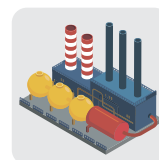
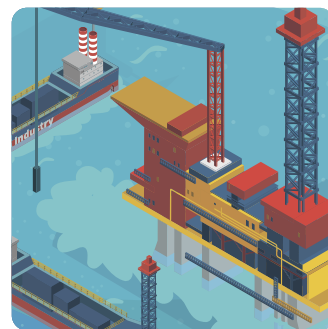




# Annual Report 2020

## AI Energy Public Company Limited



# AI ENERGY

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## Public Company Limited



## ***AI Energy Public Company Limited***

*AIE is truly committed to become a leading manufacturer of Biodiesel, Palm Olein (Edible Oil), and Refined Glycerine 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



## Biodiesel (B100), Edible Oil, and Refined Glycerine Business

### AI Energy Public Company Limited

Manufacturer and distributor of Biodiesel (B100), Edible oil (Palm Olein), and Refined Glycerine which are produced from crude palm oil, with a large refining system and environmentally friendly continuous production process. Also, the Company offers by-products from B100 and Edible Oil's productions such as Palm Fatty Acid Distillate (PFAD), Palm Stearin, and Crude Glycerine, including other related products to Glycerine.



## 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, available at the Chumphon Province.

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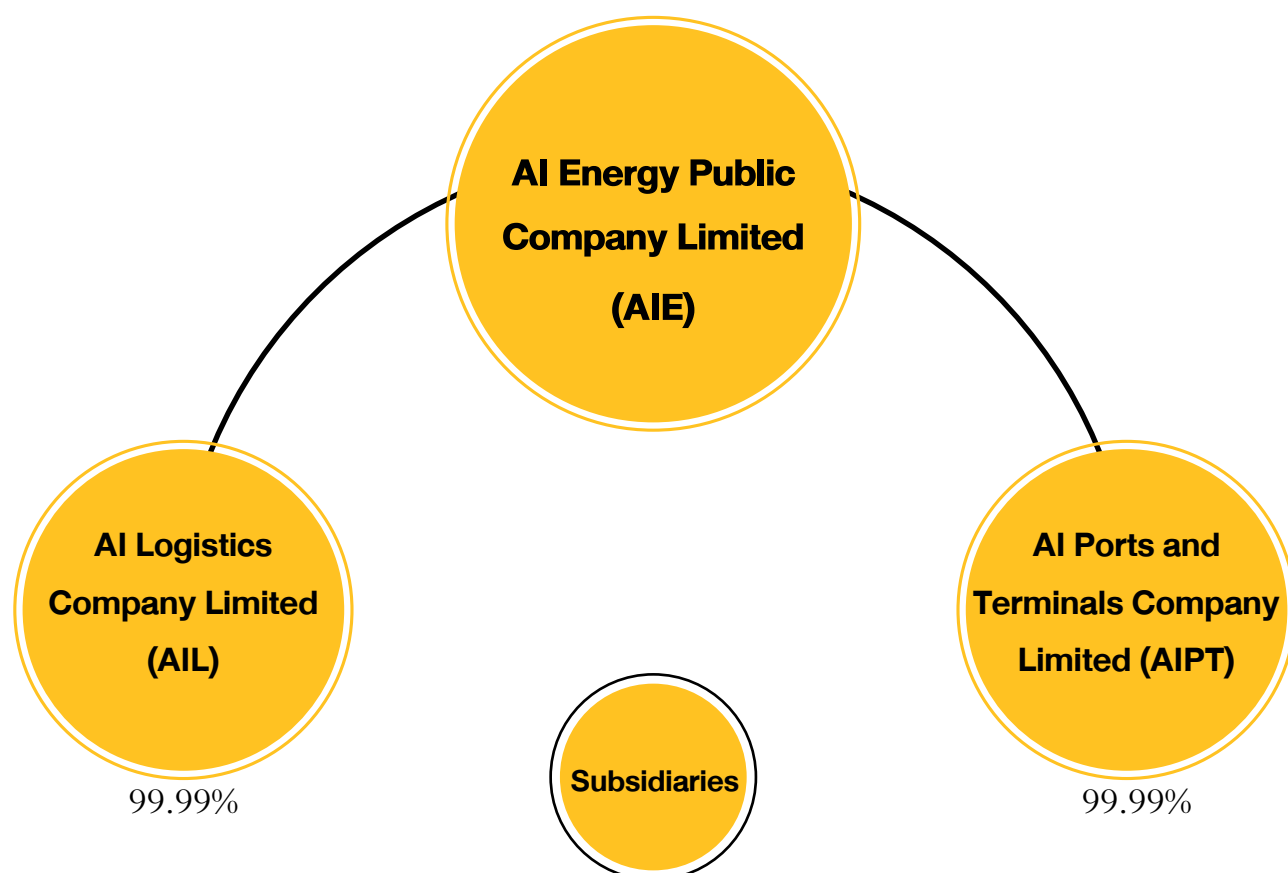
# 01 Policy and Business Overview

AI Energy Public Company Limited (the “Company” or “AIE”) was officially established on October 4, 2006 with initial registered capital and paid-up capital of 1,308,072,982 Baht divided into 5,232,291,928 ordinary shares at par value of 0.25 Baht. AIE produces and sells Biodiesel: B100 and Palm Olein (Edible Oil) under brand “PAMOLA”, which are produced from crude palm oil (CPO) with environmentally friendly continuous refining and production system. AIE also sells raw materials and by-products of manufacturing processes such as CPO, Refined Bleached Deodorized Palm Oil (RBD Palm Oil), Palm Fatty Acid Distillate (PFAD), Refined Bleached Deodorized Palm Stearin (RBD Palm Stearin) and Crude Glycerine including other products related to Glycerine such as Refined Glycerine etc. Moreover, the company also generates revenue from ‘Refining Service’ of CPO to those in Biodiesel business and Edible Oil business. 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.

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

# Group of Company Structure



## AI Logistics Company Limited (AIL)

was founded on February 2003 with registered capital totaling THB 209 million by AIE with stakeholder of 99.99 percent shares. AIL is operating the sea freight services. Presently, AIL already sold its last vessel “Thareratana 3” to non-related party and permanently ceased its operation, where it will be liquidated and closed the business within 2021.

## 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. AIPT is a subsidiary of AIE, which the AIPT has deep-water ports and oil oil terminals

located Chumphon Province, which includes storage tanks service of fuel, lubricant oil, CPO, and RBD palm oil, which the capacity of storage of ten tanks with total capacity of 20,000 tons, or approximate 22,124,000 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 at once. Such 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. Currently, AIPT is temporarily ceased its operation.

# 02 Message from Chairman

**In** 2020, the year of success of the Company. AIE has realized net profit (Consolidated) of 488,517,125 Baht and total revenue of 5,519,031,504 Baht which higher than previous year due to the lift up biodiesel blends mandate from B7 to B10 and officially enforced nationwide. As a result, the demand for biodiesel in term of quantity has increased significantly. Whilst, the Company is able to start producing and selling Refined Glycerine which significantly reduced in AIE's overall production costs and continuously improve AIE's profitability in 2020.

On behalf of the Board of Director of AIE and its subsidiaries, we continue to focus on the importance of conducting business with transparency and fairness,

continuous development of organizational potential, adaptive business strategy to be in line with the current situation both in risk management and corporate governance to conduct business with ethics and anti-corruption policy in accordance with the guidelines of the Collective Action Coalition or CAC, who already certified AIE as a member. We also emphasis on personnel development in all levels, develop information technology systems for the continuous improvement of product and service standards for better efficiency. In order to meet customers satisfaction and taking into account to all stakeholders, as well as participation in local community, society and environment with sustainable goal.

**F**inally, I would like to extend my deep gratitude to our shareholders, business partners, financial institutions, and government agencies in supporting our objectives, principles and values of operating with integrity and responsibility in the best interests of our stakeholders. Thanks to all directors, managements, and employees for their dedication and commitment to their duties with honesty and sacrifice, to propel the organization grows continuously and overcome obstacles and challenges. I confidence that AIE may continue to receive the confidence and support from all stakeholders as always. I believe that all directors will perform their duties with full responsibility for AIE able to gain stability and opportunities in the following year.



**Mr. Narong Thareratanavibool**  
Chairman



# 03 Business Profile

## Significant Event

**Year 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.

**Year 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.

**Year 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.

**Year 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.

## Year 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 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 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.

## Year 2011

- The Company developed production capacity of the Refinery 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.

## Year 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 2 which increases the production capacity to 1,150 tons of crude palm oil per day.

## Year 2013

- The Refinery 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 Amai. 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)

## Year 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.

## Year 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.

## Year 2016

- The Board of Director Meeting No. 4/2016 on 18 October 2016 has resolution to dispose the assets of its subsidiaries with total value of 413,112,000 Baht as follow;
  1. Approved AI Ports and Terminal Co., Ltd. ("AIPT"), subsidiary which AIE holds 99.99% of the registered Ordinary shares, to dispose some of its asset; land, Port, tanks farm (5 tanks with total storage capacity of 10,000,000 liters), ice factory, machineries, equipment and building located on land deeds No. 108147 and 13397 with total area of 7 Rai 49.1 Wah in Tha Jeen district in Samut Sakhon province. Total value of sale is 390,000,000 Baht and will transfer entitlement to the Buyer only after the installed payment has been done within June 2017
  2. Approved AI Logistic Co., Ltd. ("AIL"), subsidiary which AIE holds 99.99% of the registered ordinary shares, to dispose some of its asset; Thareratana 1; Vessel size (Tanker) 1,500 Tons Gross with value of sale of 23,112,000 Baht. and will transfer entitlement to the Buyer only after the installed payment has been done within October 2018

## Year 2017

- The Company has started the construction of Refined Glycerine Plant (Refined Glycerin 99.7%, USP and Pharma Grade) with the capacity of 100 tons refined glycerine per day and commercial run in 4th quarter of 2019. The Refined Glycerine Plant project gives a value added to the Company's owns produced by-product; Crude Glycerine that obtained from the existing Biodiesel's production. The potential customer bases are in pharmaceutical and food industries. Moreover, this plant can also separate the fatty acids from crude glycerin that to be used as a raw material for the production of Biodiesel.
- The Company has increased its Biodiesel production capacity from 500 tons of Biodiesel per day to 600 tons of Biodiesel per day
- The Company received Investment Promotion Card from Thailand Board of Investment (BOI) for Refined Glycerine production for business typed 6.1 chemical for industrial used manufacturing business. For Refined Glycerine Plant, the Company received key titles and benefits as follows: -

- 1) Received income tax exemption for gross profit from the promoted business not over 100% of the investment, excluding cost of land and working capital for 3 years starting from the date first receiving revenue from business performance.
- 2) Gross profit includes revenue from by-products.
- 3) 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.
- 4) 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.

- The Company received Investment Promotion Card from Thailand Board of Investment (BOI) for Biodiesel production for business related to renewable energy typed 1.16.1, fuel from agricultural produce for the expansion of Biodiesel production, the Company received key titles and benefits as follows: -

- 1) Received income tax exemption for gross profit from the promoted business not over 100% of the investment, excluding cost of land and working capital for 8 years starting from the date first receiving revenue from business performance.
- 2) Gross profit includes revenue from by-products.
- 3) 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.
- 4) 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 June 2017, AI Ports and Terminals Company Limited (“AIPT”) is a subsidiary of the Company, which holds 99.99 percent shares of AIPT’s total registered and paid-up capital. AIPT has been received full payment of THB 390 million from the disposal of its assets at Tha Chalom in Samut Sakhon, which are port, lands, tanks farm (5 tanks with total storage capacity of 11,062,000 litres), ice factory, machineries, equipment and building and has been transferred the entitlement to the Buyer.

## Year 2018

- The Company has processed towards the changing of paid-up capital on 6 June 2018 to 1,308,072,982 Baht at 0.25 Baht per share or equal to 5,232,291,928 ordinary shares, which increased from the exercised of AIE-W1 by 178,072,982 Baht or equal to 712,291,928 ordinary shares (or 78.79% of the issued warrant of 904,000,000 shares)
- In October 2018, AI Logistics Company Limited (“AIL”) is a subsidiary of the Company, which holds 99.99 percent shares of AIL’s total registered and paid-up capital. AIL has been received full payment of THB 23.11 million from the disposal of Thareratana 1; Vessel size (Tanker) 1,500 Tons Gross and has been transferred the entitlement to the Buyer.
- AIE received quality management certification based on ISO 9001:2015 for the manufacturing of Biodiesel and Palm Olein from ISO certification organization.

## Year 2019

- The Company decreased the registered capital equal to the unexercised AIE-W1 by 191,708,072 shares. Therefore, the Company has registered and paid-up capital equal to 1,308,072,982 Baht at par value of 0.25 Baht or 5,232,291,928 shares.



- The Company received quality management certification based on ISO 9001:2015 for the processed Refined Glycerine.
  - The Company received certification for Hazard Analysis and Critical Control Points (HACCP) for processed Refined Glycerine.
  - The Company received the certification of Good Manufacturing Practice (GMP) for processed Refined Glycerine.
  - The Company received kosher certification for Jewish food standard for Refined Glycerine from Thai Kashrut Services Co., Ltd. which provides Jewish food qualification inspection.
  - The Company was authorized by the Central Islamic Council of Thailand to use HALAL certificate for processed Refined Glycerine.
- .....

## Year 2020

- In May 2020, AI Logistics Company Limited (“AIL”) is a subsidiary of the Company, which holds 99.99 percent shares of AIL’s total registered and paid-up capital. AIL sold its last asset; Thareratana 3; Vessel size (Tanker) 2,500 Tons Gross with value of sale of 20,000,000 Baht to the non-related party. Currently, AIL permanently ceased its operation and in between liquidated and closed the business.
  - The Company was granted as oil traders of Article 7 of Fuel Trade Act B.E. 2543 from Ministry of Energy on 9 September 2020.
- .....

## Revenue Structure of the Company and its Subsidiaries

Types of Revenue	Consolidated Financial Statement		Consolidated Financial Statement		Consolidated Financial Statement	
	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Selling revenue</b>	<b>5,504.30</b>	<b>99.73</b>	<b>1,957.17</b>	<b>98.00</b>	<b>1,459.23</b>	<b>92.89</b>
1.1 Palm oil business revenue	5,363.58	97.18	1,956.11	97.94	1,459.23	92.89
1.1.1 Biodiesel	4,976.93	90.18	1,650.99	82.67	1,295.07	82.44
1.1.2 Palm Olein	272.87	4.94	214.33	10.73	86.63	5.51
1.1.3 Raw materials & by-product <sup>1</sup>	113.78	2.06	90.80	4.55	77.53	4.94
1.2 Revenues from Refined Glycerine	140.72	2.55	1.06	0.05	-	-
<b>2. Refining service revenue</b>	<b>-</b>	<b>-</b>	<b>7.01</b>	<b>0.35</b>	<b>49.46</b>	<b>3.15</b>
<b>3. Sea freight revenue<sup>2</sup></b>	<b>9.78</b>	<b>0.18</b>	<b>16.49</b>	<b>0.83</b>	<b>54.11</b>	<b>3.44</b>
<b>Revenues</b>	<b>5,514.08</b>	<b>99.91</b>	<b>1,980.67</b>	<b>99.17</b>	<b>1,562.80</b>	<b>99.48</b>
<b>4. Other revenues<sup>3</sup></b>	<b>4.95</b>	<b>0.09</b>	<b>16.52</b>	<b>0.83</b>	<b>8.12</b>	<b>0.52</b>
<b>Total revenues</b>	<b>5,519.03</b>	<b>100.00</b>	<b>1,997.19</b>	<b>100.00</b>	<b>1,570.92</b>	<b>100.00</b>

**Notes :**

<sup>/1</sup> Revenue from raw materials and by-products mean revenues gained from the sales of crude palm oil, palm fatty acid, refined palm stearin and crude glycerine will be supplied to the manufacturer in other industries.

<sup>/2</sup> Revenues from sea freight mean revenues on behalf of AIL which is a subsidiary of the Company.

<sup>/3</sup> Other revenues mean other revenues from the Company and subsidiaries such as revenues from selling scraps, interest income and compensation from insurance for THB 13.33 million in 2019.

## 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 and from refined glycerine (2) refining service revenues, (3) sea freight revenue, and (4) other revenue, which could be characterized by performance of each type of business of sales and services as follows:-

### 1. Company's Products

#### 1.1) Selling Revenues- Palm Oil Business

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

##### 1.1.1 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 emission and 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. 2562 (Enforced from 1 December 2019). 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 component of Diesel fuel in the proportion of 90-93 percent diesel fuel and 7-10 percent biodiesel, called "Diesel B7-B10".

The Company produces biodiesel for sale as Made-to-Order whereas all buyers purchased Biodiesel from the Company were domestic buyers. The

Biodiesel's customer are oil traders under Section 7 of the Fuel Trade Act B.E. 2543. 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 palm oil.

##### 1.1.2 Palm Olein

Palm Olein is obtained from refining crude palm oil by extracting oil from good quality palm which is used as raw materials in the production. The crude palm oil ("CPO") is refined to extract fat to be refined palm oil. Then, such oil will be preceded to the compression process to separate and crystallize in order to get Palm Olein for consumption. The customers who use Palm Olein could be divided into (1) large food manufacturing industry, including cooked foods manufacturers which mostly orders by tank truck, (2) packaged customers, including chained restaurant that ordered in various packaging's such as tins and bags under the brand "PAMOLA", which was established in the Palm Olein (Edible Oil) market more than 30 years.

### 1.1.3 Raw Materials and By-products

The company sells raw materials, including crude palm oil and Refined Bleached Deodorized Palm Oil (RBD Palm Oil) which are an initial raw material for manufacturing of Biodiesel and Edible Oil. The Company sold such raw materials to both domestic and overseas customer. In addition, the Company had revenues from selling of by-products received from manufacturing process 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 manufacturers in other industries to both domestic and overseas, such as food medicine cosmetics and soap etc., for what were left from reused as raw materials in the Company's Biodiesel and Refined Glycerine productions.



