120,260	(8,594,010)	120,260	(8,594,010)
Other expenses	151,487,153	184,569,548	166,965,874	173,660,523
Total expenses	4,314,996,443	4,003,655,847	4,414,770,238	3,896,419,997

22. INCOME TAXES

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2014 and 2013 were calculated from the accounting profit, adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation purposes and the adjusted net loss brought forward under Revenue Code not exceeding 5 accounting years prior to the current year.

The non-BOI business, the income tax computation of the Company and subsidiaries were calculated at the rate of 20 per cent.

The BOI business, the income tax computation was calculated according to the promotional privileges which are granted (see also Note 24).

Income taxes recognized in income statements consist:

BAHT

FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2014	2013
The corporate income tax for the periods	26,025,462	-
Deferred taxes from temporary differences and reverse of temporary differences	3,540,549	36,970,105
Income tax expenses	29,566,011	36,970,105

As at December 31, 2014 and 2013, the deferred tax assets arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2014	2013
Accumulated temporary differences in the statements of income		
Allowance for doubtful debt	3,640,561	4,072,412
Provision for diminution in inventories	120,260	-
Provision for diminution in non-current assets classified as held for sale	1,934,990	-
Calculate depreciation difference from tax rate	(11,300,885)	-
Provision for long-term employee benefits	9,424,803	6,705,837
Tax deficits not exceeding 5 accounting years	-	9,579,754
Total	3,819,729	20,358,003
Temporary differences in the retained earnings		
Provision for long-term employee benefits	-	1,164,470
Total	3,819,729	21,522,473
Deferred tax assets calculated from tax rate of 20%	763,946	4,304,495

23. FOREIGN CURRENCY TRANSACTIONS

The Company and subsidiary 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			
	2014		2013		2014		2013	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	358.73	12,112.03	141.56	4,625.95	358.60	12,107.71	141.49	4,623.58
<u>Liabilities</u>								
USD	0.25	8.28	111.39	3,670.32	-	-	-	-

24. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1977) 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
AI Energy Public Co., Ltd.	1922(1)/2553	October 1, 2013	Producing biodiesel	September 30, 2021
	2777(1)/2556	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 6, 2009	Ports and terminals service	August 5, 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. 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 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. 1922(1)/2553 and 2777(1)/2556.

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. 1922(1)/2553 and 2777(1)/2556.

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 2014 and 2013, the Company and subsidiaries have sales, vessel operating, port and terminal service revenues from local and overseas which are granted the promotional certificates as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Local revenues	2,828,119,042	437,831,388	2,827,119,042	437,831,388
Foreign revenues	239,506,704	69,853,275	204,215,546	20,252,751
Total	3,067,625,746	507,684,663	3,031,334,588	458,084,139

25. PROVIDENT FUND

The Company and its subsidiary have set up a provident fund for the employees under the Provident Fund Act, B.E. 2530 (1987), in order to be their welfare as well as security whenever resignation or retirement as defined by the Company's regulation, with partly contribute by its employees and another part by the Company at the rate 3 - 7 % on their salaries. The Company has also appointed Finansia Asset Management Company Limited to manage such fund.

The Company and subsidiary' contributions for the employees provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2014 and 2013 are as follows :

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
AI Energy Public Company Limited	1,091,357	185,944	1,091,357	185,944
AI Logistic Company Limited	9,282	15,357	-	-
Total	1,100,639	201,301	1,091,357	185,944

26. FINANCIAL INFORMATION BY SEGMENT

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2014						
	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of insulators component	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	4,299,039	54,469	3,840	31,449	35,291	1,000	4,425,088
Cost of sales and services	(4,062,105)	(37,155)	(2,960)	(25,302)	(47,143)	(497)	(4,175,162)
Gross profit by segment	236,934	17,314	880	6,147	(11,852)	503	249,926
Non-allocation expenses							(116,654)
Profit from operation							133,272
Other income							16,351
Finance costs							(23,180)
Income tax expenses							(29,566)
Profit for the year							96,877
Property, plant, vessel and equipment-net	851,352		-	21,585	62,415	443,109	1,378,461

THOUSAND BAHT

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2013						
	Sale of biodiesel and vegetable oil and by product	Contract of refine crude palm oil	Sale of insulators component	Sale of ice cube	Vessel operating	Port services	Total
Revenues from sales and services	4,012,245	93,834	42,959	27,899	45,640	-	4,222,577
Cost of sales and services	(3,697,436)	(46,739)	(33,559)	(23,534)	(39,952)	-	(3,841,220)
Gross profit by segment	314,809	47,095	9,400	4,365	5,688	-	381,357
Non-allocation expenses							(114,370)
Profit from operation							266,987
Other income							13,204
Finance costs							(48,066)
Income tax expenses							(36,970)
Profit for the year							195,155
Property, plant, vessel and equipment-net	714,782		-	21,224	75,350	453,360	1,264,716

27. COMMITMENT AND CONTINGENT LIABILITIES

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

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Letters of guarantee issued by commercial banks	5.64	5.14	3.14	2.64

27.2 As at December 31, 2014 and 2013, the Company and subsidiary have capital expenditure commitment as follows:

MILLION BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
The purchase of machinery and equipment contract	4.99	47.97	4.62	47.97

27.3 The Company has signed lease contract of tank at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon amount 5 tanks and at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon amount 10 tanks by having lease period 12 months, commencing from January 1, 2015 to December 31, 2015. The Company has to pay monthly rental amount of Baht 4.20 million per month.

