



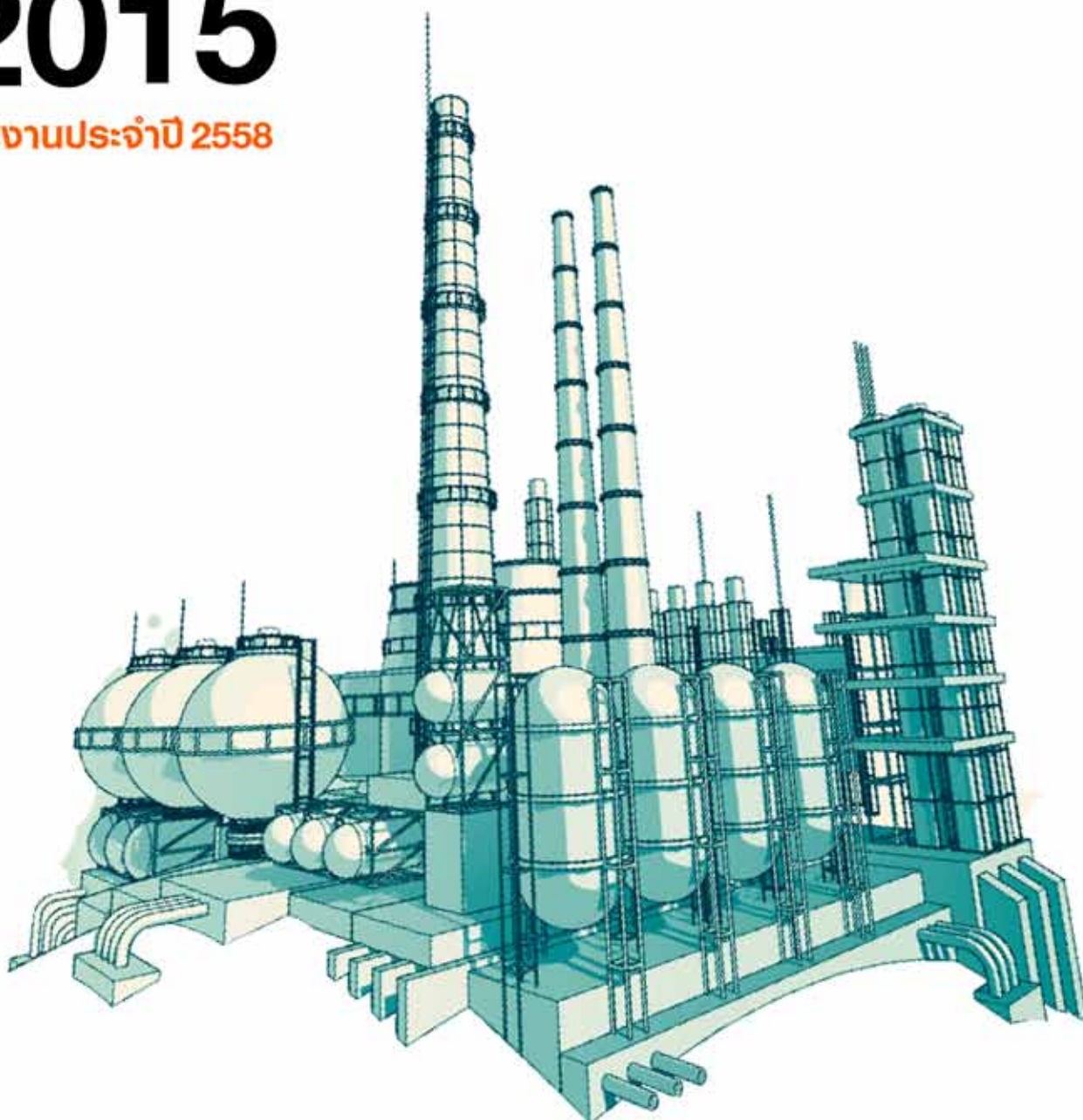
AI ENERGY PUBLIC COMPANY LIMITED

บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

ANNUAL REPORT

2015

รายงานประจำปี 2558



“

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.

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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.

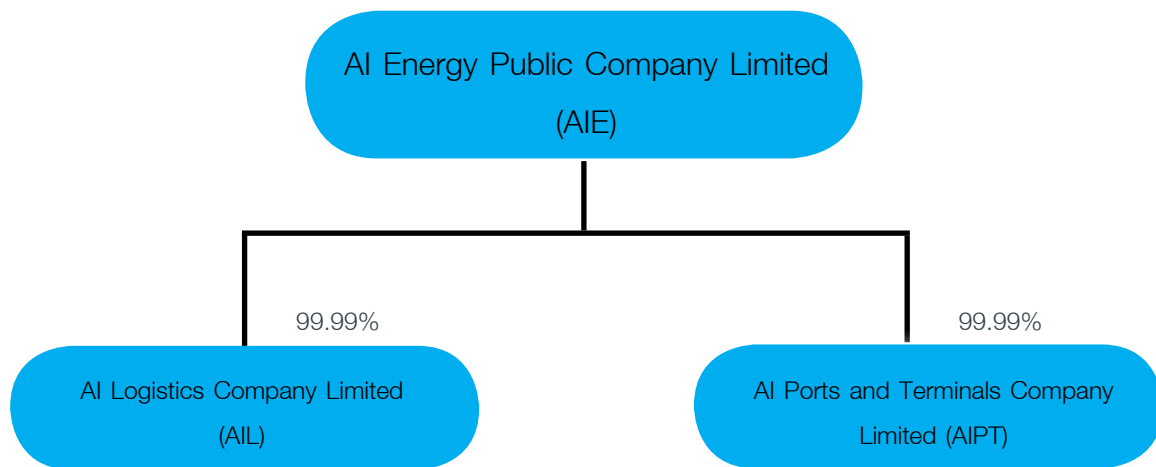
AIE produces and sells alternative energy Biodiesel: B100 and edible oil (Palm Olein) through the Refined Bleached Deodorized Palm Olein (RBD Palm Olein) under the “PAMOLA” brand, which is produced from crude palm oil (CPO) with environmentally friendly continuous refining and production system. AIE 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



Subsidiaries

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. Such the jetty is located about 1 KM away from the shore. With a relatively short distance from the shore, it thereby shortens the time of discharge and entering and exit.

Message from Chairman

In 2015, after a very challenging amid a slowdown in the domestic economy and volatile raw material prices of Crude Palm Oil (CPO), AIE had total revenues of 3,533,439,784 Baht lower than previous year and had a net loss of 72,660,641 Baht. This is due to a malfunction in the Biodiesel's productivity that lead to an incremental decreased in Biodiesel's production yield during 1st and 2nd quarter of 2015, which had caused the Company to realize higher costs per unit produced. However, we have successfully resolved all obstacles and improved the production process of Biodiesel to solve problems in productivity in the beginning of 3rd quarter of 2015. As shown that our operating results are gently improved to the bright side in the last two quarter of 2015, also our new invested projects were underway of commercial runs in 2015, benefit us a significantly decreased in cost of production which lead to satisfactory result of profit margin and continuously improve AIE's profitability in 2016.

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 2015 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 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.

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 Public Company Limited and prepared to be listed on mai. The Company's title was changed to "AI Energy Public Company 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 build PFAD Esterification plant with the production capacity of 72 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.

2015 >>

The Annual General Meeting of shareholders on 21 April 2015 had resolutions as follows: -

1) Approved the issuance and allocation of stock warrant for rights to purchase ordinary shares of (AIE-W1) for the existing shareholders. 5 existing shares:1 warrant.



For expanding production capacity



For investing in machine to increase production yield



For working capital

2) Approved the change of stocks' par value from 1 Baht per share to 0.25 Baht per share.

3) Approved the increase of registered capital from 1,130,000,000 Baht to 1,356,000,000 Baht by issuing 904,000,000 ordinary shares at 0.25 Baht of par value per share for allocate to support AIE-W1.

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 (Revised Version)		Consolidated Financial Statement (Audited) Disclaimer of Opinion	
	2013		2014		2015	
	Million THB	%	Million THB	%	Million THB	%
1. Selling revenue	4,083.10	96.70	4,377.89	95.59	3,446.74	97.55
1.1 Palm oil business revenue	4,012.25	95.02	4,346.44	94.90	3,418.20	96.74
1.1.1 Biodiesel	2,481.28	58.76	2,905.32	63.43	2,699.26	76.39
1.1.2 Olein palm oil	949.85	23.90	999.48	21.82	630.34	17.84
1.1.3 Raw materials & by-products	580.75	12.34	441.64	9.64	88.60	2.51
1) Raw materials	261.96	4.78	117.80	2.57	0.01	0.00
2) Palm fatty acid	126.06	2.99	144.20	3.15	12.99	0.37
3) Refined palm stearin	51.45	1.22	66.00	1.44	0.00	0.00
4) Crude Glycerin	141.28	3.35	113.63	2.48	75.60	2.14
1.2 Revenues from ice cube selling	27.90	0.66	31.45	0.69	28.54	0.81
1.3 Revenues from selling of equipment for electric insulators /2	42.96	1.02	0	0.00	0.00	0.00
2. Refining service revenue	93.83	2.22	139.23	3.04	45.81	1.30
3. Sea freight revenue	45.64	1.08	47.57	1.04	19.55	0.55
4. Ports and terminals servicing revenue	-	-	1.00	0.02	-	-
Total revenues	4,222.58	100.00	4,565.69	99.69	3,512.10	99.40
Other revenues /3	13.20	0.31	14.41	0.31	21.34	0.60
Total revenues	4,235.78	100.00	4,580.10	100.00	3,533.44	100.00

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. Consolidated financial information for 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, the presentation of information for 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 material 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.

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.

- 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, soybeans, 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 93 percent diesel fuel and 7 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. 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 Transesterification 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.



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). The 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 11 types as shown in the following table.



Sizes of Containers of Palm Olein sold by the Company



01 Palm Olein branded "Pamola"
0.25 Liters/bottle



02 Palm Olein branded "Pamola"
1.00 Liters/bottle



03 Palm Olein branded "Pamola"
5.00 Liters/gallon



04 Palm Olein branded "Pamola"
1.00 Liter/bag



05 Palm Olein branded "Pamola"
13.75 Liters/bag



06 Palm Olein branded "Pamola"
18.00 Liters/bag



07 Palm Olein branded "Pamola"
13.75 Liters/bucket



08 Palm Olein branded "Pamola"
18.00 Liters/bucket



09 Palm Olein branded "Pamola"
200.00 Liters/Drum



10 Palm Olein branded "Pamola"
15.00-30.00 tons/tank truck

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. The Company sold such raw materials to both domestic and foreign buyers. 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. 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 Glycerin)

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 four consecutive years. On 3 May 2013, the Company signed refining service contracting agreement of CPO and CPKO 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.

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 “Thareratana 1” and “Thareratana 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 “Thareratana 1” and “Thareratana 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
Thareratana 1	Transport CPO and Fuel	A coastal Sea	- Vessel size (Tanker) 1,500 Gross Ton - Domestic transportation
Thareratana 3	Transport CPO and Fuel	Mechanical sea area only	- Vessel size (Double – Hull) 2,500 Gross Ton - International transportation

Photos of Thareratana Vessel 1



Photos of Thareratana Vessel 3



In 2015, AIL's revenue from sea freight was equal to 52.87 percent of total revenues from sea freight in which AIE hired AIL to transport Crude Palm Oil (CPO) from AIPT storage tanks in Ampur 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.

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 Ampur 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, Samut Sakhon Province](#)

[Photos of Ports and Storage tanks in Ampur 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 which is also the distributor of crude palm oil to the company. 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 filet plants, manufacturing and distributing plants of canned fish and processed seafood products. In 2015, 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 byproduct from production. In the 2013 financial statement, the company's distribution share of all 3 products added to 76.39%, 17.84%, and 2.51% 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	1,356,000,000 Baht
Paid-up capital	1,130,000,000 Baht
Ordinary Shares	5,424,000,000 Shares, 0.25 Baht per share
Year of being listed	2014
Contacts	Investors Relation Telephone 66-34877-485 Facsimile 66-34877-491-2 e-mail : ir@aienergy.co.th



Subsidiaries

01



Company's Name
of Establishment
Registration No.
Type of business

Head Office address

Telephone

Facsimile

E-mail

Paid-up capital

Comprise of

Branch address

Telephone

Facsimile

E-mail

Relationship with AIE

AI Ports and Terminals Company Limited ("AIPT")
2007
0105550040092
Provides the service of ports and the storage tanks for petroleum, crude palm oil, and lubricant oil.
23/1 Moo 7, Thajeen, Amphur Mueng, Samut Sakhon 74000
034-497-184
034-497-186
aiport1@asianinsulators.com
460,000,000 Baht
46,000,000 ordinary shares, 10 Baht per value
1/9 Moo 1, Had Sairee, Amphur Mueng, Chumphon 86120
077-522-709-10
077-522-711
aiport2@asianinsulators.com
- 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 Thareratnavibool, Mr.Noppol Thareratanavibool and Mr.Thanit Thareratanavibool who take a position as Managing Director

02



Company's Name
Year of Establishment
Registration No.
Type of business

Head Office address

Telephone

Facsimile

E-mail

Paid-up capital

Comprise of

Relationship with AIE

AI Logistics Company Limited ("AIL")
2006
0105549021411
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.
254 Seri Thai Road, Kannayaow, Bangkok 10230
0-2540-2528
0-2517-1465
logistics@asianinsulators.com
209,000,000 Baht
20,900,000 Ordinary shares, 10 Baht per value
- 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.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Telephone 0-2009-9000

Facsimile 0-2009-9991

Website: <http://www.set.or.th>

02 Auditors

1. Mr. Vichai Ruchitanont Certified Public Accountant No. 4054, or
2. Mr. Atipong Atipongsakul Certified Public Accountant No. 3500, or
3. Mr. Sathien Vongsnan Certified Public Accountant No. 3495, or
4. Miss Kultida Pasurakul Certified Public Accountant No. 5946, or
5. Mr. Yuttapong Chuamuangpan Certified Public Accountant No. 9445.

ANS Audit Company Limited.