กรดไขมันปาล์ม  
Palm Fatty Acid Distillate: PFAD



ไขมันปาล์มบริสุทธิ์  
Refined Bleached Deodorized Palm Stearin: RBD Stearin



กลีเซอริน  
Crude Glycerine

### 1.2) Revenues from Refined Glycerine

Refined Glycerine is derived from Crude Glycerine processed through the distillation into refined glycerine. Refined Glycerine is a clear liquid, colorless, odorless, has a sweet taste, can dissolve well in alcohol and water, and has a wide range of chemical properties, so it can be used as a substance in other downstream industries which is commonly used in food, medicine, cosmetics, soap etc.

### 1.3) Revenues from Refining Services

The Company had revenues from refining service contracts from providing service on refining crude palm oil (CPO) to gain Refined Bleached Deodorized Palm Oil (RBD Palm Oil) in which the customer will supply CPO, 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 process to get products with quality as determined by the customer. There are 2 group of customers; Biodiesel and Edible Oil. For Biodiesel, the customer is a member of a group of traders in section 7 and 10 of the Fuel Trade Act B.E. 2543 in which currently provider refining services of RBD Palm Oil to such customers for over seven consecutive years. For Edible Oil, the customer is in Edible Oil trading business, where the Company providing refining services of RBD Palm Oil and Palm Olein and also charge extra if requested the product in various packages. As providing refining services for CPO 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.

## 2. Product of Subsidiaries

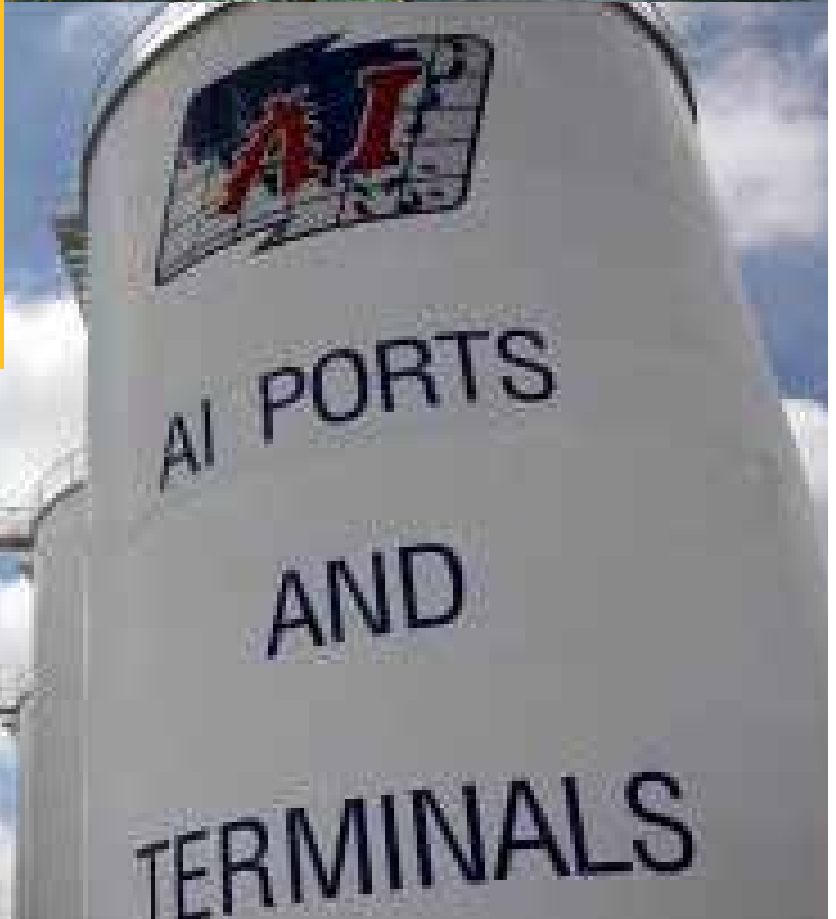
### 2.1) Revenue from Sea freight service

Revenue from sea freight service is revenue on behalf of AI Logistics Co., Ltd. (AIL) which operating vessel freight services with 1 high-quality vessels, namely “Thareratana 3” until May 2020. AIL sold its last vessel; Thare-ratana 3 to non-related party, then permanently ceased its operation. AIL is currently liquidating and closing the business, which expected to complete within 2021.

### 2.2) Revenues from Ports and Storages Service

Revenue from port and storage services is revenue arising on behalf of AI Ports and Terminals Co., Ltd. (AIPT) which operates port services and storage tanks. AIPT is a subsidiary of the Company and have 1 port and storage tanks located in Amphur Muang district of Chumphon province. AIPT has storage tanks providing storage services for fuel, lubricant oil, crude palm oil, and refined palm oil with total storage capacity 20,000 tons, or approximately 22,124,000 Liters. Currently, AIPT is temporarily ceased its operation.

# Photos of Port and Storage tanks in Amphur Muang District, Chumphon Province





# 04 Risk factors

## 1. Risks in the Company's Business

### 1.1 Business Competition

The Company operates business in producing and distributing Biodiesel (B100), Edible Oil, Refined Glycerine, raw material and by-products from the production processes, and refining service. If we consider the business growth of each product, B100 is known to be a product which grows 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 B100. This is considered one of the ways to support B100 producers by increase such B100 blend mandate in Diesel of B10 which is used nationwide (biodiesel rule B10 refers to diesel fuel which has 10% mixture of biodiesel and diesel fuel mixture of 90%), which the government has agreed to such strategy to develop and promote B100 used from palm oil.

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. The Company has gained an economy of scale from Crude Palm Oil Refinery of 1,150 tons per day and continuously expand investment to further improve efficiency and reduce cost by using PFAD which is a by-product as a raw material to produce B100, so called Esterification 80% Plant with production

capacity of 72 tons of PFAD per day, also expanded its B100 production capacity to 600 tons per day to benefit from economies of scale in biodiesel production. Besides, the Company has invested to construct the Refined Glycerine 99.70% Plant, which has a production capacity of 100 tons of refined glycerin per day, add the value added to the Company's existing by-product; crude glycerine. Refined Glycerine is derived from Crude Glycerine processed through the distillation into refined glycerine. Refined Glycerine is a clear liquid, colorless, odorless, has a sweet taste, can dissolve well in alcohol and water, and has a wide range of chemical properties, so it can be used as a substance in other downstream industries which is commonly used in food, medicine, and cosmetics (Pharmaceutical Grade). Refined Glycerine helps the Company expanding customer base in other industries, where has less government policy's intervention. It is the Company's strategic to expand products into other industries with new base of customers and has high demand in overseas markets.

### 1.2 Customer Concentration Risk

The Company sells B100 up to 90.18% of total Sales in 2020. In the distribution, Biodiesel was distributed to customers who are compiled to section 7 of the Fuel Trade Act B.E. 2543 which was sold in a made to order manner through inviting suppliers for bidding. The selling process after winning the bidding will be a 3-36 months' contract depending on customer's the term and agreement and policy. Most customers will determine the product pickup or amount of goods clearly in the contract.

However, the order quantity may adjust according to the customer's demand and the blending B100 mandate ratio in diesel during each period. The Company is sure that there is very small chance for us to lose our customers since the government's policy to induce higher usage of B100 and recently increased B100 blend mandate to B10 as diesel's standard nationwide in accordance to the Department of Energy Business, Ministry of Energy concerning the nature and quality of biodiesel type of fatty acid methyl esters B.E. 2562 (Enforced from 1 December 2019).

### **1.3 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 distributed for various business sectors such as energy, industry, and other non- food sectors such as soap and cosmetics. Palm oil production in the country has enough capacity for domestic and some export, which palm oil and crude palm oil that are extracted from palm oil, including products which use crude palm oil as raw material in the production process were controlled by the government 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. The crude palm oil's market price in Thailand is correlated to Malaysian crude palm oil's market price, the largest crude palm oil in the world, in the past Thais' palm oil industry has faced various factors that caused price to fluctuate. The huge fluctuation in the weather condition which caused the Southern area to face a huge drought and natural disasters, 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.

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 B100 blend in Diesel such as lowered B7 to B5 when crude palm oil stock low. And 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 palm fruit 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 over supply and the policy to import crude palm oil from overseas. 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 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 B.E. 2542 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 therefore faces risk from policy shift which could affect the company's profit

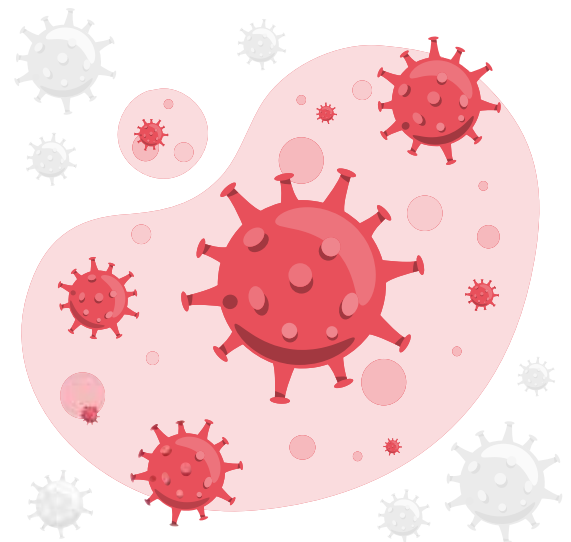
#### 1.4 Risks from unforeseeable event

The Company has operated business in producing and distributing Biodiesel, Palm Olein, and Refined Glycerine from crude palm oil and its subsidiaries which is AI Ports and Terminals Company Limited (AIPT) which provide ports and storage tanks service. The Company and its subsidiaries operate business regarding fuel oil which might face unanticipated events such as bombing and fuel leak which could bring about damage for the Company and its subsidiaries and surround communities and environment. 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.

#### 1.5 Risks from pandemic

The epidemic of infectious diseases, COVID-19 posed a huge challenge for humanity and organizations around the world, including the Company.

In 2020, the Thai government declared a state of emergency and issue regulations to prevent the spread since the order closed the department stores, restaurant, not allow travel in-out of the country, and curfews. All of which affect the Company's business operations. This was due to the decline in demand for diesel fuel since service cuts or temporary cancellation of public transportation including transportation in various business sectors, especially the tourism sector. However, the Company has prepared in all aspects, both liquidity management and internal risk management. Some employees' work-from-home policies and preventive measures for employees of the manufacturing plant to reduce the spread of the virus. The Company has established the business continuity plans in place to accommodate different types of emergencies that may arise and the response plan can be adjusted appropriately and covers only the level of the impact of the epidemic. Also, there is a team to follow up with constantly changing information and communicate company-wide and to external stakeholders.



## 2. Production-Related Risks

### 2.1 Material Shortage Risk.

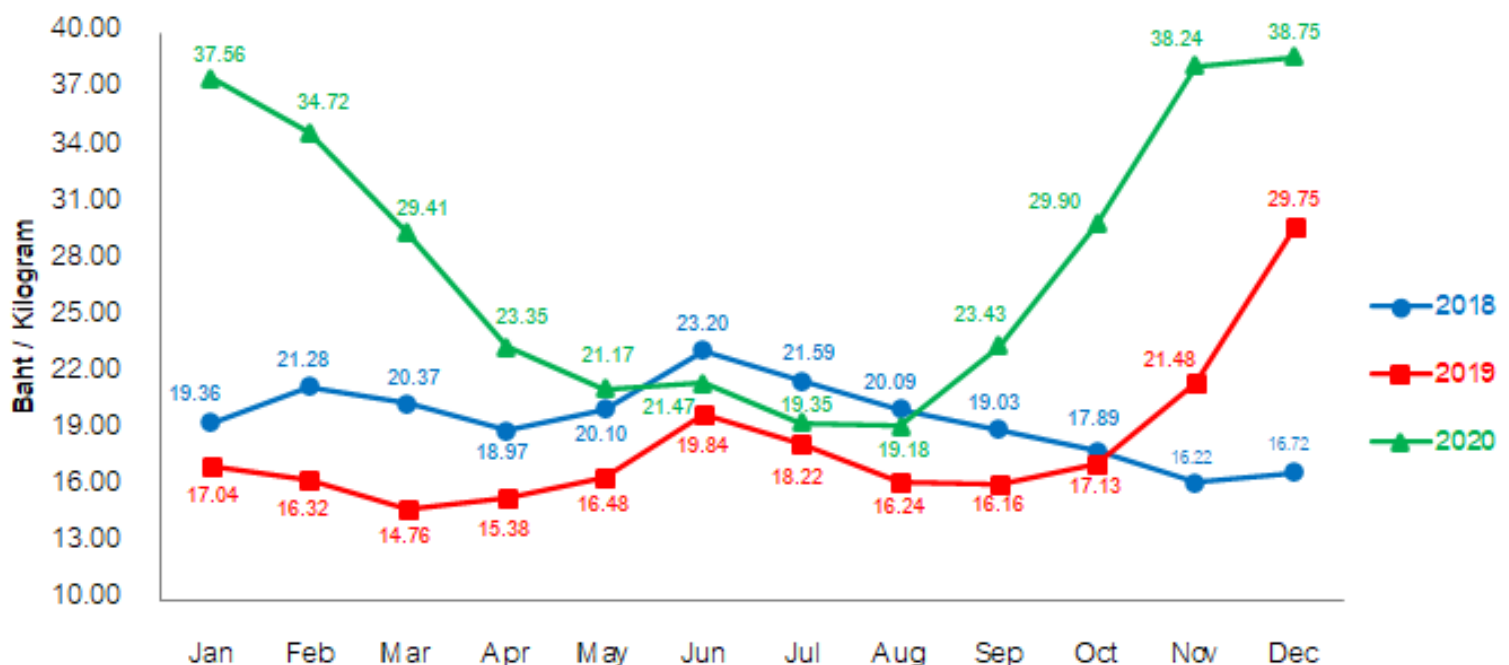
The Company is a manufacturer and distributor of biodiesel from crude palm oil and Palm Olein under brand of “PAMOLA” as well as CPO refining services. The Company uses CPO as main raw material, which has a proportion of 85%–90% in total cost. All of CPO’s purchasing agreements are in short-term within 15 days, which clearly states price and quantity. There is no long-term agreement or contract with the supplier especially. Thus, the Company may be at risk to a shortage of CPO if the suppliers cannot supply the CPO to the Company adequately or stop to supply CPO to the Company by the supplier’s internal policies. Therefore, the Company may have loosening the opportunity to conduct business, which may affect to the company’s operation. The Company is aware of such risk, the protective approach has determined for such risk by purchasing CPO from more than 20 efficient suppliers and maintaining of a good relationship with the suppliers continuously. More than 80% of CPO’s suppliers vendor list of the Company are business partners with the Company for more than 10 years. Presently, Thailand have increased the cultivated area for palm fruits and encouraging farmer to reap palm fruits only when they are ripe as a result in increasing Oil Extract Rate (OER) from 15%–16% to 17%–18%, thus the company ensures that it will be less of material shortage risk.

### 2.2 The Risk of Fluctuations in CPO Prices.

The Company uses CPO as main raw material for producing B100, where its price is defined by global market price that driven by Malaysian’ CPO market price as Malaysian is the dominant in CPO market as the world highest CPO produced in the world. The factors that affect the price of CPO are changing of economic conditions, consumer wants, weather, national’s CPO safety stock, and price of other alternative oil such as soy oil and rice bran oil etc.

For Thailand, the price of CPO trend to fluctuates according to the price of crude palm oil in global market, but sometime there is a fluctuation in the opposite direction of CPO prices in the global market because the CPO market in Thailand is a closed market, where can be imported by Public Warehouse Organization, Ministry of Commerce only. The average price of CPO in 2020 increased from 2019, by 53.81%, and in 2019 decreased from 2018 by 6.82% (the average price in 2020 was THB 28.04 / Kilogram, in 2019 was THB 18.23 / Kilogram, and in 2018 was THB 19.57 / Kilogram (Source: Department of Internal Trade of Thailand, Ministry of Commerce.) The crude palm oil prices fluctuate and rise at the beginning of the year and at the end of the year, but fell severely during the year. The lowest price is THB 19.18 / Kilogram (average price in August 2020) and the highest price is THB 38.75 / Kilogram (average price in December 2020). This fluctuation starts from November 2019, where the prices of palm fruits and CPO began to rises as most of the arable land faces drought, resulting in shortage of palm oil in the market. Altogether with the urgently implement government’s policy to absorb excess palm oil from the market to solve the problem of falling palm prices by using CPO to burn as fuel to generate electricity in Bang Pakong Power Plant, Chachoengsao Province, the Electricity Generating Authority of Thailand (EGAT), while Ministry of Energy has issued measures to increase the proportion of biodiesel blends in diesel from B7 to B10 as standard diesel and be formally enforced nationwide, according to the announcement of the Department of Energy Business; Ministry of Energy. Therefore, the price of crude palm oil started to increase in the beginning of 2020.

Later in March–April 2020, there has been a severe outbreak of COVID-19 in Thailand. The government has declared a state of emergency and issue regulations to prevent the spread by closed the shop, dine-in restaurants, department stores, not allow in-out of the country, curfew nation-wide, and reduced or canceled mass or public transportations service, especially in the tourism sector. These have caused an impact on the demand for diesel and biodiesel in Thailand. Meanwhile, palm fruits and crude palm oil reached the harvest season and began to flood into the market enormously, resulting in an oversupply of palm oil. So, the price of crude palm oil has started to fall in the end of 1<sup>st</sup> quarter of 2020 until the end of 3<sup>rd</sup> quarter of 2020, where the crop of palm fruit is started to drop. This is due to the flooding of cultivated areas in some areas, tropical storm from La Nina that have been going on steadily since the end of September 2020 and the drop in climate towards the end of the year. As a result, the quality crude palm oil has been shorted to the market and together with measures to support the export of crude palm oil and crude palm kernel oil to reduce domestic stock levels in the 4<sup>th</sup> quarter of 2020, resulting in a steady increase in crude palm oil prices towards the end of the year.



Thus, the Company may be risk due to the fluctuation of CPO price since sometime the Company is unable to adjust its costing inline to the market price continuously and severely. The fluctuation of the price of CPO may affect the earning of the Company. However, the Company aware of these risks, the policy has determined to adopt in each department in the Company, especially in raw material procurement procedures. The Company attempt to maintain a faster inventory turnover, where raw material (CPO) was stocked for 30 days just enough for monthly delivery plan within the sale contract scope and efficiently control the loss rate from production. Also, 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 impact from the fluctuation of the price of CPO.