28. TRANSACTIONS WITH RELATED PARTIES

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

RELATED PARTIES	RELATIONSHIP
Asian Insulators Public Company Limited	Parent of the Company
AI Logistics Company Limited	Subsidiary of the Company
AI Ports and Terminals Company Limited	Subsidiary of the Company
AI Engineering Services Company Limited	Subsidiary of Asian Insulators Public Company Limited
PPC Asian Insulators Company Limited	Associate of Asian Insulators Public Company Limited
Samart Palm Company Limited	Director is relative of the directors of the Company
Samart Palm Oil Company Limited	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Director is relative of the directors of the Company

The significant transactions with related parties are as follows:

28.1 Sales and expenses with related parties for the years ended December 31,

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Sales of products				
Asian Insulators Public Company Limited	45,065	42,916	45,065	42,916
AI Ports and Terminals Company Limited	-	-	400,702	554,023
AI Logistics Company Limited	-	-	328,800	-
AI Engineering Services Company Limited	4,019	-	4,019	-
PPC Asian Insulators Company Limited	20,327	-	20,327	-
Sales of raw material				
AI Ports and Terminals Company Limited	-	-	182,979,327	-
Purchases good				
Asian Insulators Public Company Limited	2,960,000	33,559,000	-	7,400,000
AI Ports and Terminals Company Limited	-	-	602,005,949	-
Samart Palm Company Limited	17,436,582	22,424,335	7,276,662	22,424,335
Samart Palm Oil Company Limited	19,745,072	19,509,163	10,052,627	19,509,163
Samart Palm Industry Company Limited	4,670,505	-	4,670,505	-
Rental and services expenses				
AI Ports and Terminals Company Limited	-	-	53,344,903	30,900,000

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Transportation expenses				
AI Logistics Company Limited	-	-	4,532,000	28,120,275
Administrative expenses				
Asian Insulators Public Company Limited	2,294,587	2,285,099	1,159,955	1,118,305
Interest expenses to related parties				
Asian Insulators Public Company Limited	-	5,200,359	-	2,143,935
AI Engineering Services Company Limited	-	336,329	-	336,329
Interest income from related party				
AI Ports and Terminals Company Limited	-	-	3,755,452	-
Gain on equipment disposal				
AI Ports and Terminals Company Limited	-	-	5,020	-

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

28.2 Balances of receivable and payable from sales, purchase and service rendered to related parties

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Related parties receivable				
Asian Insulators Public Company Limited	-	23,920	-	23,920
AI Ports and Terminals Company Limited	-	-	24,695	63,352
AI Engineering Services Company Limited	4,300	-	4,300	-
Deposit				
AI Ports and Terminals Company Limited	-	-	-	9,000,000
Purchases of equipment				
Asian Insulators Public Company Limited	39,000	-	39,000	-
Installation of machinery				
AI Engineering Services Company Limited	399,220	-	399,220	-

BAHT

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Related parties payable				
Asian Insulators Public Company Limited	1,383	108,245	-	105,238
AI Ports and Terminals Company Limited	-	-	2,611,926	-
AI Logistics Company Limited	-	-	-	400,000
Samart Palm Company Limited	-	359,150	-	359,150
Samart Palm Oil Company Limited	-	390,775	-	390,775
Samart Palm Industry Company Limited	1,681,350	-	1,681,350	-
Accrued expenses				
Asian Insulators Public Company Limited	1,195	826	-	-

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position as follows :

29.1 Accounting policies

Accounting policies are disclosed in Note 4 to the financial statements.

29.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable consists of
 - Revenue of the Company and its subsidiaries resulting from sale, production contract, construction contract and vessel operation to few major customers but very high proportion.
 - Revenue of the Company and subsidiaries resulting from sale and services to the small business customers has no concentration of credit risk, because they have a large number of customers.

- For the financial assets shown in the statement of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

29.3 Risk relating to interest rate of financial assets and liabilities

Risk from the fluctuation in interest rate may have negative effect to the Company and subsidiaries for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

29.4 Risk from currency exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company and subsidiaries will provide the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

29.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of the financial instruments.

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value. Loans carrying interest rates close to the market rate.

30. LITIGATION

The Company was sued by the Official Receiver of Pamola Company Limited for transferring back the trademark “Pamola” 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 the Company 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.

31. EVENTS AFTER REPORTING PERIOD

On March 24, 2015, the Board of Director’ Meeting No. 1/2015 was held and approved as follows :

- 31.1 To change the par value from initial Baht 1 to be Baht 0.25 par value, all shares are also ordinary shares. After the changing of par value, the Company has the ordinary shares of 4,520 million shares.
- 31.2 To increase the Company’s authorized capital from Baht 1,130 million (4,520 million shares at Baht 0.25 par value) to be Baht 1,356 million (5,424 million shares at Baht 0.25 par value) in order to reserve for the exercise of the warrants No. 1 to purchase the increase ordinary share.
- 31.3 To issue warrants No.1 at 904,000,000 units for purchasing ordinary shares of the Company. The warrants allocated to the old shareholders at the ratio of 5 existing shares to 1 warrant. The warrants are mature at 3 years from the date of issuance. Exercise price is Baht 0.25 per share.

32. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company’s directors on March 24, 2015.





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