100/72, 16th Floor, 100/2 Vongvanij Building B,

Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand

Telephone 0-2645-0109

Facsimile 0-2645-0110

Website: <http://www.ans.co.th>

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 December 29, 2015

No.	Shareholders	Amount(Share)	(%)
1.	Asian Insulators Public Company Limited	2,693,416,240	59.59%
2.	Mr. Noppol Thareratanavibool	152,001,016	3.36%
3.	Mr. Narong Thareratanavibool	148,938,888	3.30%
4.	Mr. Thanit Thareratanavibool	79,662,880	1.76%
5.	Mr. Vichit Chinawongworakul	43,143,600	0.95%
6.	Mrs. Sopha Thareratanavibool	40,418,968	0.89%
7.	Mrs. Jarunee Worakitjanuwat	30,047,188	0.66%
8.	Mr. Sirikul Thareratanavibool	23,069,200	0.51%
9.	Mr. Kovit Thareratanavibool	21,000,000	0.46%
10.	Mr. Anurag Thareratanavibool	20,200,000	0.45%
11.	Others	1,268,102,020	28.06%
	Total	4,520,000,000	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.



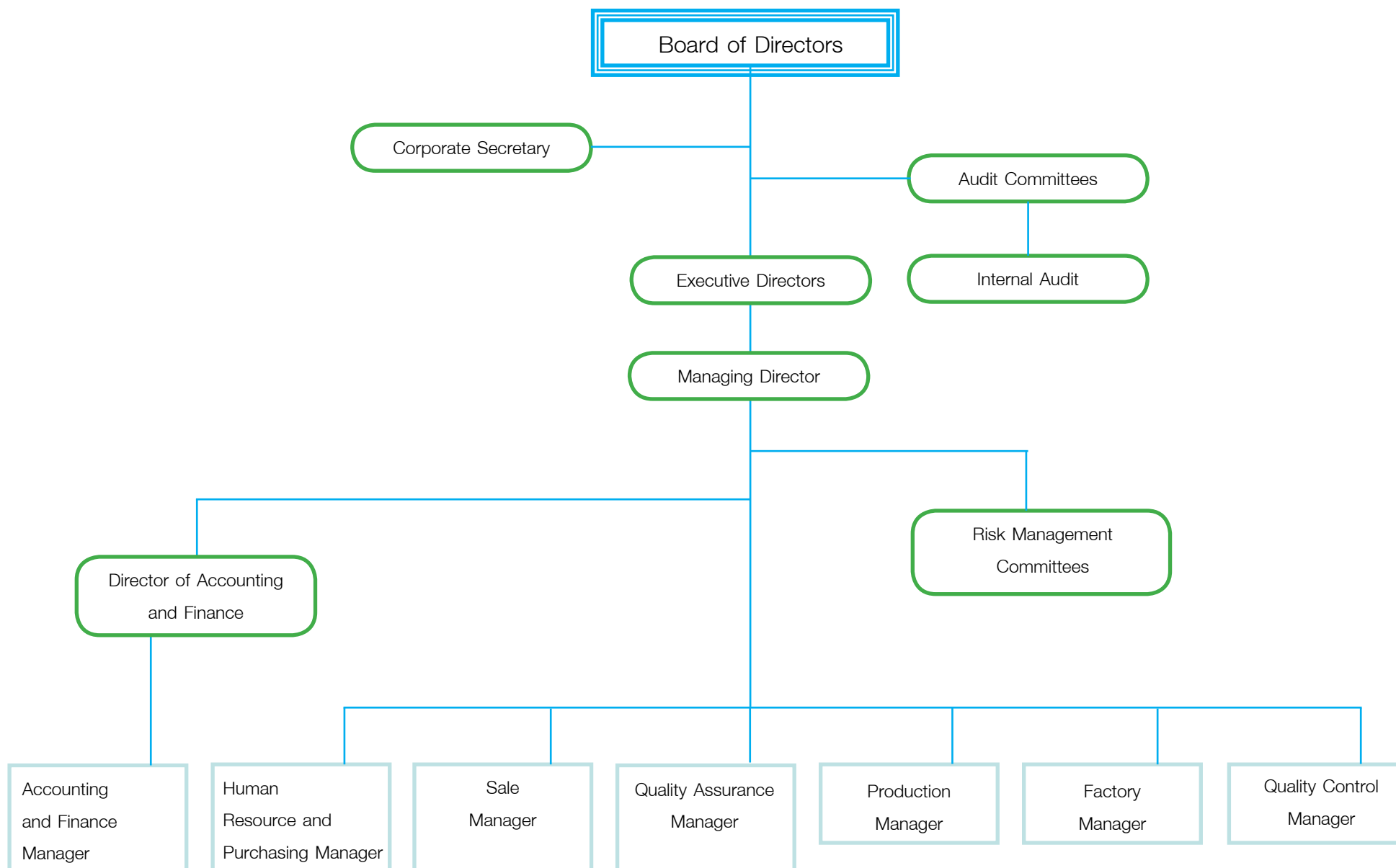
The Subsidiaries' dividend policies

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



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Board of Directors



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1. Mr. Narong Thareratanavibool

Date of first appointment :

4 October 2006

Shareholding in the Company as of

29 December 2015:

3.30% (148,938,888 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 29 December 2015:

1.74% (79,662,880 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
29 December 2015:**
0.45% (20,200,000 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

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
29 December 2015:**
3.36% (152,001,016 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 29 December 2015:

- None -

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 29 December 2015:

- None -

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 -

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



7. Assistant Professor Sampan Hunpayon

Date of first appointment :

9 April 2013

Shareholding in the Company as of 29 December 2015:

- 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. |
| Present | Independent Director
Wuttisak Cosmetic 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 29 December 2015:

0.0064159% (290,000 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.

- | | |
|--|--|
| <ul style="list-style-type: none"> (A) Sale or transfer of either whole or substantial part to any other person (B) Purchase or acquisition of a private company or other public company (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. (D) Amend or add the Articles of Association or company's regulations | <ul style="list-style-type: none"> (E) Increase or decrease of the registered capital (F) Dissolution (G) Issue of the debentures (H) Company's merger with another company. (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. |
|--|--|

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 2015

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

3.5 Digit Brain Company Limited

3.6 Thung Ka Fishmeal Partnership Limited

3.7 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 Directors

Executive Directors Committee as of 31 December 2015 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 2015 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 2015 includes nine following persons.

No.	List of Management	Position	Shareholding in the Company as of 29 December 2015*
1	Mr.Anurag Thareratanavibool	Managing Director	0.45% (20,200,000 shares)
2	Mr.Noppol Thareratanavibool	Chief Financial Officer	3.36% (152,001,016 shares)
3	Miss Piyanart Nampiroj	Accounting and Finance Manager	-
4	Mr.Kusol Sriboonyakeaw	Factory Manager	0.0061947% (280,000 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 year 2015 held on 21 April 2015, the company approved and determined the 2015 remuneration for the directors amounted to less than THB 2,700,000.

Compensation	2015
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 2015

Name	Standard Monthly Fee	Meeting Allowances			Total (Standard Monthly Fee and Meeting Allowances)
		Shareholder Meeting	Board of Director	Audit Committee	
Mr.Narong Thareratanavibool	216,000.00	18,000	108,000.00	-	342,000.00
Mr.Thanit Thareratanavibool	180,000.00	15,000	90,000.00	-	285,000.00
Mr.Anurag Thareratanavibool	180,000.00	15,000	90,000.00	-	285,000.00
Mr.Noppol Thareratanavibool	180,000.00	15,000	90,000.00	-	285,000.00
Mr.Damrong Joongwong	180,000.00	15,000	75,000.00	-	270,000.00
Dr.Kaweephong Hirankasi	216,000.00	18,000	90,000.00	108,000.00	432,000.00
Assistant Professor Sampan Hunpayon	180,000.00	15,000	75,000.00	90,000.00	360,000.00
Mr.Choti Sontiwattananont	180,000.00	15,000	75,000.00	90,000.00	360,000.00
Total	1,512,000.00	126,000	693,000.00	288,000.00	2,619,000.00

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	2013		2014		2015	
	No. of Person	Amount (THB)	No. of Person	Amount (THB)	No. of Person	Amount (THB)
Salary	8	6,785,884	9	10,054,285	9	10,460,693
Bonus	8	851,516	9	1,146,791	9	1,336,065
Provident Fund	5	130,047	5	403,363	8	529,416
Others	8	275,880	9	1,221,270	9	1,063,771
Total		8,043,327		12,825,709		13,389,945

(Management Team)



MR. ANURAG THARERATANAVIBOOL

MANAGING DIRECTOR



MR. NOPPOL THARERATANAVIBOOL

CHIEF FINANCIAL OFFICER



PIYANART NAMPIROJ

ACCOUNTING AND FINANCE MANAGER

(Management Team)



MR. ANUCHA BUNNARO

SALE MANAGER



MISS PIMWAN THARERATANAVIBOOL

HUMAN RESOURCE AND
PURCHASING MANAGER



MR. PHALAT PALNAK

QUALITY ASSURANCE MANAGER



MR. KUSOL SRIBOONYAKEAW

FACTORY MANAGER



MR. TITIWACH TANYASAKDAMRONG

PRODUCTION 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 2015, 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. Shareholders was invited to propose the agenda and sending the related questions to the meeting of Shareholders 3 months in advance since 31 October 2014 to 31 January 2015.
5. Shareholders was invited to nominate candidates for director's election to the meeting of Shareholders 45 days in advance since 22 December 2014 to 31 January 2015.
6. 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.
7. The Company posts the notice of shareholders meeting invitation on the Company's website 1 month in advance since 31 March 2016 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.
8. 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.
9. The Company has posted the notice of shareholder meeting invitation on ThunHood newspaper for a consecutive 3 days in the period of 1-3 April 2015, specified date, time, location as well as agendas.
10. The Company facilitates shareholder request a hardcopy of annual report via letter that attached in the shareholder meeting invitation, or the Company's email, or 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 a shareholder meeting, the Company has introduced all members of the Board of Directors, management executives 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 person 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 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.
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 : ir@aienergy.co.th or,
 Telephone : 0-34-877-485-8 Ext. 500 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;

.....

Email : aienergy@aienergy.co.th or,
 Telephone : 0-34-877-485-8 Ext. 500 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. 500. The investor relations information appears in 'the section 4: Disclosure and Transparency of Heading 2. Investor Relation's contact'.

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.

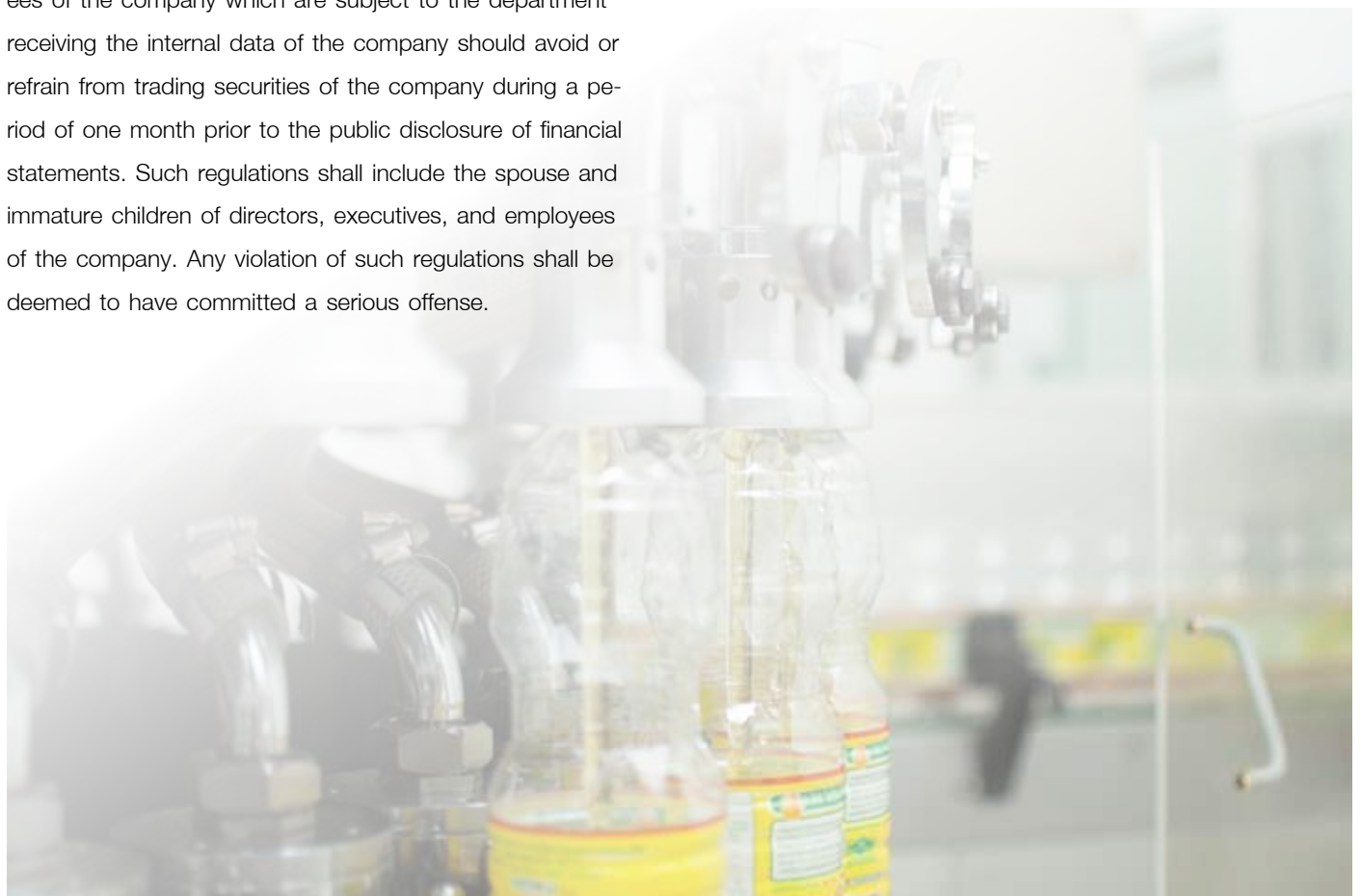
1. Directors, executive, officers and employees of the company shall abide the following.
 - A) Maintain the confidentiality and/or internal data within the company.
 - B) No disclosure of secret information and/or internal data of the company shall be carried out to seek own benefits or the benefit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

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, in 2015 the Company has 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. 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 announced 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 sent letters to all suppliers to announce its intention of Anti-Corruption Policy and all suppliers shall comply with such policy.
-  - The Company published the Anti-Corruption Policy on its website; <http://www.aienergy.co.th>, for shareholders investors and potential investors.
-  - The Company published the Anti-Corruption Policy in Form 56-1 and the Annual Report 2015.