### 3. Financial Risks

#### 3.1 Risks from Dependency on Financial Institution's Capital

As of 31 December 2020, the Company had no outstanding of short-term and long-term debts with financial institutions, only Letter of Guarantee for Electricity and Fleet cards for THB 5.49 million. For its subsidiaries had an outstanding of Letter of Guarantee for Electricity on behalf of AIPT for THB 0.40 million. However, the Company and its subsidiaries have been repaid principal, interest and fees to financial institutions continuously.

#### 3.2 Risk from Exchange Rate Fluctuation

In accounting period of 2020, the Company had assets denominated in foreign currencies (Foreign Saving Account) and the U.S. dollar equivalent of 3.52 in U.S. dollars, arising from the sale of products to customers in overseas 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. The Company's subsidiaries had no Foreign Saving Account.

### 4. Managing and Administrative Risks

#### 4.1 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 61.77 percent of the Company's authorized capital, by having (1) Mr. Narong Thareratanavibool as Chairman, (2) Mr. Thanit Thareratanavibool as Vice Chairman, (3) Miss Pimwan Thareratanavibool as director, managing director, and company secretary. All of them have knowledge and understand regarding Biodiesel and Palm Olein producing and distribution business and create the Company's credibility and good relationship with both domestic and international customers over 15 consecutive years. The change of executives may affect the business performance of the Company.



The 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.

#### **4.2 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 29 May 2020, Thareratanavibool Family had their shares in the company divided into direct shareholding of 13.00 percent and indirect shareholding through AI of 61.77 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' voting.

Nevertheless, the Company has an audit committee consisting of 3 independent members for the total of 7 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 Honor and Advisory 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.



# 05 Company Profile

**Year of**

**Establishment**

**2006**

**Stock Code**

**AIE**

**Registration No.**

**0107556000311**

## **AI Energy Public Company Limited**

### **Type of business**

Manufacture and distribution of Biodiesel (B100) and Palm Olein (Edible oil) from crude palm oil, refined glycerine by refined system and environmentally friendly. Also, distribution of crude palm oil and by-product such as Palm Fatty Acid, Palm Stearin, and Crude Glycerine.

### **Head Office and Factory address**

55/2 Moo 8 Sethakit 1 Road, Klongmadua, Krathum Baen, Samut Sakhon

Telephone 034-877-485-8

Facsimile 034-877-491-2

Email [aienergy@aienergy.co.th](mailto:aienergy@aienergy.co.th)

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

### **Registered capital**

1,308,072,982 Baht

### **Paid-up capital**

1,308,072,982 Baht

### **Ordinary Shares**

5,232,291,928 Shares, 0.25 Baht per share

### **Year of being listed in mai.**

2014

### **Contacts**

Investors Relation Telephone 66-34877-485-8 Facsimile 66-34877-491-2  
e-mail: [ir@aienergy.co.th](mailto:ir@aienergy.co.th) Line ID: AIE-IR

# Subsidiaries



## AI Ports and Terminals Company Limited (“AIPT”)

### Year of Establishment

2007

### Registration No.

0105550040092

### Type of business

Provides the service of ports and the storage tanks for petroleum, crude palm oil, and lubricant oil.

### Head Office address

254 Seri Thai Road, Kannayaow, Bangkok 10230

Telephone 0-2540-2528

Facsimile 0-2517-1465

### Branch address

1/9 Moo 1, Had Sairee, Amphur Mueng, Chumphon 86120

Telephone 077-522-709-10

Facsimile 077-522-711

### Paid-up capital

460,000,000 Baht

### Comprise of Branch address

46,000,000 ordinary shares, 10 Baht per value

### Relationship with AIE

- AIPT is subsidiary of AIE, with stakeholder of 99.99% of the registered capital of 460 million Baht
- There are common directors; Mr.Narong Thareratanavibool and Mr.Thanit Thareratanavibool who take a position as Managing Director

# Subsidiaries



## AI Logistics Company Limited (“AIL”)

### Year of Establishment

2006

### Registration No.

0105549021411

### Type of business

Provides sea freight services and specializes in transport of lubricant oil, crude palm oil, and refined palm oil in international sea.

### Head Office address

254 Seri Thai Road, Kannayaow, Bangkok 10230

Telephone 0-2540-2528

Facsimile 0-2517-1465

Email [logistics@asianinsulators.com](mailto:logistics@asianinsulators.com)

### Paid-up capital

209,000,000 Baht

### Comprise of Branch address

20,900,000 Ordinary shares, 10 Baht per value

### Relationship with AIE

- AIPT is subsidiary of AIE, with stakeholder of 99.99% of the registered capital of 209 million Baht
- There are common directors; Mr.Narong Thareratanavibool and Mr.Thanit Thareratanavibool



# Other References

## 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.tsd.co.th>

## 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>

## Internal Audit

### **Honor Audit and Advisory Co., Ltd.**

518/5, 8th Floor Maneeya Center Building, Ploenchit Road Lumpini, Pathumwan, Bangkok 10330

Telephone 0-2652-0791

Facsimile 0-2652-0791

Website: <http://www.honoraudit.com>

## Legal Consultant

### **The Art of Law (Law Office) Co., Ltd.**

249/1 Soi Ladprao 87, Chao Khun Sing Wang Thonglang, Bangkok 10310

Telephone 0-2932-0842

## Others

-None-

# 06 Major Shareholders of AI Energy Public Company Limited

At the record date on May 29<sup>th</sup>, 2020

Name of Shareholders	Share	(%)
1. Asian Insulators Public Company Limited	3,232,099,488	61.77
2. Thareratanavibool Family	680,128,587	13.00
3. Mr. Prayut Thepmangkorn	38,000,000	0.73
4. Mrs. Jarunee Worakitjanuwat	36,056,625	0.69
5. Mr. Nopp Kraiwin	35,870,400	0.69
6. Miss Varunee Jiengpradit	24,000,000	0.46
7. Mr. Surachai Kayanngan	21,579,700	0.41
8. Mr. Vichit Chinawongworakul	18,000,000	0.34
9. Mr. Apisak Theppadungporn	17,366,000	0.33
10. Miss Patnanin Kitiphaphon	16,390,300	0.31
11. Others	1,112,800,828	21.27
<b>Total</b>	<b>5,232,291,928</b>	<b>100.00</b>

**Remark:** The updated of major shareholders will be posted on the Company's website before the Annual General Meeting



**45 %**



**30 %**



**15 %**



**10 %**

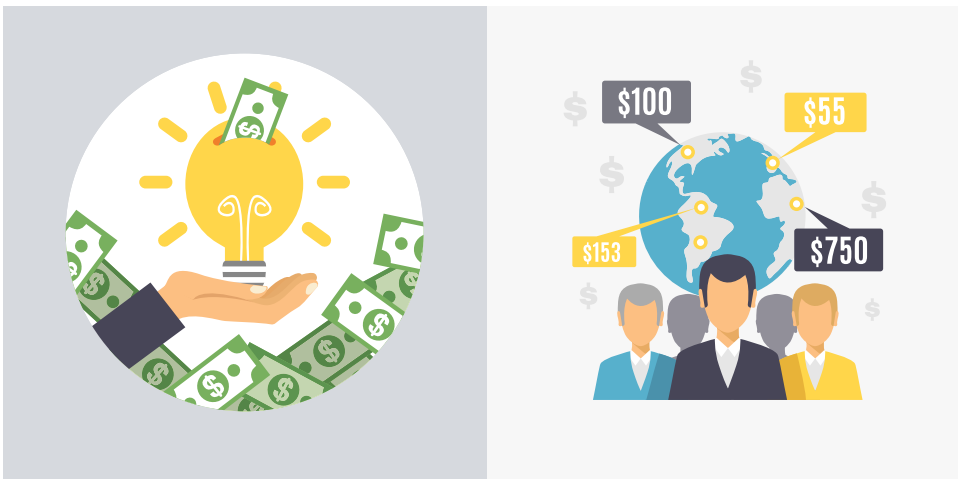
# 07 Dividend Policy

## 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 performance, 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 Annual General 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

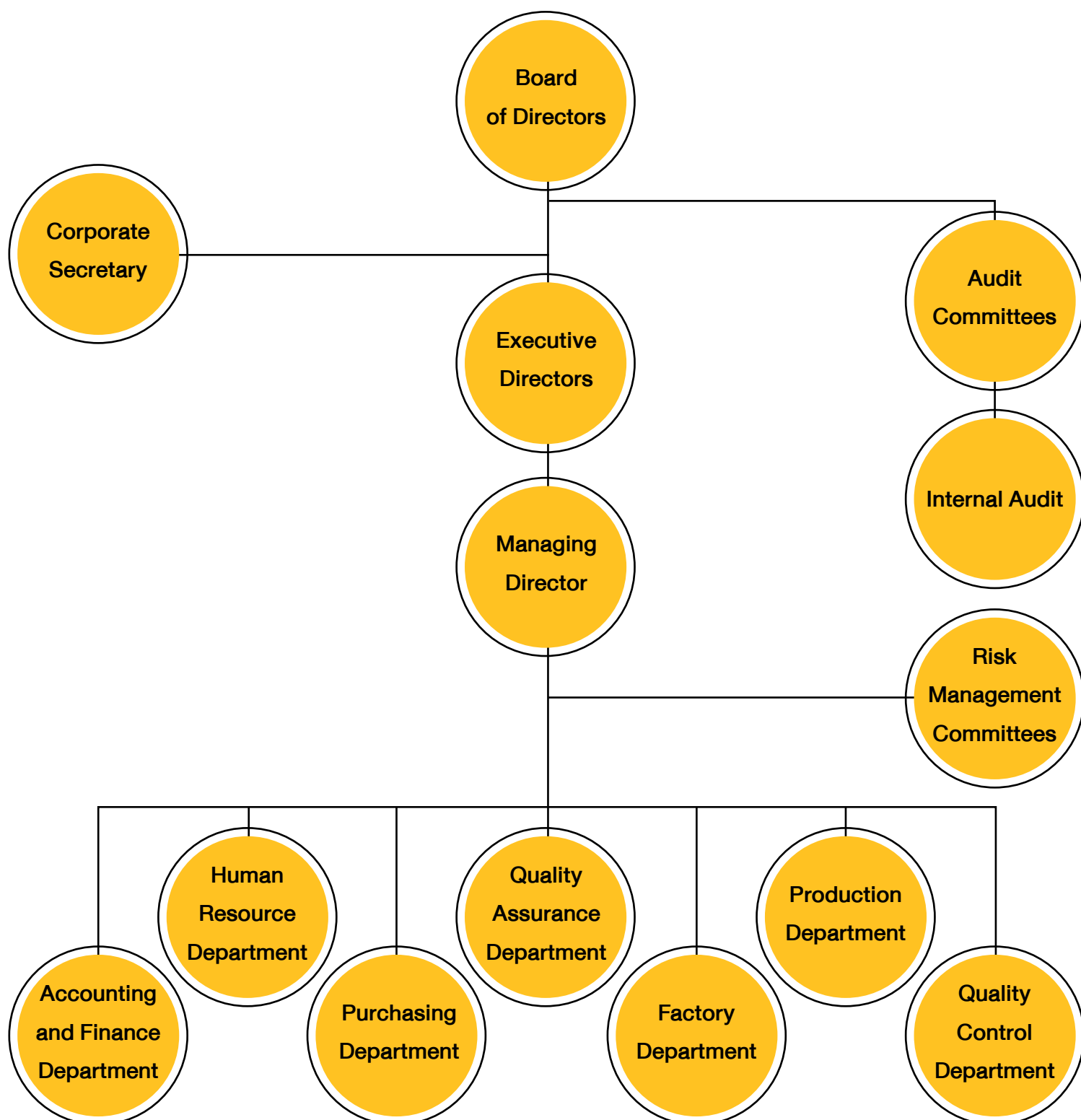
The Company has not fixed a dividend payment ratio for its subsidiaries. Their dividend payments shall depend on the operating results of each company. Dividend payments of subsidiaries to the Company must be made accordance with each company's regulation on dividend payment that must be approved by a resolution of their shareholders meeting. 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.



# 08 Management Structure

The Company's management structure comprises of the Board of Directors and three (3) sub-committees namely 1) Audit Committee 2) Executive Committee and 3) Risk Management Committee

## Organization Chart



# **Board of Directors**

The company's the Board of Directors as of 31 December 2020, included 7 persons as follows.



**Mr. Narong Thareratanavibool**



**Mr. Thanit  
Thareratanavibool**



**Dr. Kaweepong  
Hirankasi**



**Assistant Professor  
Sampan Hunpayon**



**Mr. Choti  
Sontiwattananont**



**Mr. Damrong  
Joongwong**



**Miss Pimwan  
Thareratanavibool**



# Mr. Narong Thareratanavibool

Chairman of the Board /  
Chairman of Executive  
Committee



age years old  
70

Date of first  
appointment :  
4 October 2006

Shareholding in the  
Company as of  
29 May 2020  
0.57% (29,787,777 shares)

## Educations

- MBA, Kasetsart University
- Bachelor of Business Administration in Management, Sukhothai Thammathirat Open University

## 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
- Diploma, National Defense College, The Joint State - Private Sector Course Class 13
- 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.Thanit Thareratanavibool's brother

# Mr. Thanit Thareratanavibool

Vice Chairman / Executive  
Director / Chairman of Risk  
Management Committee



age years old  
63

Date of first  
appointment :  
4 October 2006

Shareholding in the  
Company as of  
29 May 2020  
1.83% (95,595,456 shares)

## Educations

- 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
- Advanced Management Program, Capital Market Academy No. 17

## 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's brother

# Dr. Kaweepong Hirankasi

Chairman of Audit Committee /  
Independent Director



age years old  
71

Date of first  
appointment :  
9 April 2013

Shareholding in the  
Company as of  
29 May 2020  
None

## Educations

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

## Trainings / Certifications

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

## Professional experiences

- 1984 – 2010 MEA Assistant Governor MEA

## Other directorship positions / other positions at present

- Subsidiaries / Related Company
  - None -
- Other listed companies
  - 2008 – Present Independent Director  
New City (Bangkok) Public Company Limited
- Non-listed companies
  - None -
- Relation among family with other directors
  - None -

# Assistant Professor Sampan Hunpayon

Audit Committee /  
Independent Director



age years old  
68

Date of first  
appointment :  
9 April 2013

Shareholding in the  
Company as of  
29 May 2020  
None

## Educations

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

## 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

## 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 -

# Mr. Choti Sontiwattananont

Audit Committee /  
Independent Director



age years old  
65

Date of first  
appointment :  
31 May 2013

Shareholding in the  
Company as of  
29 May 2020  
0.0067% (348,000 shares)

## Educations

- 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 -



# Mr. Damrong Joongwong

Director



age years old  
**75**

**Date of first  
appointment :**  
31 May 2013

**Shareholding in the  
Company as of**  
29 May 2020  
None

## **Educations**

- Master of Public Administration, NIDA

## **Trainings / Certifications**

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

## **Professional experiences**

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

## **Other directorship positions / other positions at present**

- Subsidiaries / Related Company
  - None -
- Other listed companies
  - None -
- Non-listed companies
  - None -
- Relation among family with other directors
  - None -

# Miss Pimwan Thareratanavibool

Director / Executive Director /  
Managing Director / Risk Management  
Committee / Company Secretary



age years old  
**35**

**Date of first  
appointment :**  
17 May 2017

**Shareholding in the  
Company as of**  
29 May 2020  
0.24% (12,500,000 shares)

## **Educations**

- Master of International Business, Monash University Melbourne, Australia
- Bachelor of Commerce in Accounting, Macquarie University Sydney, Australia

## **Trainings / Certifications**

- Director Certification Program (DCP),  
Thai Institute of Director Association (IOD) No. 242/2017
- Strategic CFO in Capital Markets No. 8/2019
- Company Secretary Program No. 51/2013

## **Professional experiences**

- 2016 – 2017 Assistant Managing Director AI Energy Public Company Limited
- 2012 – 2017 Purchasing and Human Resource Manager /  
Audit Committee Secretary AI Energy Public Company Limited

## **Other directorship positions / other positions at present**

- Subsidiaries / Related Company
  - None -
- Other listed companies
  - None -
- Non-listed companies
  - Present Director FWN Corporation Co., Ltd.
- Relation among family with other directors
  - None -

## **Duties and Responsibilities of the Board of Directors**

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 shareholders' meeting
2. Consider and approve the business plans, target, action plan, business strategic, and budgeting
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 director who has any conflict of interest or any other conflict of interest with the Company shall not entitle 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.

- (A) Sale or transfer of either whole or substantial part of the Company 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 and acquisition with another person for the purpose of sharing profit and loss.

- (D) Amend or add the Articles of Association or Company's regulations
- (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.

### **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 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.

### **Board of Directors' Term of Service**

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 director is highly qualified with respected for being knowledgeable, moral, and effective; therefore, the Company does not set a limit on consecutive terms of service for directors or independent directors if the shareholders are confident in such re-elected directors.

### **Company Secretary**

The Board appointed Miss Pimwan Thareratanavibool as the Company Secretary on 17 May 2017 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 informs 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 conflict of interest etc.

### **Audit Committee**

In 2020, the Audit Committee has scheduled monthly meeting to closely monitor the Company's performance. Also, reviews and given opinion on the financial statements and balance sheets of the Company along together with an external auditor and internal auditor on quarterly basic, and report the audit results to the Board of Directors to consider and approves the Company's consolidated financial statements.

As of 31 December 2020, 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 Ratima 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 ;

### **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. Audit Committee must not in the management position of the Company, affiliates and subsidiaries and are independent director and qualified Independent Director and Audit Committees qualifications.