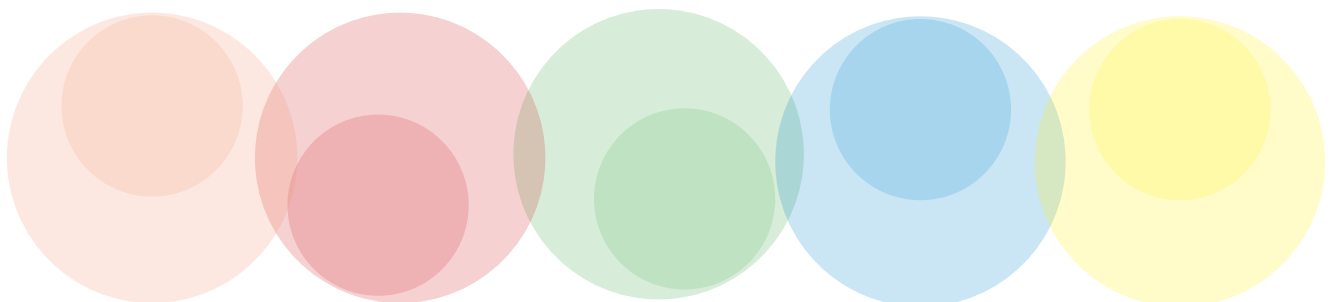
Corporate Social Responsibility



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 2015, the company had continuing operated CSR, 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.

3.1.1 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.

3.1.2 Other compensation, other than monthly salary.

- Annual Bonus
- Reward for outstanding employees

3.1.3 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.

3.2.1.1 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.

3.2.1.2 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:

5.1 Project "Sport Equipment for younger". In 2015, the Company has given charity student shoes and sports equipment to needed students of Wat Rat Thammaram School – preliminary school, in order to create the subconscious mind of fitness and good health to young students, as well as strengthening communities.



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 Improvement of the surrounding environment in order to improve the environment may deteriorate even further. This activity is due to the collaboration between the company and the community in 2015, the Company provides support drinking soda water to the event for Moo 8 Community, Tumbol Klong Maduar on The HM the King birthday.



Internal Control and Risk Management

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 in 2015. 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 28 November 2015 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		
<u>Previous followed-up</u>		
1. No records of actual performance against the company's action plan report in Executive Meeting's agendas.	QA Department should propose such report to executive meeting in order to follow-up quarterly. (Moderate)	Agree and undertake by Mr.Phalat in 2016.
Effects and Risks : Internal control system lacks of efficiency.		
2. There are no working procedures for action plan in all department and no actual performance against the company's action plan report.	The action plan should establish details and procedures in order to achieve action plan effectively. As well as reporting the comparison of actual operating results with plan monthly. (Moderate)	Agree and undertake immediately by all departments submit report to QA department monthly, who will summarize and submit to get an approval from the executive director meeting on quarterly basic.
Effects and Risks : Difficult to achieve action plan.		
<u>Follow-up</u>		
3. No succession plan for executive director management.	Should establish succession plan in written form. (Moderate)	Agree and undertake by Miss Pimwan.
Effects and Risks : Lack of executive management may cause business interruption.		

Observations by Internal Auditor	Suggestions	Executive's Opinions
<u>Accounting</u>		
<u>Previous followed-up</u>		
4. No Financial Statement of year 2014 (Revised version) caused the delay of amount carry forward in Q1, Q2, and Q3 2015.	Financial statements should be prepared to present. (High)	Agreed and undertake by Miss Piyanart. Expected to complete the Financial Statement 2014 (Revised version) and Q1-Q3 year 2016 by 31 Dec 2015 and 31 Mar 2016, respectively.
<u>Effects and Risks</u> : Lack of management instrument lead to internal control system lacks of efficiency.		
<u>Follow-up</u>		
5. From the random checked of goods/raw materials withdrawal and the production report in September 2015, found that there was unilaterally modify by either Accounting department or Production department on goods/raw materials withdrawal No. 28108, 29458 and production report No. 4295.	The data should be modifying by both departments by corrected both original and copy at the same time and certified such modification. Should set this procedure into WI. (Moderate).	Agreed and undertake by Miss Piyanart.
<u>Effects and Risks</u> : The lack of effective internal controls. If there is a discrepancy in raw data.		
<u>Purchasing</u>		
<u>Previous followed-up</u>		
6. 6. There is no plan to increase new supplier and credit term extension in department's action plan.	Should set new suppliers and credit term extension policies into department's action plan. (Low)	Agree and undertake by Mrs.Suvimol and expected to complete in action plan 2016.
<u>Effects and Risks</u> : The lack of effective internal controls.		
<u>Planning</u>		
<u>Follow-up</u>		
7. 7. Inconsistency between department chart and job description (JD) such as in planning employee's JD no detail of delivery work and Supervisor's JD still mentioned to civil engineering work.	Should update JD to present. (Moderate)	Agree and immediately undertake by Miss Vipaporn.
<u>Effects and Risks</u> : Job description should up to date. Internal control system is inefficiency.		

Observations by Internal Auditor	Suggestions	Executive's Opinions
<u>Engineering</u>		
<u>Follow-up</u>		
8. No control of tools and equipment in written form. Effects and Risks : Internal control system is inefficiency.	Should set registration control of tools and equipment, and set responsibility for missing tools. (Moderate)	Agree and undertake by Mr.Songrit.
<u>Store</u>		
<u>Follow-up</u>		
9. 9. No store supervisor's job description. Effects and Risks : Internal control system is inefficiency.	Should prepare store supervisor's job description. (Moderate)	Agree and immediately undertake by Miss Vipaporn.
<u>Safety</u>		
<u>Previous Followed-up</u>		
10. 10. In Factory area, no drainage support the steam blow from steam pipe. Effects and Risks : Cause an insecurity in the workplace.	Should build drainage to control the direction of the flow of steam. (Moderate)	Agree and in the process of recovery wasted steam back into production line, which expected to complete in 31 March 2016.
<u>Follow-up</u>		
11. From the explosion of PFAD tank incident, outsource sub-contractor did not inform safety officer before working and water pressure for fire hose is not enough since it shared same water pipe to production plant (Dry Fract.). Effects and Risks : Lack of controlling in Outsource operation and water pressure may not in place when needed.	Safety officer should control all outsource sub-contractors' activities. Also, should separate emergency water pipe from operation. (High)	Agree and undertake within Q1 2016 by Miss Ketsarin. And fire hose is done in December 2015.
<u>Human Resource</u>		
<u>Follow-up</u>		
12. Employee was evaluated once a year. Effects and Risks : Internal control system is inefficiency.	Should evaluate twice a year (Low)	Agree and undertake by Miss Radtika in December 2015

Observations by Internal Auditor	Suggestions	Executive's Opinions
<p>13. No employee satisfaction survey.</p> <p>Effects and Risks : Impossible to know the problems within the organization.</p>	<p>Should set employee satisfaction survey at least once a year.</p> <p>(Moderate)</p>	<p>Agree and undertake by Miss Radtika in December 2015</p>
<u>Logistic</u>		
<p><u>Previous Followed-up</u></p> <p>14. Logistic supervisor is lack of knowledge to operate GPS system.</p> <p>Effects and Risks : Internal control system is inefficiency.</p>	<p>Training GPS control program.</p> <p>(Moderate)</p>	<p>Agree and undertake by Mr. Wanchai.</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 2015 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 2015 as follows:-

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		31 Dec 14	31 Dec 15	
1) Asian Insulators Public Company Limited (AI)	<u>Income gained from finished goods selling:</u> the Company sold bottled Olein Palm Oil to AI	0.05	0.04	- 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.	-	0.01	- 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 2015, AIPT and AIL ordered goods at the total value of 17.42 Million Baht and 12.25 Million Baht, respectively.
	<u>Good purchasing:</u> The Company and AIPT ordered goods from AI for sales	2.96	29.67	- 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.	2.30	2.27	- 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 14	31 Dec 15	
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	0.00	PPCAI ordered bottled olein palm oil from the Company to use for charity and as new year presents for its valued supporters for 3,336.45 Baht. 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	17.44	27.37	- 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%	-	-	

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		31 Dec 14	31 Dec 15	
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	19.75	28.67	<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 and accounting period 2015 at the amount of 2.14 and 3.64 percent of the ordering value of crude palm oil typed high acid over 5%, or which accounts for 0.28 and 1.07 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%	-	-	
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	41.52	<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 accounting period 2014 and accounting period 2015 at the amount of 1 and 5.34 percent of the ordering value of crude palm oil typed high acid over 5%, or which accounts for 0.13 and 1.58 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 2015, 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	903.00	150.00	- 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.
			Long-term Loan	69.75	-	
AIE	-	TMB Bank Public Company Limited	Short-term Loan	500.00	100.00	N/A
AIPT	AIE	Kasikorn Bank Public Company Limited	Short-term Loan	530.00	74.00	- 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.
			Long-term Loan Bank Guarantee	110.00	-	
AIL	AIE and AIPT	Kasikorn Bank Public Company Limited	Short-term Loan	5.00	2.50	- AIE and AIPT guaranteed for the money amount of 5.00 Million Baht.

In this regard, as of 31 December 2015 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 4.19% of the Company's paid-up capital and 25.33% of AI's registered capital, and Mr. Thanit Thareratanavibool, authorized person and shareholder of the company, whose shares including those of his spouse accounts for 2.15% of the Company's paid-up capital and 8.45% of AI's registered capital. 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	2015	2014	2013
Net Sales	3,512.10	4,565.69	4,222.58
Total Revenues	3,533.44	4,580.11	4,235.78
Costs and expenses	3,613.67	4,465.34	4,040.63
Gross Profit	19.12	250.74	381.36
Profit before Interest and Income Tax Expenses	(69.48)	137.63	280.19
Net Profit	(72.66)	83.72	195.15

Statements of Financial Position

Total Assets	2,207.76	2,492.99	2,022.90
Total Liabilities	444.11	656.67	270.31
Total Shareholders' Equity	1,763.65	1,836.31	1,752.59

Financial Ratio

Gross Profit Margin (%)	0.54	5.49	9.03
New Profit Margin (%)	(2.06)	1.83	4.62
Return on Equity (%)	(4.04)	4.67	11.14
Return on Assets (%)	(3.86)	5.46	9.65
Debt to Equity (times)	0.25	0.36	0.15

ผลการดำเนินงานต่อหุ้น (บาท)

Net Profit per Share	(0.06)	0.07	0.25
Book Value per Share	1.56	1.63	1.55
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 (Revised Version)		Consolidated Financial Statement (Audited) Disclaimer of Opinion	
	Ended 31 Dec 13		Ended 31 Dec 14		Ended 31 Dec 15	
	Million THB	%	Million THB	%	Million THB	%
Assets						
Cash and cash equivalent	73.12	3.61%	189.59	7.60%	117.49	5.32%
Temporary investment	0.05	0.00%	0.09	0.00%	0.23	0.01%
Trade receivables and other receivables	273.96	13.54%	475.25	19.06%	294.37	13.33%
Inventory	370.58	18.32%	424.28	17.02%	378.51	17.14%
Fuel equipment inventory	4.82	0.24%	2.37	0.10%	1.99	0.09%
Other current assets	2.92	0.14%	1.87	0.08%	0.06	0.00%
Non-current Assets Held for sales	0.00	0.00%	2.54	0.10%	0.00	0.00%
Total current assets	725.45	35.86%	1,095.99	43.96%	792.65	35.90%
Bank deposit with guarantee liabilities	2.00	0.10%	2.00	0.08%	3.56	0.16%
Land Building Vessel and Equipment	1,264.72	62.52%	1,377.91	55.27%	1,388.46	62.89%
Intangible assets	0.11	0.01%	0.15	0.01%	0.10	0.00%
Deferred income taxes	4.30	0.21%	0.76	0.03%	10.29	0.47%
Other non-current assets	26.32	1.30%	16.18	0.65%	12.70	0.58%
Total non-current assets	1,297.45	64.14%	1,397.00	56.04%	1,415.11	64.10%
Total assets	2,022.90	100.00%	2,492.99	100.00%	2,207.76	100.00%
Liabilities						
Bank overdraft and short-term loans from financial institutes	93.62	4.63%	316.92	12.71%	324.03	14.68%
Trade payables and other payables	63.70	3.15%	203.11	8.15%	104.78	4.75%
Outstanding interests						
Short-term loans from relevant businesses	-	0.00%	0.00	0.00%	0.00	0.00%
Long-term loan due within 1 year	32.34	1.60%	22.08	0.89%	0.00	0.00%
Income Tax Payable	-	0.00%	25.75	1.03%	0.84	0.04%
Other current liabilities	14.53	0.69%	0.00	0.00%	0.00	0.00%
Total current liabilities	204.05	10.09%	567.86	22.78%	520.31	23.57%
Long-term loan	56.29	2.78%	76.88	3.08%	0.00	0.00%
Long-term Employee's reserve benefits	9.97	0.49%	11.93	0.48%	14.46	0.65%
Total non-current liabilities	66.26	3.28%	88.81	3.56%	14.46	0.65%
Total liabilities	270.31	13.36%	656.67	26.34%	444.11	20.12%
Shareholders' Equity						
Authorized capital	1,130.00	55.86%	1,130.00	45.33%	1,130.00	51.18%
Issued and paid-up capital	1,130.00	55.86%	1,130.00	45.33%	1,130.00	51.18%
Non-controlling interest	0.00	0.00%	0.00	0.00%	0.00	0.00%
Common stock premium	605.11	29.91%	605.11	24.27%	605.11	27.41%
Accumulated gain(loss)	22.70	1.22%	106.43	4.27%	33.76	1.53%
Premium from the integration of businesses under common control	-5.22	-0.26%	-5.22	-0.21%	-5.22	-0.24%
Total shareholders' equity	1,752.59	86.64%	1,836.32	73.66%	1,763.65	79.88%
Total liabilities and shareholders' equity	2,022.90	100.00%	2,492.99	100.00%	2,207.76	100.00%

Summary of Balance Sheet	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control		Consolidated Financial Statement (Revised Version)		Consolidated Financial Statement (Audited) Disclaimer of Opinion	
	Ended 31 Dec 13		Ended 31 Dec 14		Ended 31 Dec 15	
	Million THB	%	Million THB	%	Million THB	%
Total revenue	4,222.58	100.00%	4,565.69	100.00%	3,512.10	100.00%
Selling revenue	4,083.10	96.70%	4,390.07	96.15%	3,446.74	98.14%
Manufacturing contracting revenue	93.83	2.22%	139.33	3.05%	45.81	1.30%
Navigation revenue	45.64	1.08%	35.29	0.77%	19.55	0.56%
Port services revenue	-	0.00%	1.00	0.02%	0.00	0.00%
Total selling and servicing cost	3,841.22	90.97%	4,314.95	94.51%	3,492.98	99.46%
Selling cost	3,754.53	88.92%	4,186.62	91.70%	3,443.08	98.03%
Manufacturing contracting cost	46.74	1.11%	80.69	1.77%	27.31	0.78%
Navigation cost	39.95	0.95%	47.14	1.03%	22.59	0.64%
Port services cost	-	0.00%	0.50	0.01%	0.00	0.00%
Gross profit	381.36	9.03%	250.74	5.49%	19.12	0.54%
Other revenues	13.20	0.32%	14.41	0.32%	21.34	0.61%
Profit before expenses	394.56	9.45%	265.15	5.81%	40.46	1.15%
Selling expenses	59.92	1.38%	58.96	1.29%	43.12	1.23%
Administrative Expenses	52.56	1.29%	66.13	1.45%	64.27	1.83%
Board compensation	1.88	0.04%	2.43	0.05%	2.55	0.07%
Profit before financial cost and taxes	280.20	6.76%	137.63	3.01%	-69.48	-1.98%
Financial cost	48.07	1.23%	22.86	0.50%	10.75	0.31%
Profit before income taxes	232.13	5.50%	114.77	2.51%	-80.23	-2.28%
Income tax	36.97	0.88%	31.05	0.68%	-7.57	-0.22%
Gain (Loss) for the period	195.15	4.85%	83.72	1.83%	-72.66	-2.07%
Share (loss)gain						
Company's share	199.90	4.73%	83.72	1.83%	-72.66	-2.07%
Non-controlling interest's share	0.00	-0.12%	0.00	0.00%	0.00	0.00%
Total comprehensive gain (loss) for the period	194.67	4.61%	83.72	1.83%	-72.66	-2.07%
Profit per share (Baht/share)	0.25		0.07		-0.06	
Par value (Baht/share)	1.00		1.00		1.00	
Number of common stocks (Million stocks)	803.23		1,130.00		1,130.00	

Summary Cash Flow Statement (Unit : Million Baht)	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control	Consolidated Financial Statement (Revised Version)	Consolidated Financial Statement (Audited) Disclaimer of Opinion
	2013	2014	2015
Profit before income taxes	232.13	114.77	-80.23
Adjustment of gain(loss) into received(paid) cash from operations			
Depreciation	66.02	72.30	82.60
Amortized computer software	0.02	0.04	0.04
Amortized non-current assets	0.00	0.73	0.00
(Gain) Loss from vessel and equipment sales	0.00	0.00	0.20
(Gain) Loss from termination of equipment use	0.00	0.52	0.00
Doubtful accounts	0.32	-0.43	0.00
Bad debt	0.00	0.02	0.00
Loss from decrease in goods value	0.00	0.00	0.00
Allowance of Diminution in value of Inventory	-8.60	0.12	0.00
Loss from termination of non-current assets held for sales	0.02	1.93	0.00
(Gain) Loss from exchange rate	-0.05	0.00	0.00
Unrealized loss from exchange rate	0.00	0.12	0.03
Expense on employees' long-term benefits	2.23	1.97	2.52
Received interest	-0.52	-0.70	-0.58
Paid interest	46.94	21.77	10.74
Less withhold taxes	0.00	0.08	0.00
Operation profits before changes in operating assets and liabilities	338.51	213.24	15.32
Trade receivables and other receivables	15.38	-200.93	183.13
Inventory	425.95	-53.81	46.15
Fuel equipment inventory	-2.52	2.45	0.00
Other current assets	-0.82	-0.74	0.15
Current assets held for sale		-2.44	2.54
Other non-current assets	-0.04	-8.73	2.73
Trade payables and other account payables	-84.45	105.28	-99.31
Retention account payables	0.00	0.00	0.44
Other current liabilities	-2.93	14.50	0.01
Long-term Employee's reserve benefits	0.00	0.00	0.00
Case from income tax refund	1.27	1.79	0.00
Paid income tax	-2.76	-2.16	-27.07
Net operating cash	687.59	68.45	124.09
Receive interest	0.51	0.70	0.58
Increase in temporary investment	-0.05	-0.04	-0.14
Cash paid to purchase affiliates' stocks from former shareholders	-435.07	0.00	0.00
Bank deposit with guarantee liabilities	-115.30	-157.00	-92.67
Purchase additional building, vehicle, and equipment	-0.25	0.00	0.00
Paid interest for equipment installation	0.00	0.12	0.04
Cash received from sales of fixed assets	0.00	0.00	0.00
Cash back from diminution of assets resulted from delay fees	0.00	-0.08	0.00
Increase in intangible assets	-20.55	-2.16	0.00
Paid guarantee for assets	-3.78	-5.19	0.00

Summary Cash Flow Statement (Unit : Million Baht)	Consolidated Financial Statement (Audited) from Integration of Businesses Under Common Control	Consolidated Financial Statement (Revised Version)	Consolidated Financial Statement (Audited) Disclaimer of Opinion
	2013	2014	2015
Paid to asset payables	0.00	0.00	0.00
Cash paid to invest in subsidiaries	-576.49	-163.65	-92.19
Net investing cash	0.51	0.70	0.58
Bank overdraft and short-term loans from financial institutes (decrease)	-1,169.38	223.30	7.12
Increase in short-term loan from relevant businesses	0.00	0.00	0.00
Paid for loan from relevant businesses	-2.00	0.00	-1.56
Paid for interest	-394.00	0.00	0.00
Paid for debts under financial rental contract	-48.32	-21.96	-10.60
Increase in long-term loan from financial institute	0.00	0.00	0.00
Paid for long-term loan from financial institute	0.00	110.00	0.00
Cash received from raising capital	-64.23	-99.67	-98.96
Capital from Non-controlling interest	1,365.11	0.00	0.00
Net financing cash	254.00	0.00	0.00
Decrease in net cash and cash equivalent	54.28	116.47	-72.10
Beginning cash and cash equivalent	18.84	73.12	189.59
Ending cash and cash equivalent	73.12	189.59	117.49
Additional disclosure supporting non-cash cash flow including			
Asset payables for fixed assets	5.69	10.63	0.72
Deposit transfer for fixed assets	1.90	20.55	0.00
Transfer machine as non-current assets held for sale	0.00	2.03	0.00
Deposit transfer as other non-current assets	0.00	0.03	0.00

a) Summary Matrix of Key Financial Ratio

Financial Ratio		2013	2014	2015
Liquidity ratio				
Liquidity ratio	Time	3.56	1.93	1.84
Quick liquidity ratio	Time	2.2	1.17	0.96
Cash Liquidity Ratio	Time	2.51	0.17	0.15
Account Receivable Ratio	Time	15.46	12.23	9.18
Average Collection Period	Day	23.28	29.85	39.75
Inventory Stock Ratio	Time	10.37	10.86	8.70
Average Selling Period	Day	34.72	33.62	41.94
Account Payable Ratio	Time	58.94	31.70	20.77
Trade Payable Payback Period	Day	6.1	11.52	17.57
Cash cycle	Day	-0.94	51.96	64.12
Gross Profit Rate	%	9.03	5.49	0.54
Operating Profit Rate	%	4.85	1.83	(2.06)
Return on Equity	%	11.14	4.67	(4.04)
Return on Asset	%	9.65	5.46	(3.86)
Return on Fixed Asset	%	15.43	0.09	(6.57)
Asset Turnover Ratio	Time	2.09	2.03	1.50
Debt to Equity Ratio	Time	0.15	0.36	0.25
Interest Coverage Ratio	Time	5.79	6.02	(6.46)
Liabilities Coverage Ratio (cash basis)	%	0.00	0.00	0.00
Dividend Payout	%	3.56	1.93	1.84

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).

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.

Performance Analysis

Income

The Company had revenue balance for the accounting period in 2015 equal to 3,512.10 Million Baht, which could be divided into 98.14% for selling revenue, 1.30% for manufacturing contracting revenue, 0.56% for sea freight service revenue, and no revenue from ports and terminal services. (AIE has contributed 100% in AIPT’s revenue). In the past 3 years, the Company had revenue for the accounting period year 2014 was equal to 4,565.69 Million Baht and in 2013 equal to 4,222.58 Million Baht.

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 (Audited) from Integration of Businesses Under Common Control		Consolidated Financial Statement (Revised Version)		Consolidated Financial Statement (Audited) Disclaimer of Opinion	
	2013		2014		2015	
	Million THB	%	Million THB	%	Million THB	%
1. Selling revenue	4,083.10	96.40	4,390.07	95.85	3,446.74	97.55
1.1 Palm oil business revenue	4,012.25	94.72	4,346.44	94.90	3,418.20	96.74
1.1.1 Biodiesel	2,481.28	58.58	2,905.32	63.43	2,699.26	76.39
1.1.2 Olein Palm Oil	949.85	22.42	999.48	21.82	630.34	17.84
1.1.3 Raw materials & by-products	580.75	13.71	441.64	9.64	88.60	2.51
1) Raw materials	261.96	6.18	117.80	2.57	0.01	0.00
2) Palm Fatty Acid	126.06	2.98	144.20	3.15	12.99	0.37
3) Palm Stearin	51.45	1.21	66.00	1.44	0.00	0.00
4) Crude Glycerin	141.28	3.34	113.63	2.48	75.60	2.14
1.2 Revenues from ice selling	27.90	0.66	31.45	0.69	28.54	0.81
1.3 Revenues from selling of equipment for electric insulators	42.96	1.01	0	0.00	0.00	0.00
2. Refining service revenue	93.83	2.22	139.33	3.04	45.81	1.30
3. Sea Logistics revenue	45.64	1.08	35.29	0.77	19.55	0.55
4. Ports and Terminals servicing revenue	0.00	0.00	1.00	0.02	0.00	0.00
Total revenues	4,222.58	99.69	4,565.69	99.69	3,512.10	99.40
Other revenues	13.20	0.31	14.42	0.32	21.34	0.60
Total revenues	4,235.78	100.00	4,580.11	100.00	3,533.44	100.00

Selling Revenue

Selling revenue from the business operations of AIE and AIPT can be divided into 2 types; revenues from palm oil business, revenues from ice cube for food industry.

The Company had revenue in 2013 to 2015 equal to 4,083.10 Million Baht, 4,390.07 Million Baht, and 3,446.74 Million Baht which accounts for 96.40%, 95.85% and 97.55% of total revenue consecutively. The major contribution of revenue was from palm oil business while the revenue from ice cube for food industry business 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 2013, 2014, and 2015, the Company had sales volume of Biodiesel equal to 2,481.28 million Baht, 2,905.32 million Baht, and 2,699.26 million Baht, accounting for 61.84 percent, 63.43 percent, and 78.97 percent of total revenue from biodiesel sold respectively. In 2015, the Company's revenue from the sales of biodiesel decreased from 2014 which accounts for 7.00%. Such decreasing rate was lower than that in 2015 as a result of the decrease of biodiesel selling price for 2 Baht per liter.

1.2 Olein Palm Oil

The Company produced and distributed olein palm oil under "PAMOLA" brand to customers domestically and internationally. In 2013 - 2015, the Company gained revenue from the sales of olein palm oil equally to 949.85 Million Baht, 999.48 Million Baht, and 630.34 Million Baht, which account for 22.42%, 21.82%, and 17.84% of revenue in palm oil business respectively.

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 2013 to 2015 the Company sold olein palm oil for industrial customer at the proportion of 52.84%, 52.30%, and 49.74% of total sales of olein palm oil respectively, to Packaged olein palm oil customer at the proportion of 35.31%, 37.34%, and 48.17% of total sales of olein palm oil respectively, and to repacking customer at the proportion of 11.85%, 10.36%, and 2.09% 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. 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.

1.3 Raw Materials and By-products

The company's revenue from sales of raw materials and by-products in 2013, 2014, and 2015 was 580.75 million Baht, 441.64 million Baht, and 88.60 million Baht at the proportion of 13.71%, 9.64%, and 2.51% of raw materials and by-products. 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. In 2015, sales of raw materials and by-products has decreased because palm fatty acid and palm stearin has been used to produce Biodiesel by the Company.

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 2013 - 2015, the revenue from the sale of ice cube was equal to 27.90 million Baht, 31.45 million Baht, and 28.54 million Baht, or equivalent to 0.66 percent, 0.69 percent, and 0.81 percent of the total revenue respectively.

3) 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 four consecutive years. In 2013 2014 and 2015, the revenue from the contract distillation was 93.83 million Baht, 139.33 million Baht, and 45.81 million baht, or at the percentage of total revenues at 2.22 percent, 3.04 percent, and 1.30 percent respectively.

4) 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 "Thareratana 1" and "Thareratana 3" (in 2012, AIL has sold "Thareratana 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.

AIL focuses on providing sea freight service primarily to the group. In 2013-2015, revenue from sea freight was 45.64 million Baht, 35.29 million Baht, and 19.55 million Baht or accounting for 1.08%, 0.77%, and 0.55% of total revenues, respectively.

5) 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 2016 and 5 August 2016 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 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% of total revenue and in 2015 is same as occurred in 2013.

6) Other revenues

AIE had other revenues in the accounting period of 2013 2014 and 2015 equal to 13.20 Million Baht, 14.42 Million Baht, and 21.34 Million Baht, or accounting for 0.31 percent, 0.32 percent, and 0.60 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. 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 2013, 2014, and 2015, the cost of sales and services was 3,841.22 million Baht, 4,314.95 million Baht, and 3,492.98 million Baht, or equivalent to 90.97%, 94.51%, and 99.46% of total revenues respectively.

For gross profit in accounting period of 2013 2014 and 2015 the Company had gross profit equal to 381.36 Million Baht, 250.74 Million Baht, and 19.12 Million Baht, or accounting for 9.03%, 5.49%, and 0.54% of gross profit respectively.

Expenses

The Company had expenses in accounting period of 2013, 2014, and 2015 equal to 114.36 million Baht, 127.52 million Baht, and 109.94 million Baht, representing of 2.71%, 2.79%, and 3.13% 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. That could be divided into selling expenses at 59.92 million baht, 58.96 million baht, and 43.12 million baht, and administrative expenses at 52.56 million baht, 66.13 million baht, and 64.27 million baht, and 1.88 million baht, 2.43 million baht, and 2.54 million baht for board compensation, respectively.

Net Profit and Net Profit Rate

The Company's net income for accounting period of 2013-2014 was equal to 195.15 million Baht and 83.72 million Baht, and net loss for 72.66 million baht in 2015. This is due to higher cost of goods sold.