### **Qualifications of the Independent Director**

The Company defines "Independent Director" as a director who does not responsible for the Company's, affiliated companies', and associated companies' operations. Independent directors are free from the management and controlling shareholders, who has no conflict of interest with the Company and freely to give independent opinion. The qualification of the independent directors are as follow;

1. Hold less than 1% of the total ordinary shares of the Company, subsidiaries, and affiliated. The count must be inclusive of shares belong to the independent director's associates.
2. Has not involve in management, or has never held position as executive director, employee, consultant with fixed salary or controlling shareholders of the Company and was received salary, the parent company's, subsidiary's, affiliate's, or same level subsidiary's authorized person, majority shareholders or the Company's authorized person, except being exempt from the above characteristic for at least 2 years prior to submitting the permit to the Securities and Exchange Commission Office. The above prohibited characters exclude the independent director who is a government employee or consultant who is majority shareholders or authorized director of the Company.
3. Don't have a relationship directly or legally married to executives, majority shareholders, authorized person or person who has been nominated an executive position or subsidiary, including not being parents, siblings, children, and being in-law of such person as stated above.
4. Never or used to have business relationship with the Company, the Parent Company, subsidiary, majority shareholders, affiliate, majority shareholders or the Company's authorized person of which obstructed independent judgment, including not being or used to be significant shareholders or an authorized person having business relationship with parent company, subsidiary, affiliate, majority shareholders or the Company's authorized person, except being exempt from the above characteristics at least two years before submitting application to Securities and Exchange Commission Office.

5. Never or used to be the Company's, parent company's, subsidiaries', affiliates', major shareholders' or authorized person's external auditor. Never or used to be major shareholder, authorized person, or partner of any auditor firms that the Company's, parent company's, subsidiaries', affiliates', or major shareholders' external auditors are in, except for being exempt from the above characteristic for at least 2 years before submitting application to Securities and Exchange Commission Office.
6. Never or used to be a professional service provider whose business includes legal or financial adviser, who receives more than THB 2 million per annual service fee from the Company, parent company, subsidiary, affiliates, major shareholders or authorized person of the Company and not a majority shareholders, authorized person or partner of the professional service provider, except for being exempt from the above characteristic for at least 2 years before submitting application to Securities and Exchange Commission Office.
7. Not an appointed committee by the representative of the Company's director, major shareholders or shareholders who associate with majority shareholders of the Company.
8. Not operate the same business and a significant competitive business with the Company or subsidiary or not a significant partner in partnership or an executive director of such business, employees or consultant who earn fixed salary or hold more than 1% of ordinary share of another company which operates the same business and be a significant competitor with the Company or subsidiary.
9. No other characteristics preventing the independent opinion on the Company's operation.
10. The independent directors may be assigned by the board of directors to decide on the operation of the Company, the parent company, subsidiary, affiliates, and subsidiary of the same level, major shareholders or authorized person of the Company in collective decision form.

### **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 level, major shareholders, or those empowered to control the company.
2. Not being a director of the parent company, subsidiaries or subsidiaries of the same level, only 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.

### **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 best of shareholders interest.

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 external 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 external 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 present Audit Committee must continue functioning until the Board of Directors or the shareholders' meeting appoints the new Audit Committee to replace the present 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 present 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.
  - 3.1 Vacating the office of being a director
  - 3.2 Resignation
  - 3.3 Dead
  - 3.4 The Board of Directors has a resolution to withdrawn them from office before the end of term.
  - 3.5 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 one month in advance 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.

## Meeting

Meetings of the Audit Committee are as follows.

1. The Audit Committee Meeting shall be held to consider the financial statements and others at least 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.
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, external auditor, executives, managers, or related parties to attend the meeting and provide the relevant information.
 

If the Audit Committee's Chairman is absent or is unable to perform his duties, and in case of the absence of Vice Chairman (if any), or unable to perform the duties, the audit committee attendants shall elect one among themselves as the chairman of the Audit Committee meeting.
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.
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 2020**

No.	Name of Directors	Position	Shareholder Meeting	Board of Directors	Audit Committee
1	Mr.Narong Thareratanavibool	Chairman of the Board / Chairman of Executive Directors	1/1	8/8	-
2	Mr.Thanit Thareratanavibool	Vice Chairman of the Board / Executive Director	1/1	8/8	-
3	Miss Pimwan Thareratanavibool	Director / Executive Director / Managing Director/Company Secretary	1/1	8/8	-
4	Mr.Damrong Joongwong	Director	1/1	7/8	-
5	Dr.Kaweephong Hirankasi	Chairman of Audit Committee / Independent Director	1/1	8/8	10/10
6	Assistant Professor Sampan Hunpayon	Audit Committee / Independent Director	1/1	8/8	10/10
7	Mr.Choti Sontiwattananont	Audit Committee / Independent Director	1/1	8/8	10/10

**Remarks :** - The figures show the number of directors attending a meeting per number of times of the meeting  
 - Directors 1 – 3 did not received directors' remuneration.

**Details of Directorship of AIE and Executives in Subsidiaries, and Related Companies**

Name of Directos	AIE	2.1	2.2	3.1	3.2	3.3	3.4	3.5
Mr.Narong Thareratanavibool	X	/&//	/&//	X	/&//	-	-	-
Mr.Thanit Thareratanavibool	/&//	/&//	/&//	/&//	/&//	/&//	/&//	-
Miss Pimwan 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 AI Engineering Service Company Limited
  - 3.3 Digital Screen Play Company Limited
  - 3.4 Digit Brain Company Limited
  - 3.5 FWN Corporation Company Limited

**The Directors mentioned above do not receive compensation from being a director of the subsidiar**

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

**Executive Committee**

Executive Committee as of 31 December 2020 includes 3 following persons.

No	Name	Position
1.	Mr.Narong Thareratanavibool	Chairman of Executive Committee
2.	Mr.Thanit Thareratanavibool	Executive Committee
3.	Miss Pimwan Thareratanavibool	Executive Committee

**Remarks :** There is no remuneration for Executive Committee above.

**Authorities and responsibilities of the Executive 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 mandate set forth by the Board of Director.
8. Within the limits authorized by the Board of Director, the Executive 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 mandate approved by the Board of Director.
9. Within the limits authorized by the Board of Director, the Executive 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 and benefits 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 4 Risk Management Committee as of 31 December 2020 as follows.

No	Name	Position
1	Mr.Thanit Thareratanavibool	Chairman of Risk Management Committees
2	Miss Pimwan Thareratanavibool	Risk Management Committee
3	Mrs.Jurairus Lawanvisut	Risk Management Committee (Acting)
4	Miss Ratima Thareratanavibool	Risk Management Committee

**Remarks :** There is no remuneration for Risk Management Committee above.

### **Duties and responsibilities of the Risk Management Committee**

1. Monitor, develop 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 yearly targets and company plans.
7. Follow-up meeting on practical results within each Department monthly and report to the Executive Committee, Audit Committee, and the Board of Director quarterly.

## Management Team

List of Management Team as at 31 December 2020 includes 5 following persons.

No.	List of Management	Position	Shareholding in the Company as of 29 May 2020
1	Miss Pimwan Thareratanavibool	Managing Director / Acting Factory Manager / Acting Quality Assurance Manager	0.24% (12,500,000 shares)
2	Miss Piyanart Nampiroj	Accounting and Finance Manager	-
3	Miss Ratima Thareratanavibool	Human Resource and Purchasing Manager	0.02% (1,056,000 shares)
4	Mr.Chainarong Saenphuwa	Quality Control Manager	-
5	Mr.Phitchai Phitchanuwat	Production Manager	-

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

## Directors, Audit Committee and Management Compensation

### 1. Compensation in cash

#### 1.1 Directors and Audit Committee' remunerations

The Company determines the remuneration policy for the Company's Board of Director and Audit Committee fairly and reasonably in awareness of the appropriateness and accord with the responsibilities of the directors, financial position of the Company, and in the reference to the companies in the same industry. At the 2020 Annual General Meeting of Shareholders held on 18 June 2020, the Company approved the 2020 remuneration for the directors as following.

- Directors who also hold position as executive committee consist of 3 persons;

1. Mr. Narong Thareratanavibool      Chairman of the Board /  
Chairman of Executive Committee
2. Mr. Thanit Thareratanavibool      Vice Chairman of the Board /  
Executive Committee / Chairman of Risk Committee
3. Miss Pimwan Thareratanavibool      Director / Managing Director / Executive Committee /  
Risk Committee / Corporate Secretary

shall not receive monthly remuneration and meeting allowance in 2020, but the rest of director and independent directors / Audit Committee, consist of 4 persons;

1. Mr. Damrong Jungwong      Director
2. Mr. Kaweepong Hirankasi      Independent Director / Chairman of Audit Committee
3. Mr. Sampan Hunpayon      Independent Director / Audit Committee
4. Mr. Choti Sontiwattananont      Independent Director / Audit Committee

shall receive monthly remuneration and meeting allowance in 2020. The remuneration for directors of the Company for the year 2020 is not more than THB 3.00 million.

Compensation	2020
<b>1) Standard monthly fee</b> – Chairman – Director	18,000 Baht / person / Month 15,000 Baht / person / Month
<b>2) Meeting Allowance*</b> – Chairman – Director	18,000 Bath / person / time 15,000 Baht / person / time
<b>3) Other remuneration</b>	-None-
<b>Remark : *Determine the meeting allowances will be paid only attended.</b>	

Directors' standard monthly fees and meeting allowances as of 31 December 2020

(Unit: THB)

	Name	Standard Monthly Fee	Meeting Allowances			Total (Standard Monthly Fee and Meeting Allowances)
			Shareholder Meeting	Board of Director	Audit Committee	
1	Mr.Narong Thareratanavibool	-	-	-	-	-
2	Mr.Thanit Thareratanavibool	-	-	-	-	-
3	Miss Pimwan Thareratanavibool	-	-	-	-	-
4	Mr.Damrong Joongwong	180,000.00	15,000.00	105,000.00	-	300,000.00
5	Dr.Kaweephong Hirankasi	216,000.00	18,000.00	144,000.00	180,000.00	558,000.00
6	Assistant Professor Sampan Hunpayon	180,000.00	15,000.00	120,000.00	150,000.00	465,000.00
7	Mr.Choti Sontiwattananont	180,000.00	15,000.00	120,000.00	150,000.00	465,000.00
<b>Total</b>		<b>756,000.00</b>	<b>63,000.00</b>	<b>489,000.00</b>	<b>480,000.00</b>	<b>1,788,000.00</b>

## 1.2 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	2018		2019		2020	
	No. of Person	Amount (THB)	No. of Person	Amount (THB)	No. of Person	Amount (THB)
Salary	6	8,011,758	7	7,942,364	7	8,555,524
Bonus	6	927,971	5	920,324	5	1,392,314
Provident Fund	4	329,631	4	353,302	5	697,475
Others	6	797,150	7	296,710	7	245,827
<b>Total</b>		<b>10,066,510</b>		<b>9,512,700</b>		<b>10,891,140</b>

## 2. Other compensations

- None -

# 09 Corporate Governance

## Code of conduct

The Company has a policy to follow the principles of good corporate governance by disclosure information and news for the shareholders, investors and related persons to make investment decisions through various channels for the long-term benefit of stakeholders. This includes establishing a Code of Business Ethics and Code of Conduct to guide the duties of directors and executives to comply with the Code of Best Practice for in order to comply with good corporate governance principles according to the guidelines of the Stock Exchange of Thailand. The essence of corporate governance as follows:

### Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

#### Principle 1.1

The board will understand its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including:

- (1) defining objectives;
- (2) determining means to attain the objectives; and
- (3) monitoring, evaluating, and reporting on performance.

#### Principle 1.2

The board will exercise its leadership role and pursue the following governance outcomes:

- (1) competitiveness and performance with long-term perspective;
- (2) ethical and responsible business;
- (3) good corporate citizenship and develop less impact on environment; and
- (4) corporate resilience.

The Board of Directors will adhere to the following practices for supervising the Company to lead to good corporate governance results.

- ▶ 1.2.1 In evaluating the performance of the Company, the board would not only consider the company's financial results but also take into account non-financial performance such as its ethical performance and impact on stakeholders, society and the environment.
- ▶ 1.2.2 The board assume a leadership role in creating and driving a culture of compliance and ethical conduct throughout the Company, and lead by example.
- ▶ 1.2.3 The board ensure the creation of written policies and guidelines, such as a corporate governance policy, codes of ethics, and business conduct, applicable to all directors, executives, employees and staff of the Company.



- ▶ 1.2.4 The board ensure effective implementation including regular communication of the Company's policies and guidelines to all directors, executives, employees and staff. The board will apply adequate mechanisms are in place for monitoring, reviewing and reporting compliance with the Company's policies and guidelines.

### **Principle 1.3**

The board will ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards. The board is responsible for the implementation of adequate systems and controls to ensure that the Company complies with applicable law and standards for specified matters and the shareholders meeting's resolution, including material investment, related party transaction, acquisition/disposal of assets, and dividend payment decisions.

### **Principle 1.4**

The board demonstrates a thorough understanding of the division of board and management responsibilities. The board is clearly defining the roles and responsibilities of management and monitor management's proper performance of its duties

- ▶ 1.4.1 The board has adopted a written policy so called "Charter" that that clearly sets out the roles and responsibilities of the board and management. For reference in the performance of duties of all directors and will conduct regularly review a Charter at least once a year, including reviewing the division of roles and duties of the board, managing director, and management with the direction of the organization.
- ▶ 1.4.2 The board is responsible and accountable for the overall affairs of the Company but may delegate day-to-day management duties. The board must provide written directions to management that clearly set out management's responsibilities and monitoring. The division of board, managing director, and management's responsibilities are as follow;

#### Matters for which the board has primary responsibility:

Refers to matters for which the Board is the primary responsibility for the proper implementation of the matters, the board may assign management to propose matters for consideration which includes the following matters.

- a) Defining objectives and business model.
- b) Developing culture of compliance and ethical conduct, and lead by example.
- c) Strengthening an effective board structure and practices conducive for achieving the Company's objectives.
- d) Ensuring suitable managing director selection, remuneration, development, and performance evaluation.
- e) Ensuring appropriate compensation architecture that supports achievement of the Company's objectives.

#### Matters involving shared responsibility of the board and management:

Refers to matters that the board, managing director, and management will consider together by the management proposes to the board for approval. The board, then supervise the overall policy to be consistent with the Company's goal and objective. The board also assigns the management to be carried out the monitoring and report periodically as appropriate, which includes the following matters.

- a) Formulating and reviewing policies and strategies, plans and targets yearly.
- b) Ensuring robust system for risk management and internal control.
- c) Clearly defining management's responsibilities.
- d) Overseeing appropriate resource allocation and budgeting, including HR and IT.
- e) Monitoring and evaluating financial and non-financial corporate performance.
- f) Ensuring integrity of financial and non-financial information disclosures.

Matters that the board should delegate or not get involved with:

Refers to matters that the board will oversee at the policy level and assign managing director and management as the main responsible for the implementation, which includes the following matters

- a) Management (Execution) in accordance with strategies, policies, plans approved by the board.  
The board should leave the management in charge of decisions making such as procurement and human resource management, etc. in accordance with the established policy framework and monitoring results. Without interfering with the decision unless there is a need.
- b) Not getting involved in or influencing matters in which a director may have conflict of interests.

## Principle 2: Define Objectives that Promote Sustainable Value Creation

### Principle 2.1

The board will define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the Company as well as for all stakeholders.

- ▶ 2.1.1 The board will ensure that the Company has clearly defined objectives that support the Company's business plan and company-wide communication of the objectives, for instance, in the form of the Company's vision and values, or principles and purposes.
- ▶ 2.1.2 When developing the business plan for sustainable value creation, the board should take into consideration the following factors:
  - (1) The Company's ecosystem, including changes to business conditions and opportunities, and the company's effective use of innovation and technology.
  - (2) Customers and other stakeholders.
  - (3) Available resources and competitiveness of the Company.
  - (4) The purposes of the company.
  - (5) The Company main products and customers.
  - (6) The Company's value proposition.
  - (7) The Company achieve sustainability considering opportunities and risks.
- ▶ 2.1.3 The Company's values should reflect characteristics of good corporate governance, such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.
- ▶ 2.1.4 The board will promote a good corporate governance culture and strive to have the Company's objectives embedded in company-wide decision-making and conduct through effective communication and leading by example.

## Principle 2.2

The board will ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilizing innovation and technology effectively.

- ▶ 2.2.1 The board will ensure that the company's annual objectives, goals, strategies, and plans correlate and align with the Company's long-term objectives, while considering the business environment, opportunities, and the Company's risk appetite. The board may ensure that the Company's medium-term (3 years) objectives, goals, strategies, and plans are annually reviewed and updated as appropriate.
- ▶ 2.2.2 The board may ensure that the Company's strategies and plans take into account all relevant factors influencing the value chain, including the Company's ecosystem, risks, resources, competitiveness, and stakeholders. The board may ensure that a mechanism for stakeholder engagement is in place that;
  - (1) Clearly defines stakeholder engagement policies, procedures, and practices that enable the Company to identify and assess the interests of each stakeholder group.
  - (2) Clearly identifies stakeholder groups including individuals, groups, and entities, such as employees and staff, investors, customers, business partners, communities, society, environment, government agencies and regulators.
  - (3) Identifies, prioritizes and addresses stakeholder concerns and expectations, considering their level of importance and potential impact on the Company.
- ▶ 2.2.3 When developing strategies and plans, the board may promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.
- ▶ 2.2.4 In considering the approval of the Company's targets (financial and non-financial), the board would ensure that they are suitable to the Company's business profile, and they do not cause the Company to engage in illegal or unethical conduct.
- ▶ 2.2.5 The board would ensure effective communication of the Company's objectives, goals, strategies, plans, and targets throughout the Company.
- ▶ 2.2.6 The board may ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and plans.

## Principle 3: Strengthen Board Effectiveness

### Principle 3.1

The board has responsibility in determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

- ▶ 3.1.1 The board may establish a skills matrix to ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives of the company and stakeholder interests. At least one of the non-executive directors should be experienced and competent in the Company's main industry.
- ▶ 3.1.2 The board may determine the proper number of directors to function effectively. It must comprise at least 5 directors and more than half of the board reside in Thailand.

## The Board of Director's Structure

The Board of Directors consists of 7 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 the Board of Director and 3 sub-committees as follows;

### 1. Board of Directors

#### 1.1 Executive Directors 3 persons;

1. Mr.Narong Thareratanavibool	Chairman
2. Mr.Thanit Thareratanavibool	Vice Chairman
3. Miss Pimwan Thareratanavibool	Director

#### 1.2 Non-Executive Directors 1 person;

1. 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

Directors have an important role in business operations; therefore, any important agendas and resolutions must be approved by the Board of Directors or the shareholders' meeting (Depending on the case). The Directors shall not entitle to vote on such transaction which they or persons have a conflict of interest.