Return on Equity (ROE)

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). For 2014, the company had net profit of 83.72 million Baht in which 96.88 million Baht was under the company. The accumulative profit was 106.43 million Baht. For 2015, the company had net loss of 72.66 million Baht in which 89.96 million Baht was under the company. The accumulative profit was 33.76 million Baht. The Company have not been paid dividend.

Company's Financial Statement

Assets

Total assets of the Company as of 31 December 2013 was equal to 2,022.90 million Baht, as of 31 December 2014 was equal to 2,492.99 million Baht, and as of 31 December 2015 was equal to 2,207.76 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 2013, the Company had cash and cash equivalent to 73.12 million Baht or 3.61%. In 31 December 2014 and 31 December 2015, the Company had cash and cash equivalent transaction equal to 189.59 million Baht and 117.49 million Baht, or accounting for 7.60% and 5.32% of total assets, respectively.

- Trade Receivables and Other Account Receivables

As of 31 December 2013 it was equal to 273.96 million Baht, as of 31 December 2014 it was 475.25 million Baht, and as of 31 December 2015 it was 294.37 million Baht.

For 2013 to 2015, 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 2015. The Company had trade receivables not yet paid at the total of 263.49 million Baht, representing a ratio of 91.36% 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 2015 the Company had overdue trade receivables at the total of 16.36 million Baht. There are over the age of accounts receivable and payable not later than 3 months was 12.39 million baht or 4.30% percent of the total accounts receivable. As for receivables that were overdue more than three months, there were at the total of 1.25 million Baht, accounting for 0.43% of total account receivables. It could be summed up the accounts receivables based on its maturity as of 31 December 2014 and as of 31 December 2015 as follows:-

Trade Receivables (Unit : Million Baht)	Consolidated Financial Statement (Revised Version) As of 31 December 2014	Consolidated Financial Statement (Audited) Disclaimer of Opinion As of 31 December 2015
Note receivable	7.35	9.81
Trade receivable	-	-
Undue	392.66	263.49
Overdue for 3 months	46.74	2.73
Overdue for 3 months but not over 12 months	-	12.39
Overdue for 12 months	3.33	1.25
Total	450.08	289.67
Less Doubtful Account	(3.33)	(1.25)
Trade receivable-Net		

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 23.28 days, 29.85 days, and 39.75 days in 2013-2015.

Inventory

The inventory consisted of raw materials and chemicals, works in process, finished goods, and supplies. As of 31 December 2013 it was 370.58 million Baht, as of 31 December 2014 it was 424.28 million Baht, and as of 31 December 2015 it was 378.51 million Baht or 17.02% of total assets in accordance with the above mentioned stocking policy.

- Land, building, vessels, and equipment - net

In 2013 – 2015 the Company's land, building, vessels and equipment - net was 1,264.72 million Baht, 1,377.91 million Baht, and 1,388.46 million Baht or equivalent to 62.52%, 55.27%, and 62.89% 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.)

- 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 2014 and 31 December 2015, the Company had deferred income assets by calculating from income tax at 20 percent, which was equal to 0.76 million Baht and 10.29 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)	2014	2015
Temporary Accumulated Difference Recorded in Income Statement		
Doubtful account	0.73	0.31
Employees' long-term reserve benefits	0.02	0.02
Accumulated loss carried forward up to 5 accounting periods	0.39	-
Temporary Accumulated Difference Recorded in Accumulated Profits		
Employees' long-term reserve benefits	1.88	2.25
Accumulated loss carried forward up to 5 accounting periods	-	10.51
Temporary Accumulated Difference Recorded in Accumulated Profits		
Depreciation	(2.26)	(2.80)
Deferred Income Tax calculated from 20 percent Income Tax Rate	0.76	10.29

Liquidity

Current assets as of 31 December 2013, and 31 December 2014, the Company had current assets 1,095.99 million Baht, and 792.65 million Baht resulted primarily from an decrease of current assets in the period during 2015 due to the decrease in trade receivables and inventory.

The decline of current assets as of 31 December 2014, and 31 December 2015, the Company had current liabilities of 567.86 million Baht and 429.65 million baht.

Regarding changes in current assets and current liabilities as such, the company's liquidity ratio was at 3.56 times in 2013 and 1.93 times in 2014. By accounting period of 2015, such ratio decreased to 1.84 times with the quick ratio of 2.20 times in 2013, to 1.17 times in 2014, and to 0.96 times in 2015 as a result of the decrease in current assets which were decreased 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 (0.94) days in 2013, to 51.96 days in 2014, and equal to 64.12 days in 2015 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 23.28 days and 34.72 days in 2013, to 29.85 days and 33.62 days in 2014, and to 39.75 days and 41.94 days in 2015, respectively.

Financing Resources

Liabilities

As of 31 December 2013, it was 270.31 million Baht. As of 31 December 2014, it was 656.67 million Baht. As of 31 December 2015, it was 444.11 million Baht. The significant changes of liabilities are as follows:-

- Bank overdrafts and short-term loans from financial institutes

As of 31 December 2015, the Company had overdrafts and short-term loans from financial institutions to 324.03 million Baht as a result of increase in short-term loans as source of fund for raw material used produce B100 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 2013, 31 December 2014, and 31 December 2015, the Company had accounts payables and other payables equal to 63.70 million Baht, 203.11 million Baht, and 104.78 million Baht, or 3.15%, 8.15%, and 4.75% respectively. Considering average payment period over the past 3 years, it was found that the Company has increase in debt payment period from 6.10 days in 2013 to 11.52 days in 2014 and 17.57 days in accounting period 2015 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 Financial Statement (Revised Version)	Consolidated Financial Statement (Audited) Disclaimer of Opinion
	As of 31 Dec 14	As of 31 Dec 15
Trade payables	81.99	64.67
Asset payables	11.37	0.72
Other payables	109.76	39.39
Total trade payables and other payables	203.12	104.78

- Short-term Loans from Relevant Businesses

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 2013, the Company had long-term loans from financial institutions was 88.63 million Baht, or equivalent to 4.38% and in 2014 was 98.96 million baht or equivalent to 3.97%. In 2015, no long-term debt. 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 2013, the Company had shareholders' equity at 1,752.59 million Baht and 31 December 2014 at 1,836.32 million baht. In 2015, the Company shareholders' equity was increased to 1,763.65 million baht or can calculate ratio of equity over liability and equity at 86.64% in 2013, 73.66% in 2014, and 79.88% in 2015.

The ratio of total liabilities to shareholders equity of the company based on virtual financial information as of 31 December 2013 was 0.15 times. As of 31 December 2014 and 31 December 2015, the Company's debt to equity ratio 0.36 times and 0.25 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 2013-2015, the Company had cash flow from operating activities at 687.58 million Baht, 68.46 million baht, and 124.09 million baht, respectively. For accounting period of 2013 and 2014, the Company had net profit and decreased in inventory. In 2015, the Trade Receivable has increased and Account Payable has decreased. The company had cash flow from investing activities in the accounting period 2013 at 576.49 million Baht, in the accounting period 2014 at 163.65 million Baht, and in accounting period 2015 at 92.19 million Baht. The cash paid for the acquisition of property used in the business operations of the Company and its subsidiaries for use in business operations due to cash flow from financing activities. Net cash flow from financing activities in accounting period 2013 was negative 56.82 million Baht and 211.67 million baht respectively, as a result of the repayment of short-term loans from financial institutions and the repayment of loans from related parties. In 2015, the financing activities equal to negative 104.00 million Baht as a result from repayment of short-term loans to 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 2015 as of 31 December 2015 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 2015 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 2015, 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 2015, 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 2015 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. 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. In 2015, the Company has some inadequate internal control systems and there is significant deficiencies that impact on the Company's financial statement for fiscal year 2014 (Revised version), 1st quarter, 2nd quarter, and 3rd quarter of 2015.

Audit Committee Report

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 2015, there is a report of committing an offense under Section 89/25 of the Securities and Exchange Act, which was issued by an external auditor regarding to inefficiency in internal control of Cost of Goods Sold and Inventory. Therefore, the external auditor was disclaimer of opinion for the financial statement year 2014.

4. Whistleblowing

In 2015, there is a report of committing an offense under Section 89/25 of the Securities and Exchange Act, regarding to inefficiency in internal control of Cost of Goods Sold and Inventory.

5. Appointment of the External Auditor

The Audit Committee has appointed Mr. Vichai Ruchitanont Certified Public Accountant No. 4054, or Mr. Atipong Atipongsakul Certified Public Accountant No. 3500, or Mr. Sathien Vongsnan Certified Public Accountant No. 3495, or Miss Kultida Pasurakul Certified Public Accountant No. 5946, or Mr. Yuttapong Chuamuangpan Certified Public Accountant No. 9445. On the behalf of ANS Audit Company Limited. as an external auditor to examine and comment on the Company's FY2015 financial statements and set the Audit fee for no more than THB 1.70 Million and proposed for the Board of Director's approval prior to present the Shareholder Meeting for approval.

On behalf of Audit Committee



Kaweepong Hirankasi
Chairman of Audit Committee

Auditor's Report

To the Shareholders and the Board of Directors of AI Energy Public Company Limited

I have audited the accompanying consolidated and separate financial statements of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, the consolidated and separate statements of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management,

as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion on the statement of financial position and for disclaimer of opinion on the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flow.

Basis for Disclaimer of Opinion on the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flow

1. I am unable to obtain sufficient appropriate audit evidence regarding the current year's opening balances due to;

1.1 The predecessor auditor of AI Energy Public Company Limited and subsidiaries expressed a disclaimer opinion on the consolidated and separate financial statements for the year ended December 31, 2014 (Before restated) of AI Energy Public Company Limited and subsidiaries and of AI Energy Public Company Limited, respectively, whose report dated March 24, 2015 due to the Company had 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.

1.2 According to the above matter, the Company's management has restated the Company's consolidated and separate financial statements for the year ended December 31, 2014, presented herein as comparative information, to correct the errors and did not disclose the nature of errors as described in the Note 33 to financial statements. These had not been audited by an auditor.

2. The Company received a letter from the Enforcement Department, the Office of the Securities and Exchange Commission, dated January 20, 2016, requesting for the facts about the Company's auditor expressed a disclaimer opinion on the Company's financial statements for the year 2014. Currently, the outcome on the Office of the Securities and Exchange Commission Office's consideration is not yet finalized.

3. From my audit on the Company's financial statements for the year ended December 31, 2015, the Company's the production yield during January to June 2015 were significantly lower than the normal production yield. I received clarification letters on such events from the Company's Audit Committee, Managing Director, Factory Manager, Accounting and Finance Manager, Quality Control Manager, and Logistic Supervisor (Factory Department), on March 28, 2016. However, I was unable to obtain sufficient appropriate audit evidences to corroborate these clarification letters. Due to the impact of the above matters, I was unable to conclude whether the outstanding balances on the financial statement for the year 2014 have been correctly brought forward to the current year or have been appropriately restated and whether the comparative information for the year 2014 have been appropriately disclosed. There might be adjustments which may significantly effected the financial statements for the year 2015, or effected on the comparability of the current year's figures and the corresponding figures. Accordingly, I am unable to express an opinion on the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flow. These limitations are imposed by management.

Disclaimer of Opinion on the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flow

Because of the significance of the matters described in the Basis of Disclaimer of Opinion on the statement of profit or loss and other comprehensive incomes, statement of changes in shareholders' equity and statement of cash flows, 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 consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity, consolidated and separate statements of cash flow for the year ended December 31, 2015 of AI Energy Public Company Limited

and its subsidiaries and of AI Energy Public Company Limited respectively.

Basis for Qualified Opinion on the Statement of Financial Position

As discussed in the Basis for Disclaimer of Opinion on the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows paragraph, I was unable to conclude whether any adjustments were necessary to be made to the Company's consolidated and separate statements of financial position of the year 2015, and whether there might be the possible effect of this matter on the comparability of the current year's figures and the corresponding figures. My opinion is qualified on the consolidated and separate statements of financial position. These limitations are imposed by management.

Qualified Opinion on the Statement of Financial Position

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion to the statement of financial position paragraph, the consolidated and separate statements of financial position referred to above present fairly, in all material respects, the consolidated and separate statements of financial position as at December 31, 2015 of AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements for the year ended December 31, 2014, of AI Energy Public Company Limited and its subsidiaries and of AI Energy Public Company Limited (before restated), were audited by other auditor, whose report dated March 24, 2015, contained a disclaimer of opinion on the consolidated and separate financial statements regarding the matter discussed in the paragraph 1.1 of Basis for Disclaimer Opinion on the statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows.