- ▶ 3.1.3 The proportion between executive directors and non-executive directors should support proper checks and balances to prevent unfettered power of decision and authority by any one individual, whereby;
  - a) The majority of the board consist of non-executive directors, who exercise objective and independent judgement.
  - b) The number and qualifications of the independent non-executive directors should reflect applicable legal requirements. The independent directors and the entire board can fulfil its role and responsibilities efficiently and in the best interest of the Company while exercising objective and independent judgement.
- ▶ 3.1.4 The board may explicitly disclose in the Company's annual report and on the website its diversity policies and details relating to directors, including directors' age, gender, qualifications, experience, shareholding percentage, years of service as director, and director position in other listed companies.

## Principle 3.2

The board may select an appropriate person as the chairman and ensure that the board composition serves the best interest of the Company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

- ▶ 3.2.1 The chairman's roles and responsibilities are different from those of the managing director. The board would clearly define the roles and responsibilities of both positions. To ensure effective checks and balances of power, the two positions are held by different individuals.
- ▶ 3.2.2 The chairman is responsible for leading the board. The chairman's duties are at least cover the following matters;

- (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.
  - (2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
  - (3) Set the board meeting agenda by discussing with the managing director which important matters should be included.
  - (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
  - (5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.
- ▶ 3.2.3 The chairman is not an independent director, the chairman and the managing director are family members, the board may ensure the balance of power and authority of the board and between the board and management by;
    - (1) having the board comprise a majority of independent directors, or
    - (2) appointing a designated independent director to participate in setting the board meeting agenda.
  - ▶ 3.2.4 The board has established the policy that the tenure of an independent director should not exceed a cumulative term of nine (9) years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.
  - ▶ 3.2.5 The board may appoint relevant sub-committees to review specific matters, to screen information, and to recommend action for board approval; however, the board remains accountable for all decisions and actions.
  - ▶ 3.2.6 The board may disclose the roles and responsibilities of the board and the sub-committees, the number of meetings and the number of directors participating in meetings in the previous year, board and sub-committee performance.

### **Principle 3.3**

The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

- ▶ 3.3.1 The board will set the nomination criteria and process consistent with the skills matrix approved and ensure that the candidate's profile meets the requirements set out in the skills matrix and nomination criteria. Upon proposal to and approval, the candidate is presented to the shareholders' meeting for election and appointment as a director. Shareholders may receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.
- ▶ 3.3.2 The board may review a description of the nomination criteria and process, and role and responsibilities of a particular appointment before nominating new directors. If the board nominates current directors, their performance should be considered.
- ▶ 3.3.3 If the board appoints any person as a consultant regarding to the nomination, relevant information about that consultant should be disclosed in the annual report, including information about independence and conflicts of interest.

### **Principle 3.4**

When proposing director remuneration to the shareholders' meeting for approval, the board may consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to

their individual and company performance, and provide incentives for the board to lead the Company in meeting its objectives, both in the short and long term.

- ▶ 3.4.1 The board is responsible for setting the remuneration policy.
- ▶ 3.4.2 The remuneration of the board shall be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. The remuneration is comparable to industry practice.
- ▶ 3.4.3 Shareholders must approve the board remuneration structure, including level and pay components (both cash-based and non-cash compensation). The board may consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the Company's performance (such as bonus and rewards). The remuneration should reflect the values that the Company creates for shareholders, and the pay level should not be too high so as to avoid the board excessively focusing on the company's short-term results.
- ▶ 3.4.4 The board shall disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director. The remuneration disclosed for each director should also include remuneration for what each individual receives from holding directorship at the Company's subsidiaries (if any).
- ▶ 3.4.5 If the board appoints any person to consult regarding to the remuneration, that consultant's information shall be disclosed in the annual report, including information regarding independence and any conflicts of interest.

**Noted :** There is no remuneration for sub-committees; the executive director committee and the risk management committee.

### **Principle 3.5**

The board may ensure that all directors are properly accountable for their duties, responsibilities and allocate sufficient time to discharge their duties and responsibilities effectively.

- ▶ 3.5.1 The board may ensure that there is a mechanism to support directors in understanding their roles and responsibilities expected from them.
- ▶ 3.5.2 The board may set and publicly disclose criteria limiting the number of director positions directors can hold simultaneously in other companies, and consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director should be appropriate to the nature and types of businesses involved but should not exceed five listed companies.
- ▶ 3.5.3 The board may ensure reporting and public disclosure of directors assuming or holding positions at other companies.
- ▶ 3.5.4 The board may ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company, including by using the Company's assets, information or opportunities for his or her own benefit, as a result of having or taking a director or management position, or having or creating vested interests, both directly and indirectly, in other companies. Information about a director's other directorships and positions should be reported to shareholders, as appropriate.
- ▶ 3.5.5 Each director will attend not less than 75 percent of all board meetings in any whole financial reporting year.



### **Principle 3.6**

The board may ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

- ▶ 3.6.1 The board may ensure that the Company's governance framework and policies extend to its subsidiaries, including written policies relating to;
  - (1) The authority to appoint subsidiary directors, executives, or others with controlling power. Generally, the board have the authority to appoint those persons, except that for smaller operating subsidiaries, the board may delegate this authority to the executive director committee.
  - (2) The duties and responsibilities of subsidiary directors, executives and others with controlling power. They are to oversee the subsidiaries' operations to ensure compliance with applicable law and standards, and the subsidiaries' policies. If the Company's subsidiary has investors other than the Company, the board should require the Company's appointed representative to perform his/her role in the subsidiary's best interest and consistent with the governance framework and policies of the Company.
  - (3) The subsidiary's internal control systems are effective and that all transactions comply with relevant law and standards.
  - (4) The integrity and timely disclosure of the material information of the subsidiary, including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases, and termination of a subsidiary.
- ▶ 3.6.2 For businesses that the Company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the board shall ensure that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.

### **Principle 3.7**

The board shall conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results will be used to strengthen the effectiveness of the board.

- ▶ 3.7.1 The board's, committee's and individual directors' performance evaluation shall be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems. Assessment criteria and process for the board's, committees' and directors' performance should be systematically set-in advance.
- ▶ 3.7.2 The annual assessment of the performance of the board and committees as a whole and on an individual director level should be based on self-evaluation, or alternatively, on cross-evaluation together with self-evaluation. The criteria, process, and results of the evaluation should be disclosed in the annual report.
- ▶ 3.7.3 The Company might appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.
- ▶ 3.7.4 The evaluation results will be used for ensuring that the directors collectively possess the right combination of knowledge, skills, and experience.

### **Principle 3.8**

The board may ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant law and standards, and other applicable obligations. The board shall support all directors in updating their skills and knowledge necessary to carry out their roles on the board.

- ▶ 3.8.1 The board will ensure that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the Company's objectives, the nature of the business, and the Company's operations.
- ▶ 3.8.2 The board will ensure that directors regularly receive sufficient and continuous training and knowledge development. The courses the directors will participate at least should be those held by the Thai Institute of Directors, for examples, Directors Certification Program (DCP) and Directors Accreditation Program (DAP).
- ▶ 3.8.3 The board would have knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board shall receive accurate, timely and clear information, including timely and regular updates.
- ▶ 3.8.4 The board shall disclose in the annual report training and knowledge development of the board.

### **Principle 3.9**

The board will ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board has appointed a company secretary with necessary qualifications, knowledge, skills, and experience to support the board in performing its duties.

- ▶ 3.9.1 The board's meeting schedule and agenda shall be set in advance and each director should receive sufficient notice to ensure attendance.
- ▶ 3.9.2 The number of board meetings should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board shall meet at least six (6) times per financial year. If the board meetings are not held monthly, the board should receive a report on the Company's performance for the months in which the board does not hold a meeting, so that it can monitor management and company performance continuously and promptly.
- ▶ 3.9.3 The board have a mechanism that allows each board member and management to propose the inclusion of relevant items on the meeting agenda.
- ▶ 3.9.4 Meeting documents should be sent to each director at least seven (7) business days before the meeting, except in the case of urgent need to protect the rights or benefits of the Company, the meeting may be called by other methods and the meeting date may be set earlier.
- ▶ 3.9.5 The board may encourage the managing director to invite key executives to attend board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key managements and assist succession plan.
- ▶ 3.9.6 The board shall have access to accurate, relevant, timely and clear information required for their respective roles from the managing director, company secretary, or designated management. If necessary, to discharge their responsibilities, the board may seek independent professional advice at the Company's expense.
- ▶ 3.9.7 Non-executive directors shall be able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the Company's managing director.

- ▶ 3.9.8 The board shall appoint a company secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board resolutions. The board may disclose the qualifications and experience of the company secretary in its annual report and on the Company's website.
- ▶ 3.9.9 The company secretary shall receive ongoing training and education relevant to performing his/her duties. The company secretary is also encouraged to enroll on a company secretary certified programmed.

## Principle 4: Ensure Effective Managing Director and People Management

### Principle 4.1

The board may ensure that a proper mechanism is in place for the nomination and development of the managing director and key managements to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

- ▶ 4.1.1 The board shall establish the criteria and procedures for nomination and appointment of the managing director.
- ▶ 4.1.2 The board shall ensure that the managing director appoints knowledgeable, skilled, and experienced key managements. The executive director committee together with the managing director shall establish the criteria and procedures for nomination and appointment of key managements.
- ▶ 4.1.3 To ensure business continuity, the board shall ensure that succession plans for the managing director and key management are in place. The board shall annually request reporting on the implementation of the development and succession plans from the managing director.
- ▶ 4.1.4 The board shall promote continuous development and education of the managing director and key management that is relevant to their roles. The Company requires the person that taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) (Managing Director) and the person supervising accounting (Chief Accountant) (Accounting and Finance Manager) must train in continuing development course in accounting knowledge 6 hours per year from 2019 onwards, to meet the qualifications specified by SEC that was announced on 11 July 2017.
- ▶ 4.1.5 The board shall establish set clear policies and guidelines for the managing director and key managements serving as a director in other companies. The policies should set out permissible appointments and the permissible number of companies in which they are allowed to simultaneously serve as a director.

### Principle 4.2

The board shall ensure that an appropriate compensation structure and performance evaluation are in place.

- ▶ 4.2.1 The board has delegated the executive director committee to establish the compensation structure rewards individual performance, incentivizes the managing director and key managements to act in support of the Company's objectives and values, and fosters long-term commitment.
- ▶ 4.2.2 The board has delegated the executive director committee to ensure that clear and predetermined performance evaluation criteria are in place for key managements and monitoring the managing director evaluate the executive managements throughout the Company's objectives and values.

### **Principle 4.3**

The board shall consider its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.

- ▶ 4.3.1 The board should understand the Company's shareholder structure and relationships, and consider their impact on the control over the Company, including shareholder agreements, or group company policies.
- ▶ 4.3.2 The board shall ensure that the Company's shareholder structure and relationships that stated in 4.3.1 do not affect the board's exercise of its duties and responsibilities, including in relation to succession planning, in the best interest of the Company.
- ▶ 4.3.3 The board shall oversee that information is properly disclosed when there are any conditions that have an impact on the control over the Company.

### **Principle 4.4**

The board shall ensure the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

- ▶ 4.4.1 The board shall ensure that the Company is properly staffed, and that human resources management aligns with the Company's objectives and furthers sustainable value creation.
- ▶ 4.4.2 The board shall ensure that the Company establishes a provident fund or other plan, and require management to implement a training programs for employees and staff that promotes financial literacy, including on retirement savings, and educates employees and staff on life path investments that are suitable for their age and risk appetite.

## **Principle 5: Nurture Innovation and Responsible Business**

### **Principle 5.1**

The board should prioritize and promote innovation that creates value for the Company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the Company.

- ▶ 5.1.1 The board shall prioritize and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring. The Company is part of the Roundtable on Sustainable Palm Oil (RSPO), producing sustainable and environmentally friendly palm oil. Palm fruit must be planted on land with right documents and strictly abide by labor laws. There is protection against soil, water, the environment, such as using chemicals sparingly as appropriate. The Company provides support by joining as a member and receiving RSPO certification, including purchasing some crude palm oil from trading partners and sell edible oil to customers who are also RSPO certified throughout the chain.
- ▶ 5.1.2 The board shall nurture innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.

Innovation should create benefits for the company, customers, business partners, the community, society and the environment. In addition, innovation should not facilitate or result in unethical, non-compliant or illegal conduct. The Company is in the process of researching and developing production processes to reduce the maximum contamination value of 3-MCPD and Glycidyl fatty acid esters (GE) in palm oil that is directly consumed or used as an ingredient in other foods. In the criteria that The European Food Safety Authority (EFSA) establishes and accepts these substances are produced from the distillation process and processed at temperatures above 200 degrees Celsius to remove the color, odor and acid, which are the causes of rancid odor. Both substances cause damage to the genetic material, especially the highest risk group is new-born baby group, which is likely to have high doses of 3-MCPD from the use of palm oil in the production of infant formula.

## Principle 5.2

The board shall encourage management to adopt responsible operations, and incorporate them into the Company's operations plan. This is to ensure that every department in the Company adopts the Company's objectives, goals, and strategies.

- 5.2.1 The board shall encourage management to ensure that the Company's operations reflect the Company-wide implementation of high ethical, environmental and social standards and ensure that appropriate company-wide policies and procedures are implemented to further the Company's objectives, goals and strategies in support of sustainable value creation. Policies and procedures shall at least cover;
- (1) Responsibilities to employees and workers at least by adhering to applicable law and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (but can be over the legal limit where appropriate), health care, and safety in the workplace, access to relevant training, potential skills development and advancement.
  - (2) Responsibilities to customers at least by adhering to applicable law and standards, considering impact on health, safety of products and services, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations should promote responsible consumption and must be done responsibly, avoiding taking advantage of misleading customers about the products and services offered by the Company.
  - (3) Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting business partners to respect human rights, social and environmental responsibilities, and treat their employees and workers fairly including ensuring that business partners have implemented sustainable and values-based business policies and procedures.
  - (4) Responsibilities to the community by applying business knowledge and experience to develop and follow upon the success of projects that can concretely add value to the community while respecting community interests.
  - (5) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the Company's operations, including in the context of raw material use, energy use (in production, logistic, and office), water use, renewable resources use, waste management, and greenhouse gas emissions.

- (6) Fair competition by promoting ethical business conduct and not using anti-competitive practices to gain or protect a market position.
- (7) Anti-fraud and corruption by ensuring that the Company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programs. The board shall encourage the Company to collaborate with other companies and business partners to establish and implement anti-fraud and corruption measures.

### Principle 5.3

The board shall ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

- ▶ 5.3.1 The board shall have a thorough understanding of the Company's resource needs to support its business model, and how available resources correlate.
- ▶ 5.3.2 The board shall have a thorough understanding of how the business model affects resources optimization in support of ethical, responsible, and overall sustainable value creation.
- ▶ 5.3.3 The board shall ensure that management continuously reviews, adapts, and develops the Company's use and optimization of resources, considering internal and external factors to meet the Company's objectives.

The types of resources that the Company should consider include financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital.

### Principle 5.4

The board shall establish a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

- ▶ 5.4.1 The board shall ensure that the Company has an IT resource allocation policy that ensures adequate and optimal investment in and allocation of IT resources.
- ▶ 5.4.2 The board shall ensure that the Company's risk management includes IT risk management.
- ▶ 5.4.3 The board shall ensure that IT security policies and procedures are in place. The Company's governance of enterprise IT should cover.
  - (1) Compliance with relevant law and standards.
  - (2) An information security system to safe guard against unauthorized access to information, measures to maintain the integrity of relevant data and ensure availability of critical data.
  - (3) Consideration of IT risks and risk mitigation policies, plans, and measures. For example, business continuity management, IT security, incident management, and IT asset management.
  - (4) Proper allocation and management of IT resources, including criteria to identify IT priorities, that takes into consideration the Company's business model.



## Principle 6: Strengthen Effective Risk Management and Internal Control

### Principle 6.1

The Board shall ensure that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals and strategies and comply with applicable law and standards.

- ▶ 6.1.1 The board shall aware of and understand the nature and scope of the Company's principal and substantial risks and may approve the risk appetite of the Company.
- ▶ 6.1.2 The board shall establish and implement the risk management policies that are consistent with the Company's goals, objectives, strategies and risk appetite. The risk management policies are supported the identification and prioritization of early warning signals of material risks. The risk management policies will be reviewed annually.
- ▶ 6.1.3 The board shall ensure that the Company's principal and substantial risks are identified through consideration of internal and external factors. The main risks that the board will pay attention to can be divided into Strategic Risk, Operational Risk, Financial Risk, and Compliance Risk, etc.
- ▶ 6.1.4 The board shall ensure that the impact and likelihood of identified risks are assessed and prioritized, and that suitable risk mitigation strategies and plans are in place.
- ▶ 6.1.5 Considering the size and nature of the Company, the board may delegate the executive director committee and risk management committee to assist the board in its oversight functions related to guidelines nos. 6.1.1 – 6.1.4.
- ▶ 6.1.6 The board shall regularly monitor the effectiveness of the Company's risk management quarterly.
- ▶ 6.1.7 The board has to ensure and monitor that the Company complies with relevant and applicable law and standards, whether domestic and international.
- ▶ 6.1.8 In assessing the effectiveness of the Company's internal controls and risk management, the board shall consider the results of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights). The board will take part of the results of internal control system assessment and risk management as part of the consideration under nos. 6.1.1–6.1.7.

### Principle 6.2

The board has established an audit committee that can act effectively and independently.

- ▶ 6.2.1 The board has established an audit committee that comprises at least three (3) directors, all of whom must be independent directors, with required qualifications, and comply with applicable legal requirements, including those promulgated by the Securities and Exchange Commission and Stock Exchange of Thailand.
- ▶ 6.2.2 The board has clearly set out in writing the audit committee's duties and responsibilities, and include at least in the charter of audit committee.
- ▶ 6.2.3 The board shall ensure that procedures are established that allow the audit committee to fulfil its duties and responsibilities, including by having access to management, employees and staff, professional advisers (such as external auditor), and information relevant and necessary to perform their duties.
- ▶ 6.2.4 The board has designated an internal auditor, who is an independent internal audit function that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and reporting review results to the audit committee quarterly. The result of the internal audit review must be disclosed in the Company's Annual report.

- ▶ 6.2.5 The audit committee shall express its opinion on the adequacy of the Company's internal control and risk management systems, and disclose its opinion in the Company's Annual report.
- ▶ 6.2.6 The audit committee shall review, select, and recommend to the board for nomination an independent party to be the Company's external auditor, consider and recommend the auditor's remuneration, and hold a meeting with the external auditor without the presence of management at least once a year.
- ▶ 6.2.7 The audit committee shall review related party transactions and other transactions that may create conflicts of interest, to ensure that they comply with applicable law, are reasonable, and carried out in the best interest of the Company.

### **Principle 6.3**

The board shall manage and monitor conflicts of interest that might occur between the Company, management, directors, and shareholders. The board also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

- ▶ 6.3.1 The board has established an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information. The board shall monitor the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees and staff, and professional advisers, such as legal or financial advisers.
- ▶ 6.3.2 The board shall ensure management and monitoring of conflict-of-interest situations and transactions. The board should adopt an ethics and conflicts of interest policy consistent with applicable law and standards (including fiduciary duties), and establish clear guidelines and procedures for disclosure and decision-making in conflict-of-interest situations where any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making.
- ▶ 6.3.3 The board has set requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The board also ensure that all directors that have a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.

### **Principle 6.4**

The board has established a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.

- ▶ 6.4.1 The board shall ensure Company-wide awareness and implementation of the Company's anti-corruption policy and practices, and compliance with applicable law and standards.

### **Principle 6.5**

The board has established a mechanism for handling complaints and whistleblowing.

- ▶ 6.5.1 The board shall oversee that an effective mechanism is in place to record, track, resolve, and report complaints and feedback. The board shall ensure the availability of convenient complaint channels (more than one), and that stakeholders are made aware through the Company's website or annual report of all channels available for complaints.

- ▶ 6.5.2 The board has a clear whistleblowing policy, including designated whistleblowing channels for reporting of suspected wrongdoing, such as through the Company's website, e-mail, designated independent directors or the audit committee. The board shall ensure proper and effective handling of whistleblowing complaints, including the investigation, any remedial action, and reporting to the board.
- ▶ 6.5.3 The board shall ensure that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities.

## Principle 7: Ensure Disclosure and Financial Integrity

### Principle 7.1

The board must ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.

- ▶ 7.1.1 The board shall ensure that any person (including chief financial officer, accountant, internal auditor, company secretary, investors relation officer) involved in the preparation and disclosure of any information of the Company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.
- ▶ 7.1.2 When approving information disclosures, the board shall consider all relevant factors, including for periodic financial disclosures;
  - (1) The evaluation results of the adequacy of the internal control system.
  - (2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels (if any).
  - (3) The audit committee's opinions.
  - (4) Consistency with objectives, strategies and policies.
- ▶ 7.1.3 The board shall ensure that information disclosures (including financial statements, annual reports, and Form 56-1) reflect the Company's financial status and performance accurately and fairly. The board shall promote the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports in order to provide to investors more complete and accurate information about the Company's true financial status, performance and circumstances.
- ▶ 7.1.4 For disclosures related to any individual director, that director should ensure the accuracy and completeness of the information disclosed by the Company, including of shareholders' information and any shareholders' agreement.

### Principle 7.2

The board shall monitor the Company's financial liquidity and solvency.

- ▶ 7.2.1 The board shall ensure that management regularly monitors, evaluates and reports on the Company's financial status. The board and management should ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.
- ▶ 7.2.2 The board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

### **Principle 7.3**

The board shall ensure that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.

- ▶ 7.3.1 In the event of financial risk or difficulties, the board shall enhance monitoring of the affairs of the Company, and duly consider the Company's financial position and disclosure obligations.
- ▶ 7.3.2 The board shall ensure that the Company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The board should monitor management's handling of financial risk or difficulties and seek regular reports.
- ▶ 7.3.3 The board shall ensure that any actions to improve the Company's financial position are reasonable and made for a proper purpose.

The indicators of financial risk or difficulties to the Company's sustainability;

- (1) ongoing losses
- (2) poor cash flow
- (3) incomplete financial records
- (4) lack of a proper or incomplete accounting system
- (5) lack of cash flow forecasts and other budgets
- (6) lack of a business plan
- (7) liabilities greater than assets
- (8) problems selling inventories or collecting debts

### **Principle 7.4**

The board shall ensure sustainability reporting, as appropriate.

- ▶ 7.4.1 The board shall consider and report data on the Company's compliance and ethical performance; including anti-corruption performance, its treatment of employees and other stakeholders (including fair treatment and respect for human rights), and social and environmental responsibilities, using a report framework that is proportionate to the Company and meets domestic and international standards. The Company can disclose this information in the annual report or in separate reports, as appropriate.
- ▶ 7.4.2 The board shall ensure that the Company's sustainability reporting reflects material corporate practices that support sustainable value creation.

### **Principle 7.5**

The board has dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders such as analysts and potential investors.

- ▶ 7.5.1 The board has established a communication and disclosure policy to assist the Company in meeting its disclosure obligations and to ensure that all information relevant and material to the Company's shareholders, the market and third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the Company's sensitive and confidential information. The board shall ensure company-wide communication and implementation on disclosure policy.

- ▶ 7.5.2 The board shall ensure the creation of an Investor Relations function responsible for regular, effective and fair communication with shareholders and external parties. The Company's designated Investor Relations contact should be suitable for the role and have a thorough understanding of the nature of the Company's business, and its objectives and values.
- ▶ 7.5.3 The board shall ensure that management sets clear directions for and supports the Investor Relations function such as through a code of conduct, and clearly defines the roles and responsibilities of the Investor Relations function, so as to ensure effective communication between the Company, the financial community and other stakeholders.

### **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, 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 sign 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, management and employees of the Company are receiving the internal information 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, management, 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 external 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, management, and employees accordingly.

## **Principle 7.6**

The board shall ensure the effective use by the Company of information technology in disseminating information.

- ▶ 7.6.1 In addition to the Company's mandatory periodic and non-periodic disclosure of information pursuant to applicable requirements, the board should consider regularly disclosing relevant information in both Thai and in English through other channels, such as the Company's website. Information to be disclosed on the Company's website includes;
  - (1) the Company's objectives and values.
  - (2) nature of the Company's business.
  - (3) list of the Company's board of directors and managements.

- (4) Financial statements and reports about the financial status and the Company's financial and non-financial performance for current and previous year.
- (5) downloadable version of annual reports and SEC Form 56-1.
- (6) information and documents that the Company discloses to the investment community and other external parties.
- (7) shareholding structure, both direct and indirect.
- (8) the Company's group structure, including subsidiaries, affiliates, and joint ventures.
- (9) direct and indirect major shareholders, holding at least 5 percent of paid-in capital with voting rights.
- (10) Direct and indirect shareholdings in the Company held by directors, major shareholders, and key managements of the Company.
- (11) invitation letters to the shareholders' ordinary and extraordinary meetings.
- (12) the Company's regulations, and memorandum and articles of association.
- (13) the Company's corporate governance policy and related policies including IT governance policy, anti-corruption policy, and risk management policy.
- (14) a charter or statement of duties and responsibilities, directors' qualifications, terms, and authority of the board.
- (15) the Company's code of ethics and conduct.
- (16) Contact information of department or person, phone number, and e-mail for complaints, investor relations and the company secretary.
  - Investor relation and company secretary's contact information;
 

Name: Miss Pimwan Thareratanavibool

Tel. 034-877-486-8 Ext.500, or LINE ID: AIE-IR

E-mail: ir@aienergy.co.th
  - Complaints channel stated in "Anti-corruption Policy"

## Principle 8: Ensure Engagement and Communication with Shareholders

### Principle 8.1

The board shall ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

- ▶ 8.1.1 The board shall ensure that significant corporate decisions are considered and/ or approved by the shareholders pursuant to applicable legal requirements. Matters that require shareholder approval should be included in the agenda for the shareholders' meeting and shareholders should be provided sufficient notice thereof.
- ▶ 8.1.2 The board shall support participation of all shareholders through reasonable measures, including;
  - (1) Establishing criteria that allow minority shareholders to propose agenda items for shareholders' meetings.
 

The board shall consider shareholders' proposals to be included in the agenda, and if the board rejects a proposal, the reasons should be given at the meeting.
  - (2) Establishing criteria for minority shareholders to nominate persons to serve as directors of the Company.
 

The board has notified both criteria of propose the agendas and nominate persons to the shareholders 1 month in advance between 6 January to 7 February 2020.



- ▶ 8.1.3 The board shall ensure that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.
- ▶ 8.1.4 The board shall ensure that the Company arranges for the notice of the shareholders' meeting and related papers to be sent to shareholders at least seven (7) days before the meeting and posted the notice in Thai and English version on the Company's website at least 28 days before the meeting.
- ▶ 8.1.5 Shareholders was allowed to submit questions prior to the meeting 1 month in advance between 6 January to 7 February 2020. The criteria were posted on the Company's website.
- ▶ 8.1.6 The notice of the shareholders' meeting and related papers should be fully translated into English and published at the same time as the Thai version. The notice of the shareholders' meeting has to comply with applicable legal requirements and include the following;
  - (1) Date, time, and place of the meeting.
  - (2) Meeting agenda and matters to be proposed for information, consideration or approval. The agenda should clearly specify each individual matter or item of information to be considered or approved, such as the separate listing of election of directors, and approval of directors' remuneration.
  - (3) Sufficient information, objectives and reasons, and board of directors' opinions each agenda, including as follows;
    - a) Approval or rejection of dividend payment: dividend payment policy, proposed dividend payment rate, including reasons and supporting information, or reasons and supporting information for rejecting a dividend payment.
    - b) Appointment of directors: name, age, gender, education, experience, the number of listed companies and other companies where they each hold directorial positions, the criteria and procedures for selection, and types of proposed directors. Where proposed directors are those who are re-entering the same position, information must be identified about participation in meetings in previous years and the date of original appointment as a director.
    - c) Approval of directors' remuneration: the policy and criteria for determining role-specific director remuneration and all monetary and non-monetary director's remuneration.
    - d) Appointment of external auditors: auditor's name and the name of the auditor's audit firm, auditor's experience, independence, and audit and non-audit fees.
  - (4) Proxy form and supporting documentation using the form specified by the Ministry of Commerce.
  - (5) Other supporting information, including on voting procedures (such as voting count and verification of voting results criteria, voting rights), details concerning independent directors proposed by the Company to act as proxies for shareholders, and map of meeting venue. Shareholders who are inconvenient to attend the meeting can download both proxy forms (Form A and Form B) according to the Department of Business Development: Ministry of Commerce from the Company's website.
- ▶ 8.1.7 The Company has posted the notice of shareholder meeting invitation on ThunHood newspaper for a consecutive 3 days in the period of 27-29 May 2020, specified date, time, location as well as agendas.
- ▶ 8.1.8 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.

## **Principle 8.2**

The board shall ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

- ▶ 8.2.1 The board shall set the date, time, and place of the meeting by considering the interests of shareholders, such as allocating sufficient time for debate, and choosing a convenient location.
- ▶ 8.2.2 The board shall ensure that the Company does not through its meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements.
- ▶ 8.2.3 In the interest of transparency and accountability, the board shall promote the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.
- ▶ 8.2.4 The chairman of the board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- ▶ 8.2.5 To ensure the right of shareholders to participate in the Company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholder should not be allowed to add items to the meeting agenda that have not been duly notified in advance.
- ▶ 8.2.6 All directors and relevant executives shall attend the meeting to answer questions from shareholders on Company-related matters.
- ▶ 8.2.7 The attending shareholders should be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.
- ▶ 8.2.8 There should not be any bundling of several items into the same resolution. For example, the appointment of each director should be voted on and recorded as separate resolution.
- ▶ 8.2.9 The board shall promote the use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "approve", "disapprove" and "abstain" votes. The voting results for each proposed resolution should be included in the minutes of the meeting.

## **Principle 8.3**

The board shall ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

- ▶ 8.3.1 The board shall ensure that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the Company's website by 14.00 o'clock if the meeting done in the morning and by 09.00 o'clock of the next business day if the meeting done in the afternoon.
- ▶ 8.3.2 The board shall ensure that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.

- ▶ 8.3.3 The board shall ensure that the Company promptly prepares the minutes of the shareholders' meeting, including the following information;
  - (1) attendance of directors, managements, and the proportion of attending directors.
  - (2) voting and vote counting methods, meeting resolutions, and voting results ("approve", "disapprove", and "abstain") for each proposed resolution.
  - (3) questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions.
- ▶ 8.3.4 The board will ensure that the recording of the shareholders' meeting will be published on the Company's website in order to provide opportunities for shareholders who do not attend the meeting on the date and time specified by the Company, able to keep track of events that occurred on the meeting of shareholders. It will be published after the meeting 3 working days.
- ▶ 8.3.5 The Company has a policy of introducing suggestions and opinions received from shareholders regarding the holding of the shareholders' meeting to be used for evaluation of the meeting and improve the meeting in next year.

## Anti-Corruption Policy

AI Energy Public Company Limited “The Company” recognizes the important of a transparent business operation and embrace the principle of good corporate governance for effectiveness and equitably with responsibility to society and stakeholders. As well as to prevent corruption that may occur, hence the Company has declared the intention of anti-corruption that do not support the activities of groups or individuals acting in wrongful exploitation. In order to be entrusted in undertaking a no fraud operation, the Company has proclaimed the anti-corruption policy as the guidelines for the Board of Directors, management, and employees to strictly comply to the following;

### 1. Objectives

The purpose of formal “Anti-Fraud & Corruption Policy” is to declare the intent and commitment to working against fraud and corruption and to establish guidelines for review and oversight, to ensure that operations are conducted appropriately in accordance with this policy.

### 2. Scope

This policy applies to the Board of Directors, Sub-Committees, Senior Management and employees at all levels of AI Energy Public Company Limited and all subsidiaries (together called “Company Personnel”). This policy also applies to agents, intermediaries, contractors and consultants acting on behalf of The Company (together called “Related Business Partners”).

### 3. Definition

“**Corruption**” defined as the abuse of power to exploitation, whether in bribery or in other forms by offering or receiving from public sectors and private sectors including favor oneself or ally. However, there are exceptional cases for the activities that legal, tradition, and commercial conservative which can be performed.

### 4. Anti-Corruption Policy

- 4.1 Restricted the Board of Directors, management, and employees of the Company claim, perform, or accept corruption in all forms; both directly and indirectly. The Company has determined the reviewing of the anti-corruption policy’s implementation regularly. Moreover, the roles and responsibilities of the parties involved to comply with the policies and operations of the Company.
- 4.2 Company Personnel shall not ignore or neglect to raise concerns or report any suspected instance of fraud or corruption in relation to The Company. Company Personnel shall report to the designated personnel any suspected instance of fraud or corruption and provide support to the investigation process.
- 4.3 Company Personnel shall encourage good values and awareness in working honestly, ethically and transparently, without fraud and corruption, as part of the organizational culture.

- 4.4 Company Personnel shall operate in compliance with all related laws and regulations, especially the laws in relation to anti-fraud and corruption in every country in which Company operates.
- 4.5 Company Personnel shall operate with transparency, accuracy, and fairness under the applicable regulations, policies, procedures and guidelines of Company, especially for marketing and sales, procurement, and accounting and finance processes.
- 4.6 Any act breaching this Anti-Fraud & Corruption Policy shall be considered for disciplinary action in accordance with Company's Procedures which may include termination if deemed appropriate by Management. Additionally, any Personnel found to be in violation of this Policy may be subject to the law if the act is proven to be a violation of related Laws.
- 4.7 Company shall provide fair treatment and protect Personnel. Personnel will not suffer demotion, penalty or other adverse consequences for refusing involvement in any acts of fraud or corruption, even if such refusal may result in the Company's loss of business's opportunities.

## 5. Duties and Responsibilities

- 5.1 Board of Director is responsible for formulating policy against corrupt and approve the policy, including oversight and support against to the corruption by impelling policies to be implemented. Also being a role model in integrity for employees and recognize the importance of anti-corruption.
- 5.2 Audit Committees
  - 5.2.1 To oversee and review the approved anti-corruption policy regards to the appropriateness to the Company.
  - 5.2.2 Responsible for reviewing the Company's financial statement, the internal control system, and risk management to ensure that the Company has operated transparently and not in contradict to the anti-corruption policy itself.
  - 5.2.3 Responsible for determining and propose agendas to the Board of Directors, when there was corruption in the Company, to impose sanctions and determine the prevention.
- 5.3 Internal Audit
 

Responsible for reviewing and monitoring the Company's operation to in accordance with such policy and to ensure the internal control system was in place, which may reduce the corruption's risk in the Company and reported to the Board of Directors. Internal Auditors are responsible for reporting to the Audit Committee.
- 5.4 Managing Director, Executive and Management are responsible for establishing efficient protocols to support the Anti-Fraud & Corruption Policy, setting communications and a training program for all personnel, regardless of rank, to ensure that personnel have sufficient understanding and are able to effectively and efficiently apply related policies and protocols in their operations, as well as reviewing the appropriateness of related protocols to align with any changes in business operations, laws, rules or regulations.
- 5.5 All Company Personnel are responsible for working according to this Anti-Fraud & Corruption Policy and any related protocols. Personnel must report to their supervisor or to a designated reporting channel if they encounter any breach of policy or have any questions about this policy.

## 6. Anti-corruption Operational Guidelines

Directors, management, and employees at all levels of company and its subsidiaries must strictly follow the Company's policy and practice and no involvement in corruption in any cases; directly or indirectly. Nevertheless, the policy also includes the anti-corruption within the procurement procedure; suppliers or contractors.