Vichai Ruchitanont
Certified Public Accountant
Registration Number 4054
ANS Audit Co., Ltd
Bangkok, March 29, 2016





**FINANCIAL STATEMENTS AND AUDITOR' S REPORT
AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
	Notes		(RESTATED)		(RESTATED)
Assets					
Current assets					
Cash and cash equivalents	5	117,492,345	189,591,817	100,685,692	176,912,104
Current investment	6	231,440	88,560	231,440	88,560
Trade and other receivables - net	4, 7, 33, 34	294,433,865	477,122,590	290,630,724	473,580,714
Inventories - net	8, 33	378,505,304	424,275,274	378,351,992	424,138,634
Oil supplies	9	1,986,547	2,368,196	-	-
Non-current assets held for sale - net	10	-	2,540,000	-	2,540,000
Total current assets		792,649,501	1,095,986,437	769,899,848	1,077,260,012
Non-current assets					
Investments in subsidiaries	11	-	-	435,073,140	435,073,140
Fixed deposits with obligation	12	3,555,800	2,000,000	3,555,800	2,000,000
Property, plant, vessel and equipment - net	13, 33	1,388,456,914	1,377,912,677	893,480,598	850,803,633
Intangible assets - net	14	106,316	145,046	106,316	145,046
Deferred tax assets	22	10,288,890	763,946	10,288,890	763,946
Other non-current assets	34	12,704,668	16,179,112	12,658,599	15,652,559
Total non-current assets		1,415,112,588	1,397,000,781	1,355,163,343	1,304,438,324
Total assets		2,207,762,089	2,492,987,218	2,125,063,191	2,381,698,336

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
	Notes		(RESTATED)		(RESTATED)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	15	324,034,630	316,918,380	250,000,000	295,016,368
Trade and other payables	4, 16, 33, 34	104,778,568	203,115,537	101,510,457	199,253,413
Current portion of long-term loans from financial institutions	17	-	22,080,000	-	-
Income tax payables	33	839,595	25,745,903	-	25,745,903
Total current liabilities		429,652,793	567,859,820	351,510,457	520,015,684
Non-current Liabilities					
Long-term loans from financial institutions - net	17	-	76,880,000	-	-
Employee benefit obligations	18	14,455,027	11,932,488	11,257,773	9,424,803
Total non-current liabilities		14,455,027	88,812,488	11,257,773	9,424,803
Total liabilities		444,107,820	656,672,308	362,768,230	529,440,487
Shareholders' equity					
Authorized share capital					
Issued and paid - up share capital					
Common share 5,424,000 shares, at Baht 0.25 par value	19				
(2014 : Common share 1,130,000,000 shares, Baht 1 par value)		1,356,000,000	1,130,000,000	1,356,000,000	1,130,000,000
Issued and paid - up share capital					
Common share 4,520,000 shares, at Baht 0.25 par value	19				
(2014 : Common share 1,130,000,000 shares, Baht 1 par value)		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	21, 33	6,361,574	6,361,574	6,361,574	6,361,574
Unappropriated	33	27,404,093	100,064,734	20,819,670	110,782,558
Other components of shareholders' equity					
Difference on business combination under common control	11	(5,225,115)	(5,225,115)	-	-
Total Shareholders' Equity		1,763,654,269	1,836,314,910	1,762,294,961	1,852,257,849
Total liabilities and shareholders' equity		2,207,762,089	2,492,987,218	2,125,063,191	2,381,698,336

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
			(RESTATED)		(RESTATED)
Notes					
3, 4, 24, 28, 33, 34					
Revenues					
Sales		3,446,738,120	4,390,072,816	3,419,060,603	4,538,492,465
Revenues from production contract		45,810,022	139,330,739	45,810,022	139,330,739
Vessel operating income		19,549,186	35,291,158	-	-
Port service		-	1,000,000	-	-
Other incomes		21,342,456	14,416,248	13,688,698	17,898,797
Total Revenues		3,533,439,784	4,580,110,961	3,478,559,323	4,695,722,001
Expenses					
Cost of sales		(3,443,081,444)	(4,186,620,088)	(3,449,351,780)	(4,363,786,747)
Cost of production contract		(27,305,011)	(80,693,469)	(27,305,011)	(80,693,469)
Cost of vessel operating		(22,589,098)	(47,143,226)	-	-
Cost of port service		-	(496,687)	-	-
Selling expenses		(43,124,793)	(58,964,543)	(40,763,491)	(55,029,704)
Administrative expenses		(66,814,890)	(68,559,857)	(53,655,112)	(56,881,090)
Finance costs		(10,753,967)	(22,861,503)	(6,971,761)	(8,722,157)
Total Expenses		(3,613,669,203)	(4,465,339,373)	(3,578,047,155)	(4,565,113,167)
Profit (loss) before income tax		(80,229,419)	114,771,588	(99,487,832)	130,608,834
Tax (expenses) income	23	7,568,778	(31,049,548)	9,524,944	(31,049,548)
Profit (loss) for the year		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Other comprehensive income for the year		-	-	-	-
Total comprehensive income (loss) for the year		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Profit (Loss) attributable to :					
Equity holders of the Company		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Non-controlling interests		-	-	-	-
		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Total comprehensive income (loss) attributable to :					
Equity holders of the Company		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Non-controlling interests		-	-	-	-
		(72,660,641)	83,722,040	(89,962,888)	99,559,286
Earnings (loss) per share					
Basic earning (loss) per share					
Basic earnings (Loss attributable) per share (Baht)		(0.02)	0.02	(0.02)	0.02
Weighted average number of common shares (share)		4,520,000,000	4,520,000,000	4,520,000,000	4,520,000,000

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

Consolidated financial statements

Shareholders' equity of the parent

Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (Loss)		Difference on business combination under common control	Total equity of the Company	Non-controlling interests	Total
			Appropriated Legal reserve	Unappropriated				
Balance at January 1, 2015 before restated	1,130,000,000	605,113,717	6,514,956	113,066,335	(5,225,115)	1,849,469,893	-	1,849,469,893
Corrections of accounting errors	33	-	-	(153,382)	(13,001,601)	-	(13,154,983)	(13,154,983)
Balance at January 1, 2015 after restated	1,130,000,000	605,113,717	6,361,574	100,064,734	(5,225,115)	1,836,314,910	-	1,836,314,910
Changes in shareholders' equity for the year :								
Total comprehensive loss for the year	-	-	-	(72,660,641)	-	(72,660,641)	-	(72,660,641)
Balance as at December 31, 2015	1,130,000,000	605,113,717	6,361,574	27,404,093	(5,225,115)	1,763,654,269	-	1,763,654,269
Balance 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
Changes in shareholders' equity for the year :								
Legal reserve (restated)	21, 33	-	-	5,482,332	(5,482,332)	-	-	-
Total comprehensive income for the year (restated)	33	-	-	83,722,040	-	83,722,040	-	83,722,040
Balance at December 31, 2014	1,130,000,000	605,113,717	6,361,574	100,064,734	(5,225,115)	1,836,314,910	-	1,836,314,910

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht					
Separate financial statements					
Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (Deficits)		Total
			Appropriated Legal reserve	Unappropriated	
Balance at January 1, 2015 before restated	1,130,000,000	605,113,717	6,514,956	123,784,159	1,865,412,832
Corrections of accounting errors	33	-	(153,382)	(13,001,601)	(13,154,983)
Balance at January 1, 2015 after restated	1,130,000,000	605,113,717	6,361,574	110,782,558	1,852,257,849
Changes in shareholders' equity for the year :					
Total comprehensive loss for the year	-	-	-	(89,962,888)	(89,962,888)
Balance as at December 31, 2015	1,130,000,000	605,113,717	6,361,574	20,819,670	1,762,294,961
Balance as at January 1, 2014	1,130,000,000	605,113,717	879,242	16,705,604	1,752,698,563
Changes in shareholders' equity for the year :					
Legal reserve (restated)	21, 33	-	5,482,332	(5,482,332)	-
Total comprehensive income for the year (restated)	33	-	-	99,559,286	99,559,286
Balance at December 31, 2014	1,130,000,000	605,113,717	6,361,574	110,782,558	1,852,257,849

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014 (RESTATED)	2015	2014 (RESTATED)
Cash flows from operating activities				
Profit (loss) before income tax expense	(80,229,419)	114,771,588	(99,487,832)	130,608,834
Adjustments to reconcile profit to net cash provided by (used in)				
Depreciation	82,602,738	72,296,797	48,807,449	37,945,628
Amortization of computer softwares	38,730	41,324	38,730	40,439
Amortization of other non-current assets	-	733,681	-	733,681
(Gain) Loss on equipment disposal	198,006	(566)	-	(5,020)
Reverse on doubtful debts	(2,086,100)	(431,851)	(2,086,100)	(431,851)
Bad debts	2,086,100	18,518	2,086,100	18,518
Unrealized loss on exchange	28,164	118,795	28,164	118,747
Loss on unused equipment	-	524,810	218,421	501,009
Loss on provision for non-current assets classified as held for sale	-	1,934,990	-	1,934,990
Allowance on decline in value of inventories	-	120,260	-	120,260
Estimation of employee benefit obligations	2,522,539	1,966,483	1,832,970	1,554,496
Interest income	(581,112)	(697,430)	(581,112)	(4,400,961)
Finance costs - interest paid	10,741,159	21,768,520	6,971,761	8,722,157
Amortization of withholding tax	-	80,992	-	80,992
Gain (Loss) from operating activities before changes in operating assets and liabilities	15,320,805	213,246,911	(42,171,449)	177,541,919
Changes in operating assets - (increase) decrease :				
Trade and other receivables	183,128,207	(200,933,134)	182,921,826	(201,470,335)
Inventories	46,151,619	(53,810,467)	45,786,641	(53,803,971)
Oil Supplies	-	2,452,957	-	-
Withholding tax refunded	435,684	-	-	-
Other current asset	145,089	(739,244)	-	(299,159)
Non-current assets held for Sale	2,540,000	(2,440,000)	2,540,000	(2,440,000)
Other non-current assets	2,727,531	(8,732,400)	3,198,843	267,600
Changes in operating liabilities - Increase (Decrease)				
Trade and other payables	(99,306,307)	105,278,813	(98,629,787)	109,859,932
Other current liabilities	14,076	14,502,715	-	13,858,652
Cash provided by operating activities	151,156,704	68,826,151	93,646,074	43,514,638
Refunded of income tax	-	1,789,087	-	1,789,087
Income tax paid	(27,067,356)	(2,159,545)	(25,950,785)	(1,763,096)
Net cash provided by operating activities	124,089,348	68,455,693	67,695,289	43,540,629

.....Director
(Mr. Anurag Thararatnavibool)

.....Director
(Mr. Noppol Thararatnavibool)

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014 (RESTATED)	2015	2014 (RESTATED)
Cash flows from investing activities				
Interest received	581,112	702,990	581,112	4,406,521
Increase in current investments	(142,880)	(38,560)	(142,880)	(38,560)
Payment for purchases of building and equipment	(92,669,528)	(156,999,223)	(90,986,802)	(145,445,118)
Proceeds from disposal of equipment	40,579	120,861	-	120,000
Payment for acquisition of intangible assets	-	(81,192)	-	(81,192)
Payment deposit on equipment	-	(2,164,895)	-	(2,079,145)
Payment payable from purchases of equipment	-	(5,193,248)	-	(5,193,248)
Net cash used in investing activities	(92,190,717)	(163,653,267)	(90,548,570)	(148,310,742)
Cash flows from financing activities				
Interest paid	(10,598,553)	(21,961,973)	(6,800,963)	(8,623,634)
Increase in restricted deposits at financial institution	(1,555,800)	-	(1,555,800)	-
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions	7,116,250	223,300,570	(45,016,368)	255,016,368
Increase in long-term from financial institutions	-	110,000,000	-	-
Cash paid from other long-term loans	(98,960,000)	(99,669,589)	-	(31,390,700)
Net cash provided (used in) financing activities	(103,998,103)	211,669,008	(53,373,131)	215,002,034
Net Increase (decrease) in cash and cash equivalents	(72,099,472)	116,471,434	(76,226,412)	110,231,921
Cash and cash equivalents at the beginning of the years	189,591,817	73,120,383	176,912,104	66,680,183
Cash and cash equivalents at the ending of the years	117,492,345	189,591,817	100,685,692	176,912,104
Additional disclosure items to cash flows statements				
Non-cash flows items:				
Assets payable for equipment	716,033	10,628,529	716,033	10,626,729
Transferred deposit to equipment	-	20,545,920	-	20,545,920
Transferred machinery to non-current assets classified as held for sale	-	2,034,990	-	2,034,990
Transferred deposit to other receivables	-	30,000	-	30,000

AI Energy Public Company Limited and Subsidiaries

Notes to Financial Statements

For the year ended December 31, 2015

1. General information

AI Energy Public Company Limited (“the Company”) was registered as a Thai limited-company under the Civil and Commercial Code on October 4, 2006, and was registered as a public company limited with the Ministry of Commerce on May 9, 2013. The Company was listed on the Market for Alternative Investment (MAI) on January 6, 2014.

The Company’s main businesses are producing and distributing energy product (bio-diesel), vegetable /animal oil and fats.

The Company’s registered office is located at 55/2 Moo 8, Tambol Klongmadua, Amphur Krathum Baen, Samut Sakhon Province.

The Company is a subsidiary of Asian Insulators Public Company Limited which holds 59.59% of the Company's share capital.

2. Basis for presentation of the financial statements

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements relate to AI Energy Public Company Limited and its subsidiaries (together referred to as the “Group”)

Details of the Company’s subsidiaries as at December 31, 2015 and 2014, are as follows:

Name	Type of business	Country of incorporation	Percentage of holding	
			2015	2014
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	Thailand	100.00	100.00
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	Thailand	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue as consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements, which presented investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

Below is a summary of financial reporting standards that became effective during the current accounting year and those that will become effective in the future.

a) Financial reporting standards that became effective during the current year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of content and terminology, and provision of interpretations and accounting guidelines to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in other comprehensive income. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015, there will be no impact on provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidelines on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidelines under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the financial statements of the Company or those of its subsidiaries.

b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidelines which is effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidelines will not have any significant impact on the financial statements when they are initially applied.

3. Significant accounting policies

3.1 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.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, bank deposit with an original maturity of three months or less and not subject to withdrawal restrictions.

3.3 Current investments

Current investments consist of bank deposits over 3 months and up to 1 year.

3.4 Allowance for doubtful accounts

The Company sets up allowance for doubtful accounts based on the estimated collection losses that may be incurred in collection of receivables.

3.5 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.

3.6 Oil supplies

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

3.7 Non-current assets held for sale

Non-current assets 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 held for sale by estimating from the realizable sale value.

3.8 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.

3.9 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:

	<u>Years</u>
Land and improvement	10
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

3.10 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.

3.11 Intangible assets

Computer software is considered as intangible assets. Intangible assets are amortized by the straight-line method over their estimated useful lives of 4-10 years.

3.12 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 addible 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.

3.13 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.

When the actuarial assumptions are changed, the Company recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

3.14 Basic earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of issued common shares during the year as dilution of par value taking place since January 1, 2014.

3.15 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.

3.16 Use of accounting judgments and estimates

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgement in estimating loss from slow moving and deteriorated inventories including the effect from declining in net realisable value of inventories.

Impairment of investments

Management assesses the impairment of investments in subsidiary companies by considering the operating result and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

Allowances for impairment of assets

The Company and subsidiaries consider an asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of the recoverable amount requires judgment. An impairment loss is recognized as an expense in the statement of income.

Property, plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Deferred tax assets

The Company and subsidiaries recognized deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

4. Transactions with the related parties

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at agreed prices on market value or, where no market value exists, at contractually agreed prices.