- 6.1 Employees must not neglect or ignore whenever encounter an act of possible corruption related to the Company and must notify the incident to the superior or the responsible person through various available channels (as presented below in this policy statement) and provide good cooperation when fact findings are needed.
- 6.2 Employees who commits, conspires with, or connects to corruption must face disciplinary punishment and related legal penalties.
- 6.3 The Company will ensure fairness and provide protective measures to complainants or whistleblowers for collaboration in reporting malpractice and corruption.
- 6.4 The Company puts emphasis on publicizing, communicating and training in order to constantly educate employees the Anti-Corruption Policy.
- 6.5 The Head of Internal Audit has duty and responsibility to monitor, review to report to the Audit Committee whether implementation of the anti-corruption is in accordance with the policy and operational guidelines with an attempt to ensure suitability and adequacy against risk of potential corruptions.

## 7. Anti-Corruption Practices

Employees must adhere to the anti-corruption policy when dealing business with customers, suppliers, trade partners or third parties in relevant to the Company's business

- 7.1 Employees must comply with laws, rules, business traditions and manners when interacts with relevant business-related third parties. Employees who didn't comply with to Anti-corruption Policy will face disciplinary punishment, related legal penalties and may also be legally prosecuted.
- 7.2 Employees must not seek any benefit from their positions in the Company in receiving or soliciting any business-related third party or relevant individual to provide service that has no connection to the Company's business.
- 7.3 When employees or management recommend an individual to the Company, such action must not induce conflict of interests or interfere with the company's recruitment process and must not be unlawful act towards personal gain.
- 7.4 The bribery with money or other benefits.
  - 7.4.1 Employees must not accept or solicit, both directly and indirectly, for money, gift voucher, check, stock, present, any bribe, special compensation or incentives of any value from relevant business-related third parties and employees in the Company such as the public sector and the private sector.
  - 7.4.2 Employees must not bribe authorities or government officials by offering money, gift vouchers, check, stock, present, or any bribe, special compensation or valuable incentives.
- 7.5 Procurement Process
  - 7.5.1 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.

7.5.2 The action of business relationship, negotiation and purchasing between public or private sectors must be carried out with transparency, integrity and strictly abide by the law.

● 7.6 Donate to charity, public interest and Sponsorships

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

7.6.1 Charitable contributions and sponsorships to individuals or organizations, both for government or private sector, must be transparent and with objectives for charity, and not made with the expectation of favorable treatment in return that may give the appearance as being for fraud or corruption. Thus, the request and approval processes must be in accordance with the Charitable Contributions and Sponsorships Procedures.

7.6.2 To approve the donation is subject to the Company's approval authority but if donations and sponsorships in any form is worth not more than THB 10,000 must be approved by Human Resources Manager if more than THB 10,000 must be approved by Managing Director.

7.6.3 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.

7.6.4 The sponsorships can be support in the way of asset or financial support to the project or activities that are made for business objectives and usually for brand or reputation management purposes. It must be under 'the Company's name' only with reliable evidences and purposes and follow the Company's procedures.

7.6.5 Charitable contributions and sponsorships must demonstrate that their activities, based on the objective of the project, have taken place and can be traced.

Procedures for charitable contributions and sponsorships as follows:

1. The Requestor prepares the "Requesting Form" that indicates the name of the receiving organization and the objectives with the supporting documents attached. The Requesting Form shall be approved by the authority according to the authority limits as indicated in the table below.

Authorized Amount	Approver
Less than THB 10,000	Human Resource Manager
More than THB 10,000 But not exceeding THB 100,000	Managing Director
THB100,000 and above	The Chairman of the Executive Board

2. Human Resource Manager reviews and approves the "Requesting Form" if the objectives for the charitable contributions and sponsorships are aligned with the established procedures.
3. The Requestor provides evidence of the charitable contribution or sponsorship, such as a "Thank You Letter" from the organization receiving the contribution or a picture of the donation, to the Finance Department as supporting documentation after the charitable contribution or sponsorship has been made.

4. The Finance Department reviews evidence relating to the charitable contribution or sponsorship, as well as retains the evidence in a proper manner. In the event of insufficient evidence, additional supporting documentation or clarification shall be requested. If it is proven the charitable contribution or sponsorship provided do not comply with the Company's policy or has been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
5. The Finance Department prepares a "Summary Charitable Contributions and Sponsorships Report" which is submitted to Managing Director on a quarterly basis.
6. The Internal Audit Department evaluates the charitable contribution and sponsorship process annually to ensure the efficiency, effectiveness and appropriateness of the internal controls of the process.

#### ● 7.7 Political Contributions

The Company adopts a political neutrality policy and establishes independent management and operations, without involvement in political activities. The definition of political contribution is a contribution, financial or in-kind, to support a political cause. Defining what a political contribution is presents some difficulty. Financial contributions can include loans. In-kind contributions can include gifts of property or services, advertising or promotional activities endorsing a political party. The release of employees without pay from the employer to undertake political campaigning or to stand for office could also be included in the definition.

Employees have right and political liberty and have the freedom to participate in political activities under the terms of the Constitution, related laws, and regulations. However, Employees must not participate in any political activities on behalf of The Company or employ any of The Company's resources as political contributions to political parties or any parties in relation to politics. However, one must not use company's resources in either directly or indirectly for the political purpose that leads to the loss of company's neutrality and a potential to damage company's reputation.

#### ● 7.8 Gifts, Hospitality and Expenses

Managers and Employees of the Company must not accept any gifts, hospitality and expenses from customers and suppliers. However, the gifts are acceptable if it is intended solely for the reception, greeting or congratulate only, no hidden agendas, such as gift baskets during festive season, snacks, Promotional products in small values such as pens, books, calendars, or mugs with the organization's logo. The receiving or providing of gifts and entertainment must be transparent and not with the expectation of favorable treatment in return. Receiving or providing gifts and entertainment but be done on behalf of the Company only.

##### Procedures for receiving and providing Gifts, Hospitality and Expenses

7.8.1 The receiving or providing of gifts and entertainment is permitted according to tradition but must not impact The Company's operations and business decisions. Employees must not ask for gifts and entertainment.

7.8.2 Providing Gifts, Hospitality and Expenses during festive season

7.8.2.1 The Requestor has to prepare "Requesting Form" that shall be indicated the name of the organization receiving the gifts and hospitality, the details of gifts and entertainment to be provided, the quantity, the amount (Not More Than THB 2,000 per piece), and the objectives as well as the supporting documents attached. The Requestor submits the form to Human Resource Manager to review and approve.

- 7.8.2.2 Human Resource Manager reviews and approves the “Requesting Form” if the objectives for gifts and entertainment align with the established procedures.
- 7.8.2.3 The Requestor provides evidence of gifts and entertainment, such as receipts and a “Thank You Letter” from the organization receiving the gifts or hospitality, as supporting documentation after the gift or entertainment has been provided.
- 7.8.2.4 The Finance Department reviews evidence relating to the gifts or entertainment as well as retains evidence in a proper manner. In the event of insufficient evidence, additional supporting documentation or clarification shall be requested. If it is proven that the gifts and entertainment provided do not comply with the Company’s policy or have been used as an excuse/method for corruption, the perpetrator will be subject to the highest level of disciplinary action.
- 7.8.2.5 The Finance Department prepares a “Summary Gifts and Hospitality Provided Report” which is submitted to the Managing Director on a quarterly basis.
- 7.8.2.6 The gift and hospitality process shall be evaluated by the Internal Audit Department annually to ensure its efficiency, effectiveness and appropriateness.

## 8. Fraud Risk Management and Internal Control Processes

- 8.1 Establishes a program and procedures for fraud risk management covering fraud prevention, detection and response.
- 8.2 Establishes appropriate and sufficient internal controls for fraud and corruption prevention and the assessment/review of internal processes to ensure the efficiency and effectiveness of internal controls.
- 8.3 Establishes the assessment of fraud and corruption risks to ensure that The Company has appropriate internal controls in place to mitigate all types of fraud and corruption risks.
- 8.4 Establishes measures and procedures for particular expenses such as charitable contributions, sponsorships or other expenses to formally prevent fraud and corruption.
- 8.5 Establishes preventive measures to prevent the providing or receiving of gifts, assets or other benefits, entertainment, or any other expenses that are not aligned with the Company’s policies or not in compliance with the applicable laws.
- 8.6 Establishes protocols to support the issuance of transparent and accurate financial reports which comply with international accounting standards.
- 8.7 Establishes a process for maintaining accurate books and records that accurately, properly and fairly document all financial transactions in accordance with applicable laws and regulation. Expenses in particular need to have adequate supporting documentation with approvals from authorized person to ensure the appropriateness of the expenses and that they have not been made for the purpose of fraud or corruption.
- 8.8 Establishes channels to report, comment, or make complaints about fraud or corruption cases as well as establishes a process to investigate, enforce and report cases of fraud or corruption to the Board of Directors and Senior Management.
- 8.9 Establishes communications and training to provide understanding of the Policy and Procedures on anti-fraud and corruption to all levels of employees, from the Board of Directors, Management and Staff to Agents and Intermediaries acting or working on behalf of The Company.

## 9. Review of Policy

- 9.1 The review of this policy is set for at least once a year and is to be submitted to the Audit Committee for approval.

## 10. Whistleblowing or Complaints

- 10.1 Issue to whistleblowing or complaints
  - 10.1.1 An action of malpractice and corruption connected to the organization, directly or indirectly
  - 10.1.2 A practice of wrong procedure in contrary to Company's regulations or of adverse effect on the Company's internal control system that raise doubt of being a possible channel for malpractice
  - 10.1.3 An act that misconducted obtain or destructs the Company's benefits and damages the Company's reputation
  - 10.1.4 An act of illegal nature and immoral business ethics

## 11. Whistleblowing or Complaints Channels

- 11.1 Mechanisms for internal complaints
  - 11.1.1 Suggestion box
  - 11.1.2 Supervisor of working units
  - 11.1.3 Manager of Audit Department or Manager of Human Resources Department
  - 11.1.4 Electronic mail box (hr@aienergy.co.th / ac@aienergy.co.th )
- 11.2 Mechanisms for external complaints
  - 11.2.1 Website (<http://www.aienergy.co.th>)
  - 11.2.2 Electronic mail box (aienergy@aienergy.co.th / ac@aienergy.co.th )
  - 11.2.3 By Post to The Audit Committee  
55/2 Moo 8 Sethakit 1 Rd., Klongmadua, Krathum Baen, Samut Sakhon 74110

## 12. Protection of whistleblower and confidentiality

- 12.1 Protection of the whistleblower and related person

Because filing complaints and providing information of malpractice in good faith can result an immense benefit to the Company and employee as a whole, therefore the person who files complaint, testify, provides information and facts or gives relevant evidence to the complaint, despite troublesome that might follow, will be guarantee of no lay-off, punishment, or any harmful effects to career growth, performance assessment, welfare and related benefits eligible for employee. This guarantee is also applied to the personnel in charge of complaint's investigation. The Company has policy to ensure fairness and equitable treatment to all stakeholders in accordance with to the Company's regulations. The whistleblower will receive protection and the complaints will be hold confidential.

- 12.2 The anonymity and confidentiality

Employee or external whistleblower may choose to stay anonymous when reporting violations of other employees. However, the Company encourages employees to identify themselves when filing the report for ease of communication and investigation. Upon completion of report filing by employees or related business partners or the external whistleblower, the working team who takes complaint shall act for a reasonable protection and prevention measures towards efficient investigation in order to safeguard personnel or the external whistleblower from harassing or unfair treatment.

## 13. Investigation and Punishment

- 13.1 After receiving complaint, it will be scrutinized and investigated towards fact findings by the Executive Committee or the Audit Committee.
- 13.2 During the investigation, Executive Committee or the Audit Committee will appoint representative (of management) to keep the whistleblower or the complainant informed of progress.
- 13.3 If fact findings from the investigation unveil information or evidence reasonable to believe that the alleged person is corrupted or malpractice, the Company will inform such allegations to the alleged person. The alleged person has rights to prove him/herself of no connection with the acts of malpractice as alleged.
- 13.4 Malpractice of the alleged person is considered violation to the anti-corruption policy and will face disciplinary hearing regulated by the Company. If the malpractice is illegal, the law penalty will also apply. As for disciplinary consideration, ruling of the Executive Committee or the Audit Committee or Management deems final.
- 13.5 In case of alleged person is member of the Board or management level, the loss is more than THB 500,000, Investigation committee must notify Audit Committees immediately for appointing one member of Audit Committee to join the investigation committee. Audit Committee must report result to Executive Committee immediately or within 7 Days.

## 14. The Publication of Anti-Corruption Policy

For employees, subsidiary company, associated company, other company that has the control power and representatives to be informed and aware of the Anti-Corruption policy, there is procedure as follows;

- 14.1 The Company will put on announcement of the anti-corruption policy for broad acknowledgement.
- 14.2 The Company shall announce to all employees, subsidiary company, associated company, other company that has the control power and representatives about Anti-Corruption policy and practices by Email to all departments.
- 14.3 The Company shall train Anti-Corruption policy and practices to its new and potential employees, others who interested, subsidiary company, associated company, other company that has the control power and representatives. By communicate through the following channels.

14.3.1 Website: <http://www.aienergy.co.th>

14.3.2 Publish the Anti-Corruption Policy in Form 56-1 and the Annual Report.

The Company recognizes the significance of establishing the Anti-Corruption policy and practices, which may improve the Company's operation effectiveness and also may build trust among stakeholders in terms of a company with good corporate governance practices. Thus, the Company believes that the policy against the corruption is the vital parts of its stability growth.

- The Company has participated in the declaration of intention to become a collective action coalition of the Thai private sector in anti-corruption and was already certified as member by the Private Sector Collective Action Coalition Council since 4 February 2019.
- The Company announced and enforced 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 2020.

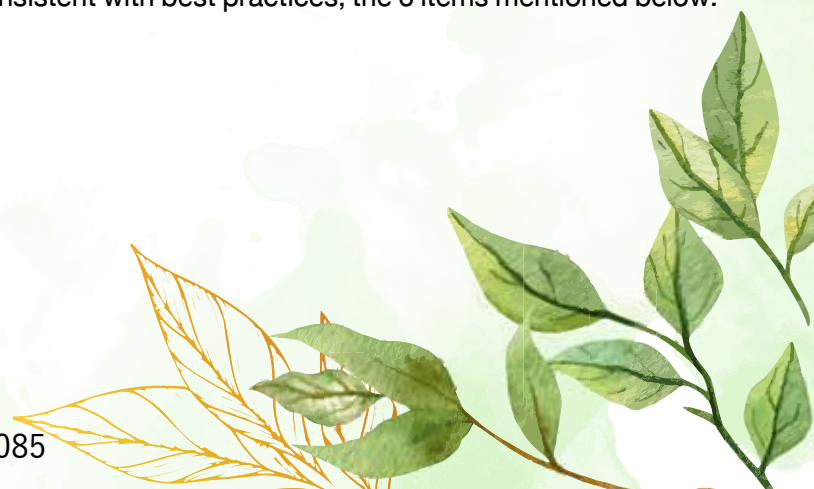


# 10 Corporate Social Responsibility

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 builded 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 2020, 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.

- Meal Allowance, Cost of Living Allowance, and Telephone Expense Allowance
- Daily, Shift and Performance Allowance
- 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 practical-based learning by providing fundamental and technical training



### 3.2 Occupation Safety and Health and Environment 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.

##### I. 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.

##### II. 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 Committee of Occupation Safety and Health and Environment in the workplace (Safety Committee)

The Company is well aware of the importance of safety, occupational health and working environment for employees, business partners, contractors and visitors. The Company has established the Safety Committee, consisting of the delegators from employer and employee to comply with the Ministerial Regulations on the standards of the management of occupational health and safety B.E. 2549 with the following duties and responsibilities.

- Report and suggest measures or guidelines for safety related improvement and safety standards in workplace according to law for the safety of the employees, contractors and visitors who come to work or provide services in the Company.
- Explore working safety practices and assess possible risks that may occur to the employees. To find a way to prevent risks and the dangers that may occur from work at least once a month.
- Annually report including determine the problems, obstacles, and recommendations in the Safety Committee, then propose to the management.

#### 3.2.3 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 rescue technics and tactics and emergency evacuation trainings 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.
- The 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.

## Fire Rescue and Emergency Evacuation Training

*17 November 2020*





#### 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 : 2015 (Quality Management System) for processed products issued by Management System Certification Institute (Thailand)
- Certification for Good Manufacturing Practice (GMP) for processed products issued by Management System Certification Institute (Thailand)
- Certification for Hazard Analysis and Critical Control Points (HACCP) for processed products issued by Management System Certification Institute (Thailand)
- Certification of HALAL for processed products issued by The Central Islamic Council of Thailand
- Certification of Kosher for Jewish food standard for processed products from Thai Kashrut Services Co., Ltd. which provides Jewish food qualification inspection
- Certification of Roundtable on Sustainable Palm Oil : RSPO supporting the sustainable use of Palm Oil.



MASCI  
ISO 9001  
QMS09058/1252



NSC-TISI-TIS 17021-1  
QMS 002



MASCI  
GMP GMP09047/145  
HACCP HACCP09042/162



1017 GMP/HACCP



MASCI  
GMP GMP09047/145M  
HACCP HACCP09042/162M



1017 GMP/HACCP



THE ISLAMIC COMMITTEE OFFICE OF THAILAND



2-0123-09-100-00

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

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:

- |                    |   |
|--------------------|---|
| <b>Competitors</b> | : 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.  |
| <b>Suppliers</b>   | : 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.  |
| <b>Creditors</b>   | : 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. The Company has set social and community development project throughout the year. In 2020, the COVID-19 virus has spread throughout Thailand and around the world. As a result, hand sanitizers are scarce and expensive. The Company therefore mixes the alcohol used in the production process with the Refined Glycerine, which is the new product of the Company to mixed with other chemical elements as hand sanitizer gel of 1,200 bottles of 1 liter each to be distributed to employees and communities surround the Company's factory during 21-22 April 2020.





## 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.

# 11 Internal Control and Risk Management

## 11.1 Internal Control

**T**he Company has appointed Honor and Advisory Co., Ltd. to be an internal auditor for year 2020 by having Miss Piyamas Ruangsangrob as primarily responsible for examine and evaluate the efficiency of internal control as well as overviewed and followed up the correcting and improving the internal controls to be more appropriate and effective. Then, the internal auditor required to quarterly report the audit results to the Audit Committee. The Audit Committee has carefully considered the qualifications of Honor and Advisory Co., Ltd. and Miss Piyamas Ruangsangrob, who independently appropriated and experience to perform internal audit duties.