Details of the related parties are as follows;

NAME	NATURE OF BUSINESS	NATURE OF RELATIONSHIP
Parent Company		
Asian Insulators Public Company Limited	Producing and selling porcelain insulators.	59.59 % holding of interest and directorship with the Company.
Subsidiaries of the Company		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00 % holding of interest
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	100.00 % holding of interest
Subsidiary of the Parent Company		
AI Engineering Services Company Limited	Undertake construction and install electrical transmission power sub-station and trading electrical equipment	Subsidiary of Asian Insulators Public Company Limited
Related companies		
PPC Asian Insulators Company Limited	Producing and distributing electronics insulators	Associate of Asian Insulators Public Company Limited
Samart Palm Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Oil Company Limited	Crude palm oil	Director is relative of the directors of the Company
Samart Palm Industry Company Limited	Factory of palm oil extraction plant	Director is relative of the directors of the Company

Significant transactions between the Company and related parties for the years ended December 31, 2015 and 2014 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Sale				
Asian Insulators Public Company	37,056	45,065	37,056	45,065
AI Ports and Terminals Company	-	-	20,869	400,702
AI Logistics Company Limited	-	-	840,000	328,800
AI Engineering Services Company	3,692	4,019	3,692	4,019
PPC Asian Insulators Company Limited	3,336	20,327	3,336	20,327
Sale of raw materials				
AI Ports and Terminals Company	-	-	-	182,979,327
Purchase of goods				
Asian Insulators Public Company	29,673,000	2,960,000	-	-
AI Ports and Terminals Company	-	-	-	602,005,949
Samart Palm Company Limited	27,366,310	17,436,582	27,366,310	7,276,662
Samart Palm Oil Company Limited	28,665,777	19,745,072	28,665,777	10,052,627
Samart Palm Industry Company	41,518,704	4,670,505	41,518,704	4,670,505
Rental and Service				
AI Ports and Terminals Company	-	-	50,486,000	53,344,903
Transportation expenses				
AI Logistics Company Limited	-	-	29,991,880	4,532,000
AI Ports and Terminals Company	-	-	10,767,416	-
Administrative expenses				
Asian Insulators Public Company	2,164,812	2,294,587	1,096,323	1,159,955

Directors and management's remuneration

Directors and management's remuneration as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	20,898,248	16,814,072	17,114,507	13,621,188
Long-term post-employment benefits	642,461	442,477	322,969	362,128
Total executive compensation	21,540,709	17,256,549	17,437,476	13,983,316

Significant transactions between the Company and related parties for the years ended December 31, 2015 and 2014 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Asian Insulators Public Company Limited	13,900	47,300	13,900	47,300
AI Ports and Terminals Company Limited	-	-	22,330	24,695
AI Engineering Services Company Limited	3,950	4,300	3,950	4,300
PPC Asian Insulators Company Limited	3,570	-	3,570	-
Other receivables				
Related person	-	23,855,074	-	23,855,074
Trade payables				
Asian Insulators Public Company Limited	1,241	1,383	-	-
AI Ports and Terminals Company Limited	-	-	54,471	2,611,926
AI Logistics Company Limited	-	-	2,288,238	-
Samart Palm Industry Company Limited	-	1,682,350	-	1,682,350
Other payables				
Asian Insulators Public Company Limited	1,556	40,195	-	39,000
AI Engineering Services Company Limited	-	399,220	-	399,220

Syndicated credit facilities with subsidiaries

As at December 31, 2015 and 2014, the Company had syndicated credit facilities with subsidiaries from financial institutions totaling Baht 500 million. These credit facilities are secured by the Company with its subsidiaries, and by pledge of fixed deposits, mortgage of land and structures and machinery of the subsidiaries.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash in hand	459,836	470,152	300,000	300,000
Cash at Bank - savings account	116,033,104	186,506,714	99,446,287	174,027,153
- current account	96,777	63,627	36,777	33,627
Fixed deposits due within 3 months	902,628	2,551,324	902,628	2,551,324
Total cash and cash equivalents	117,492,345	189,591,817	100,685,692	176,912,104

6. CURRENT INVESTMENT

Current investment as at December 31, 2015 and 2014 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2015	2014
Fixed deposits	231,440	88,560
Total current investment	231,440	88,560

7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Trade receivable - related parties	21,420	51,600	43,750	76,295
Trade receivable - others	279,837,059	442,681,678	278,895,479	441,743,396
Notes receivable	9,805,626	7,348,300	9,805,626	7,348,300
Total trade receivables	289,664,105	450,081,578	288,744,855	449,167,991
Less Allowance for doubtful accounts	(1,248,111)	(3,334,211)	(1,248,111)	(3,334,211)
Total trade receivables - net	288,415,994	446,747,367	287,496,744	445,833,780
Other receivables				
Other receivable - related person	-	23,855,074	-	23,855,074
Prepaid interest	222,466	552,945	222,466	552,945
Prepaid insurance	3,304,550	3,502,148	1,647,556	1,753,577
Revenue Department receivable	866,421	351,624	-	-
Undue input tax	475,252	917,569	379,797	801,627
Tax card	470,504	396,854	470,504	396,854
Others	985,028	1,105,359	720,007	693,207
Total other receivables	6,324,221	30,681,573	3,440,330	28,053,284
Less Allowance for doubtful account	(306,350)	(306,350)	(306,350)	(306,350)
Total other receivables - net	6,017,871	30,375,223	3,133,980	27,746,934
Trade and other receivables - net	294,433,865	477,122,590	290,630,724	473,580,714

Trade receivables can be classified by age analysis as at December 31, 2015 and 2014 as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related companies				
Current	21,420	51,600	43,750	76,295
Total	21,420	51,600	43,750	76,295
Trade receivables - others				
Current	273,278,903	399,959,872	272,337,323	399,021,590
Over due up to 3 months	2,727,240	46,735,895	2,727,240	46,735,895
Over due 3 - 12 months	12,388,431	-	12,388,431	-
Over due more than 12 months	1,248,111	3,334,211	1,248,111	3,334,211
Total	289,642,685	450,029,978	288,701,105	449,091,696
<u>Less</u> Allowance for doubtful accounts	(1,248,111)	(3,334,211)	(1,248,111)	(3,334,211)
Total Trade receivables - net	288,415,994	446,747,367	287,496,744	445,833,780

8. INVENTORIES - NET

Inventories as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Raw materials and chemicals	229,993,513	275,873,562	229,993,513	275,873,562
Goods in process	76,308,099	72,738,137	76,308,099	72,738,137
Finished goods	61,672,277	62,206,519	61,518,965	62,069,879
Consumed supplies	10,531,415	13,577,316	10,531,415	13,577,316
Total inventories	378,505,304	424,395,534	378,351,992	424,258,894
<u>Less</u> Provision for diminution in inventories	-	(120,260)	-	(120,260)
Total inventories - net	378,505,304	424,275,274	378,351,992	424,138,634

9. OIL SUPPLIES

Oil supplies as at December 31, 2015 and 2014 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2015	2014
Bunker oil	1,362,916	1,725,114
Lubricants	623,631	643,082
Total oil supplies	1,986,547	2,368,196

10. NON-CURRENT ASSETS HELD FOR SALE - NET

Non-current assets held for sale as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated/Separate financial statements			
	2014	Increase	Decrease	2015
Non-current assets held for sale	4,474,990	-	(4,474,990)	-
Less Provision for diminution	(1,934,990)	-	1,934,990	-
Non-current assets held for sale - net	2,540,000	-	(2,540,000)	-

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2015 and 2014 consisted of:

Name	Nature of business	Percentage of Holding		Paid-up share capital (Thousand Baht)		Unit : baht Cost Method	
		2015	2014	2015	2014	2015	2014
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials	100.00	100.00	209	209	82,677,860	82,677,860
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	100.00	100.00	460	460	352,395,280	352,395,280
Total investments in subsidiaries						435,073,140	435,073,140

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

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

12. FIXED DEPOSITS WITH OBLIGATION

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

13. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, Plant, Vessel and Equipment as at December 31, 2015 and 2014 consisted of:

	Unit : Baht									
	Consolidated financial statements									
									Fixed assets	
									under	
	Land	Land improvement	Building and improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	construction and installation	Total
Cost										
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
Purchases during the year	-	-	1,382,239	-	11,907,472	-	219,277	85,000	79,791,572	93,385,560
Transfer to/from during the year	-	18,401,804	20,087,296	1,596,735	77,157,110	-	-	-	(117,242,945)	-
Sold / amortization during the year	-	-	-	-	(696,487)	-	(295,166)	-	-	(991,653)
As at December 31, 2015	295,579,921	21,349,364	543,905,691	37,072,441	754,764,425	179,321,539	9,862,511	74,717,533	5,065,669	1,921,639,094
Accumulated depreciation										
As at December 31, 2014	-	506,981	113,400,629	10,111,413	181,680,597	118,001,732	6,543,310	21,087,848	-	451,332,510
Depreciation for the year	-	1,516,381	15,167,726	2,538,222	41,552,080	17,556,495	966,097	3,305,736	-	82,602,737
Amortization for the year	-	-	-	-	(457,955)	-	(295,112)	-	-	(753,067)
As at December 31, 2015	-	2,023,362	128,568,355	12,649,635	222,774,722	135,558,227	7,214,295	24,393,584	-	533,182,180
Net book value										
As at December 31, 2014	295,579,921	2,440,579	409,035,527	25,364,293	484,715,733	61,319,807	3,395,090	53,544,685	42,517,042	1,377,912,677
As at December 31, 2015	295,579,921	19,326,002	415,337,336	24,422,806	531,989,703	43,763,312	2,648,216	50,323,949	5,065,669	1,388,456,914

	Unit : Baht								
	Separate financial statements								
		Land	Building and		Machinery			Fixed assets under	
	Land	improvement	improvement	Utility systems	accessories and tools	Office furniture and equipment	Motor vehicles	construction and installation	Total
Cost									
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
Purchases during the year	-	-	1,382,239	-	10,668,605	210,418	-	79,441,572	91,702,834
Transfer to/from during the year	-	18,401,804	20,087,296	1,596,735	77,157,110	-	-	(117,242,945)	-
Sold / amortization during the year	-	-	-	-	(339,109)	-	-	-	(339,109)
As at December 31, 2015	157,135,835	21,099,364	173,878,810	37,058,787	683,170,297	6,636,548	72,593,991	4,715,669	1,156,289,301
Accumulated depreciation									
As at December 31, 2014	-	338,488	35,693,781	10,104,029	144,833,278	3,465,905	19,686,462	-	214,121,943
Depreciation for the year	-	1,466,381	5,983,797	2,535,491	34,830,522	857,903	3,133,354	-	48,807,448
Amortization for the year	-	-	-	-	(120,688)	-	-	-	(120,688)
As at December 31, 2015	-	1,804,869	41,677,578	12,639,520	179,543,112	4,323,808	22,819,816	-	262,808,703
Net book value									
As at December 31, 2014	157,135,835	2,359,072	116,715,494	25,358,023	450,850,413	2,960,225	52,907,529	42,517,042	850,803,633
As at December 31, 2015	157,135,835	19,294,495	132,201,232	24,419,267	503,627,185	2,312,740	49,774,175	4,715,669	893,480,598

Depreciations are presented in the statements of profit or loss for the years ended December 31, 2015 and 2014 as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales and services	78,201,805	67,518,636	44,714,415	33,721,785
Selling and administrative expenses.	4,400,932	4,778,161	4,093,033	4,223,843
	<u>82,602,737</u>	<u>72,296,797</u>	<u>48,807,448</u>	<u>37,945,628</u>

The subsidiary has mortgaged land, buildings and port with banks as collateral for credit facilities obtained from a financial institution (Note 15). The loan agreement contains various obligations such as the benefits from the insurance policy are transferred to the lender, etc.

The gross carrying amounts of equipment were fully depreciated but these items are still in active use by the Company and subsidiaries as at December 31, 2015 and 2014, in the consolidate financial statement totaling approximately Baht 28.36 million and Baht 9.61 million respectively, and in the separate financial statements totaling approximately Baht 14.67 million and Baht 9.61 million, respectively.

14. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2015 and 2014 consisted of:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Cost		
As at December 31, 2014	390,709	311,262
Purchases during the year	4,907	4,907
As at December 31, 2015	<u>395,616</u>	<u>316,169</u>
Accumulative amortization		
As at December 31, 2014	(245,663)	(166,216)
Amortization for the year	(43,637)	(43,637)
As at December 31, 2015	<u>(289,300)</u>	<u>(209,853)</u>
Book value		
As at December 31, 2014	<u>145,046</u>	<u>145,046</u>
As at December 31, 2015	<u>106,316</u>	<u>106,316</u>
Amortization expenses for the years		
2014	41,324	40,439
2015	<u>43,637</u>	<u>43,637</u>

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

Bank overdrafts and short-term loans from financial institutions as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdrafts	34,630	1,918,380	-	16,368
Promissory notes	324,000,000	315,000,000	250,000,000	295,000,000
Total	324,034,630	316,918,380	250,000,000	295,016,368

	Credit facilities (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdrafts	50,000,000	40,000,000	15,000,000	5,000,000
Promissory notes	900,000,000	900,000,000	900,000,000	900,000,000
Total	950,000,000	940,000,000	915,000,000	905,000,000

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loans (Note 17).

These loans are secured by mortgage land with structure and port of a subsidiary (Note 13). Under the terms of loan contract, the subsidiary cannot pledge its assets as collateral for other loan.

16. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
Trade payables - related parties	1,241	1,683,733	2,342,709	4,294,276
Trade payables - other	64,670,829	80,306,113	60,956,038	75,887,903
Total trade payables	64,672,070	81,989,846	63,298,747	80,182,179
Other payables				
Advances received from goods	4,709,232	17,504,518	4,709,232	17,504,518
Retention	948,000	1,731,328	948,000	1,731,328
Revenue Department payable	19,989,834	72,287,122	19,596,055	71,339,999
Electricity payable	4,196,546	4,128,504	4,196,546	4,128,504
Accrued expenses	4,833,224	6,108,713	3,356,895	5,191,776
Payables for purchase of assets	716,033	11,370,600	716,033	11,370,600
Others payables	3,798,890	7,413,723	3,777,774	7,223,326
Others	914,739	581,183	911,175	581,183
Total other payables	40,106,498	121,125,691	38,211,710	119,071,234
Total trade and other payables	104,778,568	203,115,537	101,510,457	199,253,413

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Long-term loans from financial institutions as at December 31, 2015 and 2014 consisted of:

		Unit : Baht	
		Consolidated financial statements	
		2015	2014
Credit line	Repayment conditions		
Baht 110 million	- The principal will be repaid by monthly under condition and		
Started on June 30, 2014	amount as specified in the agreement with the first installment		
by AI Ports and Terminals	in July 2014 and will be finished within June 2019.		
Company Limited	- Monthly payment of interest rate at MLR-1 per annum.	-	98,960,000
Total long-term loans from financial institutions		-	98,960,000
Less Current portion of long - term loans		-	(22,080,000)
Long-term loans from financial institutions-net		-	76,880,000

During the first quarter of year 2015, the subsidiary has drawn down the promissory note to repayment all long-term loans prior to maturity in amount of Baht 97.12 million (Note 15).

18. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefit obligation expenses in the statement of comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Baht			
	Post - employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligations at beginning as at January 1,	11,932,488	9,966,005	9,424,803	7,870,307
Employee benefit expenses in the statements of				
Current service cost	1,401,274	1,641,115	1,074,858	1,296,936
Cost of interest	1,121,265	325,368	758,112	257,560
Defined benefit obligations at December 31,	14,455,027	11,932,488	11,257,773	9,424,803

Principal actuarial assumptions at the appraisal report date are as follows:

Particulars	Consolidated financial statements	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 - 15.00 % per annum	0 - 15.00 % per annum

19. SHARE CAPITAL

As the 2015 Annual General Meeting of Shareholders held on April 21, 2015, passed the resolutions as follows:

- Approved to amendment in par value of ordinary shares from 1 Baht per share to 0.25 Baht per share. After the changing of par value, the Company has the ordinary shares of 4,520 million shares.
- Approved to increase in registered share capital of the Company 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). The Company registered its increased share capital for allocate to support the warrant No. 1. (AIE-W1) with the Ministry of Commerce on July 6, 2015 as described in Note 20.

20. WARRANTS

Warrants AIE-W1

On April 21, 2015, the Annual General Meeting of the Company's shareholders passed a resolution to issue and allocate of stock warrant for rights to purchase ordinary shares of (AIE-W1) for the existing shareholders, not exceeding 904 million units (allocate 1 purchase ordinary share: 1 stock warrant unit) . Details of the issue are as follows:

Type	:	In named certificate form and transferable
Price per unit of warrant	:	Baht 0.00
Exercise ratio	:	1 warrant to 5 ordinary shares
Exercise price	:	Baht 0.25 per share
Exercise date	:	The first exercise date is December 30, 2016 and the last exercise date is May 7, 2018
Issuance date of warrants	:	May 8, 2015
Maturity of warrants	:	3 years from the issuance date.

21. LEGAL RESERVE

Legal reserve is set up under the Public Limited Companies Act B.E. 2535. The Company is required to set aside to a statutory reserve at least 5 percent of its net income, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

22. DEFERRED TAX

Deferred tax as at December 31, 2015 and 2014 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2015	2014
Deferred tax assets	13,089,439	3,024,123
Deferred tax liabilities	(2,800,549)	(2,260,177)
Deferred tax assets - net	10,288,890	763,946

Movements in deferred tax assets and deferred tax liabilities during the year 2015 were as follows:

	Unit : Baht		
	Consolidated/Separate financial statements		
	As at January 1, 2015	Profit (loss)	As at December 31, 2015
Deferred tax assets			
Allowance for doubtful accounts	728,112	(417,220)	310,892
Provision for diminution in inventories	24,052	(7,796)	16,256
Provision for diminution in non-current assets held for sale	386,998	(386,998)	-
Provision for long-term employee benefits	1,884,961	366,594	2,251,555
Tax loss carries forward	-	10,510,736	10,510,736
Total	3,024,123	10,065,316	13,089,439
Deferred tax liabilities			
Depreciation	(2,260,177)	(540,372)	(2,800,549)
Total	(2,260,177)	(540,372)	(2,800,549)
Deferred tax assets - net	763,946	9,524,944	10,288,890

	Unit : Baht		
	Consolidated/Separate financial statements		
	As at January 1, 2014	Profit (loss)	As at December 31, 2014
Deferred tax assets			
Allowance for doubtful accounts	814,482	(86,370)	728,112
Provision for diminution in inventories	-	24,052	24,052
Provision for diminution in non-current assets held for sale	-	386,998	386,998
Provision for long-term employee benefits	1,574,061	310,900	1,884,961
Tax loss carries forward	1,915,951	(1,915,951)	-
Total	4,304,494	(1,280,371)	3,024,123
Deferred tax liabilities			
Depreciation	-	(2,260,177)	(2,260,177)
Total	-	(2,260,177)	(2,260,177)
Deferred tax assets - net	4,304,494	(3,540,548)	763,946

23. INCOME TAX EXPENSES

Income tax recognized for the years ended December 31, 2015 and 2014 are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current tax expense				
Current years	(1,956,166)	(27,509,000)	-	(27,509,000)
Deferred tax expense				
Movements in temporary differences	9,524,944	(3,540,548)	9,524,944	(3,540,548)
Total	<u>7,568,778</u>	<u>(31,049,548)</u>	<u>9,524,944</u>	<u>(31,049,548)</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Tax rate (%)	Unit : Baht	Tax rate (%)	Unit : Baht
Profit (Loss) before income tax		(80,229,419)		114,771,588
Income tax using the corporate tax rate	20%	16,045,884	20%	(22,954,318)
Exemption from income tax on profit received from BOI		140,245		-
Non-taxable income		27,574		-
Double expenses by the Revenue Code		1,957,448		1,826,374
Non-deductible expenses		(4,212,297)		(5,808,099)
Unrecognised tax loss carries forward-brought forward		1,065,569		-
Unrecognised current tax loss carries forward*		(7,455,645)		(4,113,505)
Tax revenue (Tax expense)	-9%	<u>7,568,778</u>	-27%	<u>(31,049,548)</u>

* The Company and its subsidiaries had tax losses carried forward for the years 2015 and 2014 amounting to Baht 37.28 million and Baht 20.57 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward.

	Separate financial statements			
	2015		2014	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Profit (Loss) before income tax		(99,487,832)		130,608,834
Income tax using the corporate tax rate	20%	19,897,566	20%	(26,121,767)
Non-taxable income		27,574		-
Double expenses by the Revenue Code		15,174		28,620
Non-deductible expenses		(3,635,178)		(4,956,401)
Unrecognised current tax loss carries forward*		(6,780,192)		-
Tax revenue (tax expense)	-10%	9,524,944	-24%	(31,049,548)

*The Company had tax loss carried forward for the year 2015 amounting to Baht 33.90 million. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on this unutilized tax loss carried forward.

Income tax reduction

Royal Decree No. 530 B.E.2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 20% on net profit for the accounting periods beginning on January 1, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557, dated November 10, 2014, the corporate income tax rate will continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2015 and 2014 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(Increase) decrease in change of				
finished goods and work in progress	4,833,490	(120,750,782)	4,816,818	(120,744,286)
Raw materials and consumables used	3,286,501,622	3,942,629,477	3,245,231,408	3,934,201,750
Purchase of goods for sale	1,079,142	134,463,588	1,916,712	314,482,916
Vessel operating expenses	6,213,150	23,178,566	-	-
Employee benefit expenses	97,903,567	74,139,002	72,366,099	59,496,803
Depreciation and amortization expenses	82,646,374	72,338,121	48,851,085	37,986,067
Finance costs	10,753,967	22,861,503	6,971,761	8,722,157

25. FOREIGN CURRENCY TRANSACTIONS

As at December 31, 2015 and 2014, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging as follows:

(Unit : Thousand)

Particulars	Consolidated financial statements				Separate financial statements			
	2015		2014		2015		2014	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<u>Assets</u>								
USD	0.13	4.73	358.73	12,112.03	-	-	358.60	12,107.71
<u>Liabilities</u>								
USD	-	-	0.25	8.28	-	-	-	-

26. PROMOTIONAL PRIVILEGES

The Company and subsidiaries were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1997) 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	February 3, 2015	Producing biodiesel	February 2, 2023
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 throughout 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.

(*) AI Ports and Terminals Company Limited received a letter from the Board of Investment, dated April 3, 2015, to change the rights and benefits period from 8 years to 7 years due to the company's quality system had been certified but did not cover the operation for cargo vessels as promoted.

As a promoted industry, the Company and subsidiaries must strictly comply with certain terms and conditions stipulated in the promotional certificates.

In 2015 and 2014, 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:

Unit : Baht						
	Consolidated financial statements			Separate financial statements		
	BOI	NON BOI	Total	BOI	NON BOI	Total
For the year ended December 31, 2015						
Sales	2,351,094,732	1,095,643,388	3,446,738,120	2,351,094,733	1,067,965,870	3,419,060,603
Revenues from production contract	-	45,810,022	45,810,022	-	45,810,022	45,810,022
Vessel operating income	8,213,352	11,335,834	19,549,186	-	-	-
Other incomes	-	21,342,456	21,342,456	-	13,688,698	13,688,698
Total	2,359,308,084	1,174,131,700	3,533,439,784	2,351,094,733	1,127,464,590	3,478,559,323
For the year ended December 31, 2014						
Sales	-	4,390,072,816	4,390,072,816	-	4,538,492,465	4,538,492,465
Revenues from production contract	-	139,330,739	139,330,739	-	139,330,739	139,330,739
Vessel operating income	35,291,158	-	35,291,158	-	-	-
Port service	1,000,000	-	1,000,000	-	-	-
Other incomes	-	14,416,248	14,416,248	-	17,898,797	17,898,797
Total	36,291,158	4,543,819,803	4,580,110,961	-	4,695,722,001	4,695,722,001

27. 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's contributions for the employees' provident fund and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2015 and 2014 are as follows :

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
AI Energy Public Company Limited	1,358,325	1,091,357	1,358,325	1,091,357
AI Logistic Company Limited	23,976	9,282	-	-
Total	1,382,301	1,100,639	1,358,325	1,091,357

28. OPERATING SEGMENTS

The operating segments are as follows:

	Unit : Thousand Baht						
	Consolidated financial statements						
	For the year ended December 31, 2015						
	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	3,418,200	45,810	-	28,538	19,549	-	3,512,097
Cost of sales and services	(3,418,825)	(27,305)	-	(24,257)	(22,589)	-	(3,492,976)
Gross (loss) profit by segment	(625)	18,505	-	4,281	(3,040)	-	19,121
Non-allocation expenses							(109,939)
Loss from operation							(90,818)
Other income							21,342
Finance costs							(10,754)
Income tax revenue							7,569
Loss for the year							(72,661)
Property, plant, vessel and equipment-net	893,481		-	21,135	45,024	428,817	1,388,457

Unit : Thousand Baht

Consolidated financial statements

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	4,354,784	139,331	3,840	31,449	35,291	1,000	4,565,695
Cost of sales and services	(4,158,358)	(80,693)	(2,960)	(25,302)	(47,143)	(497)	(4,314,953)
Gross (loss) profit by segment	196,426	58,638	880	6,147	(11,852)	503	250,742
Non-allocation expenses							(127,524)
Profit from operation							123,218
Other income							14,416
Finance costs							(22,862)
Income tax expenses							(31,050)
Profit for the year							83,722
Property, plant, vessel and equipment-net	850,804	-	-	21,585	62,415	443,109	1,377,913

29. COMMITMENT AND CONTINGENT LIABILITIES

29.1 As at December 31, 2015 and 2014, the Company and subsidiaries have commitment and contingent liabilities as follows:

MILLION BAIT

Particulars	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Letters of guarantee issued by commercial banks	6.06	5.64	3.56	3.14

29.2 As at December 31, 2015 and 2014, the Company and subsidiaries have capital expenditure commitment as follows:

MILLION BAIT

Particulars	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
The purchase of machinery and equipment contract	8.60	4.99	8.60	4.62

29.3 The Company has entered a lease contract of 15 tanks, comprise 5 tanks at 23/1 Moo 7 Thajeen District, Amphoe Mueang, Samutsakhon and 10 tanks at 1/9 Moo 1 Tambon Had Sairee, Amphoe Mueang Chumphon, Chumphon. The lease period was 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.

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

30.1 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.

30.2 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.

30.3 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.

30.4 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.

31. 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.

32. CAPITAL MANAGEMENT

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business’s performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest’s confidence.

33. CORRECTION OF ACCOUNTING ERROR

The Company's financial statements for the year ended December 31, 2014 had been issued on March 24, 2015. During the year 2015, the Company had corrected the accounting errors for the financial statements for the year ended December 31, 2014 by retrospectively adjusted. The effects of such error correction on the statement of financial position and the statement of profit or loss and other comprehensive incomes are as follows:

	Unit : Baht
STATEMENT OF FINANCIAL POSITION	
Trade and other receivables increase	82,473,491
Inventories decrease	(47,532,584)
equipment - net decrease	(548,110)
Trade and other payables increase	(45,903,297)
Income tax payables increase	(1,644,483)
Legal reserve decrease	153,382
Retained earnings decrease	(13,001,601)
Unit : Baht	
STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2014	
Sales increase	55,745,148
Revenues from production contract increase	84,861,342
Cost of sale increase	(96,252,894)
Cost of production contract increase	(43,538,050)
Administrative expenses increase	(12,135,462)
Income tax expenses increase	(1,483,537)
Other	(198,148)
Profit decrease	(13,001,601)
Basic earnings per share decrease (Baht)	(0.003)

34. RECLASSIFICATIONS OF TRANSACTIONS

Certain accounts in the statement of financial position as at December 31, 2014 have been reclassified to conform to the current year presentation, of which no impact net income or shareholders' equity. The reclassifications of transactions are as follows:

	Unit : Baht			Unit : Baht		
	Consolidated financial statements			Separate financial statements		
	Before	New	After	Before	New	After
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
THE STATEMENT OF FINANCIAL POSITION						
Trade and other receivables - net	392,779,285	1,869,814	477,122,590	391,107,223	-	473,580,714
Other current assets	1,869,814	(1,869,814)	-	1,198,481	(1,198,481)	-
Withholding tax	5,926,995	(5,926,995)	-	5,530,392	(5,530,392)	-
Deposit	2,095,292	(2,095,292)	-	2,009,542	(2,009,542)	-
Non current assets	8,156,825	8,022,287	16,179,112	24,101,420	(8,448,861)	15,652,559
Trade and other payables	128,514,116	28,698,124	203,115,537	125,634,405	27,715,711	199,253,413
Accrued interest expenses	333,115	(333,115)	-	297,826	(297,826)	-
Revenue Department payable	27,075,600	(27,075,600)	-	26,396,238	(26,396,238)	-
Other current liabilities	1,289,409	(1,289,409)	-	1,021,648	(1,021,648)	-

	Unit : Baht			Unit : Baht		
	Consolidated financial statements			Separate financial statements		
	Before	New	After	Before	New	After
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
THE STATEMENTS OF PROFIT OR LOSS						
Other incomes	16,351,255	(1,935,007)	14,416,248	19,833,804	(1,935,007)	(1,935,007)
Selling expenses	(55,490,542)	(3,474,001)	(58,964,543)	(51,555,703)	48,081,702	(3,474,001)
Administrative expenses	(58,733,144)	4,738,749	(66,129,857)	(47,054,378)	4,738,749	(7,396,712)
Finance cost	(23,180,230)	318,727	(22,861,503)	(9,040,885)	318,728	318,728

35. FINANCIAL STATEMENTS APPROVAL

These financial statements are approved by the Company's Board of Directors on March 29, 2016.



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