**I**n addition, the Company determined to have good corporate governance system in business operation in accordance with the laws, rules, regulations, policies and regulations of relevant authorities such as the Securities and Exchange Commission and the Stock Exchange of Thailand. Also, the Company has set up a Corporate Governance Policy to determine the Board of Directors, Audit Committee, Management and employees to strictly follow the rules.

### Detail of Internal Auditor for the year 2020

Subject	Details
<b>Internal Audit (Outsource)</b>	: Honor and Advisory Company Limited 518/5 Maneeya Center Building, 7th Floor, Ploenchit Rd., Lumpini, Pathumwan, Bangkok 10330 Telephone 0-2652-0898
<b>Head of Internal Audit</b>	: Miss Piyamas Ruangsangrob
<b>Education</b>	: - Master Degree, Master of Financial Accounting and Assurance, Thammasat University - Graduate Diploma Program in Accountancy Chulalongkorn University - Bachelor Degree, Bachelor of Business Administration in Accounting Rajamangala University of Technology Borphitphimuk Campus - Bachelor Degree, Bachelor of Fine and Applied Art in Communication Ramkhamhaeng University
<b>Work Experiences</b>	: 2010 - Present      Audit Partner Honor and Advisory Company Limited 2000 - 2010      Audit Manager AMC Company Limited

Subject	Details
<b>Training</b>	: 2016 – 2020 <ul style="list-style-type: none"> <li>- Working paper preparation for Anti – Corruption (2019)</li> <li>- Executives and the preparation of sustainability reports and social compensation (Year 2019)</li> <li>- Taxes on land and buildings Planning and preparation before enforcement in 2020 (2019)</li> <li>- Fraud related to information technology (2019)</li> <li>- Paper making for measures anti-corruption in the organization (2018)</li> <li>- TFRS 2017 Sub 202 Liability and 302 Revenue.</li> <li>- Risk and Governance on Information Technology (2017)</li> <li>- Cyber Security 4.0 (2017)</li> <li>- Data Analytics for Internal Audit (2016)</li> <li>- Scope of Internal Control for New Listed Companies (2016)</li> </ul>
<b>Licenses or Certification</b>	: <ul style="list-style-type: none"> <li>- Certified Public Accountant of Thailand</li> <li>- Certified Internal Auditor No. 7, Federation of Accounting Professions</li> <li>- Well-Prepared before Auditor Perform Audits under ISQC1 No. 3</li> <li>- Procedure after Receive BOI, Certified from Investor Club Association.</li> <li>- Tax Law, Thammasat University</li> </ul>
<b>Responsibility</b>	: To examine and evaluate the efficiency of internal control as well as overviewed and followed up the correcting and improving the internal controls to be more appropriate and effective, then report the audit results to the Audit Committee.

## Summary of Internal Audit Report for the year 2020

AI Energy Public Company Limited

According to internal auditor, the internal control system of AI Energy Public Company Limited has been audited in accordance with the Internal Audit Plan of 2020 with the following objectives:

1. To evaluate the Company's internal control system, which appropriately and adequately designed and able to protect the Company from potential risks in accordance to the guidelines of COSO (The Committee of Sponsoring Organization of the Treadway Commission) and the Association of Internal Auditors of Thailand as well as the guidelines of the Stock Exchange of Thailand.
2. To ensure that all transactions related have done according by the Company's rules and procedures.
3. To ensure that the Company has complied with relevant laws and regulations of external agencies and government.
4. To assure that information related to each system is accurate and reliable.
5. To Suggest and improve the internal control in each system, where there are observations that should be corrected and improved to make the Company's internal control system more efficient and effective.

The internal auditor has studied operational systems by interviewing with management level and manager of each department. To observe by considering the 5 key factors; Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. These has been done on quarterly basic and reported directly to the Audit Committee, so the internal auditor can perform independently. In 2020, the internal auditor has covered the operating system as follow;

1 <sup>st</sup> Quarter of 2020	3 <sup>rd</sup> Quarter of 2020
<ul style="list-style-type: none"> <li>- Revenue, Logistic, Account Receivable, and Collection</li> <li>- Costing</li> <li>- Depot and Store Management</li> <li>- Followed-up the correcting and improving the internal control system observed in previous quarter.</li> </ul>	<ul style="list-style-type: none"> <li>- Human Resource Management</li> <li>- Quality Assurance System</li> <li>- Procurement, Account Payable, and Payment</li> <li>- Followed-up the correcting and improving the internal control system observed in previous quarter.</li> </ul>
2 <sup>nd</sup> Quarter of 2020	4 <sup>th</sup> Quarter of 2020
<ul style="list-style-type: none"> <li>- Production Planning</li> <li>- Production</li> <li>- Quality Control Management</li> <li>- Production Control and Costing System</li> <li>- Followed-up the correcting and improving the internal control system observed in previous quarter.</li> </ul>	<ul style="list-style-type: none"> <li>- Fixed Assets</li> <li>- Occupation Safety and Health and Environment Management</li> <li>- Engineering and Maintenance system</li> <li>- Followed-up the correcting and improving the internal control system observed in previous quarter.</li> </ul>

In 2020, the internal audit was performed according to the annual internal audit plan, which approved by the Audit Committee. Overall, the results of the internal control system for 2020 can be summarized as follows.

## 1. Internal Control and Management

The internal auditor has an opinion that the Company has a satisfactory internal control and management system. The Company has appropriately controlled both management and operational level, including follow-up operating performance regularly.

## 2. Compliance with Company Regulations

From randomly audited in some systems, found that the majority has adhered to the Company's regulations and procedures. The identified deficiency has been issued with the management to correct it according to the existing regulations and procedures.

## 3. Financial and Accounting's Compliance

The financial information is reliable as it should be. However, the Company is in the process of revising some procedures to enhance the effectiveness of its internal controls related to its accounting, financial and compliance matters.

## 4. Information Technology

The company has a satisfactory level of control. However, there are observations that have been discussed with the Company's management to improve the efficiency of internal control.

Internal Audit has been cooperated with the related company's employees and be able to complete the auditing task. The internal auditor would like to take this opportunity to thank you.

(Miss Piyamas Ruangsangrob)

Internal Auditor

Honor and Advisory Company Limited

### 11.2 Risk Management

**In** 2020, the Company's Board of Director, Audit Committee, Risk Committee, Management Team, and employees significantly emphasis on overall risk management in accordance with ISO 9001:2015 and COSO ERM (Enterprise Risk Management) in order to mitigate possible risks, maintain at an acceptable level. The Company has conducted self - risk evaluation assessments by management team and operation level to assess risks, problems, obstacles, and uncertainties that may affect the achievement of the objectives and goals of the Company. The Company has determined measurement in risk management and set out the risk management policies for management team and employees to comply. There is a Risk Management Committee, which consists of management team of the Company to manage the risk in all aspects to be appropriate and assign employees to develop internal procedures. Normally, the working group consists of manager and supervisor level from each department, who is responsible for monitoring and analyzing risk management at the operational level. Operate in

accordance with the risk management plan and follow up the implementation of the major risk management plan and report the risk management results to the Executive Committee, Audit Committee, and the Board of Directors.

There is meeting to follow up between risk management committee and operation employees monthly, then propose to the Audit Committee and the Board of Director to consent quarterly. The sub-meetings are set to follow together to find a conclusion based on the situation in order to speed up the correction immediately.



## Risk Management

### Committee as of 31 December 2020

There are 4 Risk Management Committees as follows;

No	Name	Position
1	Mr. Thanit Thareratanavibool	Chairman of Risk Management Committees
2	Miss Pimwan Thareratanavibool	Risk Management Committee
3	Mrs. Jurairus Lawanvisut	Risk Management Committee (Acting)
4	Miss Ratima Thareratanavibool	Risk Management Committee

**Note :** Risk Management Committee had no remuneration.

### 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 analysis the risk levels acceptable to the organization.
3. Guidance and overseeing method to the managers, supervisors and officers in each department.
4. Evaluate the significant risks and report to the Managing Director.
5. Evaluate the company's risk management report.
6. Review the practical results compared to goals and yearly-scheduled plans.
7. Follow-up meeting on practical results from each Department monthly and report to the Executive Committee, Audit Committee, and Board of Directors quarterly.



# 12 Related 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 2020 and 2019 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"> <li>• Parent company, Authorized Controller, and principal shareholder of the Company whereas AI is holding shares accounting for 61.77 percent of the Company have registered capital.</li> <li>• Board members holding AI stocks are Mr. Narong Thareratanavibool, and Mr. Thanit Thareratanavibool, whose stocks accounts for 21.29% and 6.89%, of AI's registered capital.</li> <li>• Board members authorized for co-signing are Mr. Narong Thareratanavibool and Mr. Thanit Thareratanavibool.</li> </ul>
2) Mr.Narong Thareratanavibool	Person	<ul style="list-style-type: none"> <li>• The Company's board member and authorized director who is holding shares accounting for 0.57% of the Company have registered capital and 21.29% of the AI's registered capital.</li> </ul>
3) Samart Palm Industry Company Limited (SPI)	Manufacturer of crude palm oil and crude palm kernel oil	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
4) Samart Palm Oil Company Limited (SPO)	Manufacturer of crude palm oil and crude palm kernel oil	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

**The Company has related transactions with entities which may have conflict of interest for accounting period 2020 and 2019 as follows: –**

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics / Needs and Reasonability
		31 Dec 20	31 Dec 19	
1) Asian Insulators Public Company Limited (AI)	<b>Administrative Expenses:</b> - The Company and its subsidiaries made a payment for accounting software service fees to AI. - The Company paid interest from loan let by AI. - AIL rented office space from AI.	7.88	5.27	- 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. AIE paid software service fee to AI for 4,699.41 Baht per user in 2020 and 2019 for the amount of 2.18 million Baht and 1.51 million Baht, respectively.
				- In 2019, the Company’s Board of Director has resolved to approve issuing the Promissory Note to the related-parties not exceeding 10 notes of the total amount value not exceeding 300,000,000 Baht, with interest rate at 5% per annum and 1-year tenor. The Promissory Note will be offered as a private placement to two related-parties consist of Asian Insulators Public Company Limited and/or Mr.Narong Thareratanavibool to support the Company’s business expansion and working capital. In 2020, the Company has paid interest to the related-party for 5.49 million Baht and in 2019 for 3.54 million Baht.
				- In 2020 and 2019, AIL rented office space located at Number 254 Seri Thai Road, Kannayao, Kannayao Bangkok from AI for the total space of 42 square meters to be use as office location. The rental 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. For the period of 2020 and 2019, AIL paid rent, utilities, and other expenses for 0.21 million Baht and 0.22 million Baht, respectively.
<b>Audit committee’s opinions</b> Audit Committee considered the proposed related transactions were based on the Company’s policy and appropriation, due to provide the business growth opportunity for				

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics / Needs and Reasonability
		31 Dec 20	31 Dec 19	
				the Company which beneficial to shareholders. The financial assistance from related parties are with the appropriate interest rate that complete with those that the financial institutions have offered. Such related transactions have no negatively impact on the rights of shareholders. Receiving financial assistance from these two related-parties are more flexible without having time to wait for the approval period and loan conditions, compared to from financial institutions.
2) Mr.Narong Thareratana-vibool	<b>Administrative Expenses:</b> - The Company paid interest to Mr.Narong Thareratanavibool	0.43	0.06	<p>- In 2019, the Company's Board of Director has resolved to approve issuing the Promissory Note to the related-parties not exceeding 10 notes of the total amount value not exceeding 300,000,000 Baht, with interest rate at 5% per annum and 1-year tenor. The Promissory Note will be offered as a private placement to two related-parties consist of Asian Insulators Public Company Limited and/or Mr.Narong Thareratanavibool to support the Company's business expansion and working capital. In 2020, the Company has paid interest to the related-party for 0.43 million Baht and in 2019 for 0.06 million Baht.</p> <p><b>Audit committee's opinions</b> Audit Committee considered the proposed related transactions were based on the Company's policy and appropriation, due to provide the business growth opportunity for the Company which beneficial to shareholders. The financial assistance from related parties are with the appropriate interest rate that complete with those that the financial institutions have offered. Such related transactions have no negatively impact on the rights of shareholders. Receiving financial assistance from these two related-parties are more flexible without having time to wait for the approval period and loan conditions, compared to from financial institutions.</p>
3) Samart Palm Industry Company Limited (SPI)	<b>Goods ordering :</b> The Company ordered crude palm oil with high acid over 5% and crude palm kernel oil to be used as raw materials for manufacturing for sales	7.21	4.86	<p>- The Company ordered crude palm oil with high acid over 5% and crude palm kernel oil to be used as 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 number of products comparatively before ordering. Such comparison shall be done among 3 distributors at</p>

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics / Needs and Reasonability
		31 Dec 20	31 Dec 19	
				<p>the minimum, jointly with the comparison of crude palm oil and crude palm kernel 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 SPI must comply with common trade conditions by having the ordering value in accounting period 2020 for 7.21 million Baht, or which accounts for 0.18 percent of total ordering value of crude palm oil. In 2019 for 4.86 million Baht, or which accounts for 0.32 percent of total ordering value of crude palm oil.</p> <p><b>Audit committee's opinions</b></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>
4) Samart Palm Oil Company Limited (SPO)	<b>Goods ordering :</b> The Company ordered crude palm oil with high acid over 5% and crude palm kernel oil to be used as raw materials for manufacturing for sales	1.87	17.49	<p>- The Company ordered crude palm oil with high acid over 5% and crude palm kernel oil to be used as 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 number of products comparatively before ordering. Such comparison shall be done among 3 distributors at the minimum, jointly with the comparison of crude palm oil and crude palm kernel 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 SPO must comply with common trade conditions by having the ordering value in accounting period 2020 for 1.87 million Baht, or which accounts for 0.05 percent of total ordering value of crude palm oil. In 2019 for 17.49 million Baht, or which accounts for 1.16 percent of total ordering value of crude palm oil.</p>

Person with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics / Needs and Reasonability
		31 Dec 20	31 Dec 19	
				<b>Audit committee's opinions</b> 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.

Furthermore, as of 31 December 2020, the Company had no related transactions with persons who may have conflict of interest due to debt guarantee made with financial institutes of the Company and its subsidiaries as follows: –

User	Person of Guarantee	Financial Institute	Type of Credits	Credit Limit (Million Baht)	Outstanding (Million Baht)	Collaterals
AIE	-	Siam Commercial Bank Public Company Limited	Letter of Guarantee – Electricity	2.00	1.67	- Pledged fixed account fully covered credit limit
AIE	-	Kasikorn Bank Public Company Limited	(OD)	50.00	-	- Pledged fixed account fully covered credit limit
			Letter of Guarantee – Electricity	3.81	3.70	- Pledged fixed account fully covered credit limit
			Fleet Card	1.00	0.12	- Clean
AIE	-	TMB Bank Public Company Limited	PN / LC / DLC / TR	50.00	-	- Pledged fixed account fully covered credit limit
AIPT	-	Kasikorn Bank Public Company Limited	Letter of Guarantee – Electricity	2.50	0.44	- Pledged fixed account fully covered outstanding
AIL	AIE	Kasikorn Bank Public Company Limited	O/D	5.00	-	Corporate Guarantee by AIE

## Auditing Committee's opinions

Audit Committee considered related transactions of the Company and its subsidiaries 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 Audit 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 Transactions

In case of having related transactions of the Company and its subsidiaries 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 Audit Committee quarterly.

In case that the related transactions are not normal transactions, the Company will have comments by the Audit 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 Audit 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 Audit Committee provide opinions regarding price, compensation rate, as well as necessity and appropriation of such related transactions. In case that the Audit 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 Audit 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 high-acid over 5% and crude palm kernel oil 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 Audit 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 subsidiaries, 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.



# 13 Financial Highlights

## Consolidated Financial Statement

(Unit : Million Baht)

Statements of Income	2020	2019	2018
Net Sales and Services	5,514.08	1,980.67	1,562.80
Total Revenues	5,519.03	1,997.19	1,570.92
Costs and expenses	5,030.19	2,149.28	1,640.03
Gross Profit	612.45	(69.56)	28.36
Profit before Interest and Income Tax Expenses	495.28	(148.39)	(69.12)
Net Profit	488.52	(156.50.)	(72.32)
Statements of Financial Position			
Total Assets	2,557.66	2,326.39	1,974.46
Total Liabilities	385.85	643.10	134.67
Total Shareholders' Equity	2,171.81	1,683.29	1,839.76
Financial Ratio			
Gross Profit Margin (%)	11.11	(3.31)	1.81
New Profit Margin (%)	8.85	(7.84)	(4.60)
Return on Equity (%)	22.49	(9.30)	(3.93)
Return on Assets (%)	20.28	(6.90)	(3.63)
Debt to Equity (times)	0.18	0.38	0.07
Operating Result per Share (Baht)			
Net Profit per Share	0.093	(0.030)	(0.015)
Book Value per Share	0.25	0.25	0.25
Dividends per Share	-	-	-

# 14 Management

## Discussions and Analysis

### (A) Summary of Financial Status and Business Performance

Statement of Financial Position (Unit : Million Baht)	Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)	
	Ended 31 Dec 20		Ended 31 Dec 19		Ended 31 Dec 18	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
Cash and cash equivalent	50.20	1.96	59.03	2.54	54.53	2.76
Current investment	-	-	8.69	0.37	124.33	6.30
Trade receivables and other receivables	518.26	20.26	368.99	15.86	97.78	4.95
Current portion of receivables under finance lease contracts	-	-	-	-	-	-
Inventory-net	416.94	16.30	317.23	13.64	217.58	11.02
Other current assets	-	-	-	-	-	-
Oil supplies	-	-	0.75	0.03	1.57	0.08
Non-current Assets Held for sales	2.76	0.11	-	-	-	-
<b>Total current assets</b>	<b>988.17</b>	<b>38.64</b>	<b>754.69</b>	<b>32.44</b>	<b>495.79</b>	<b>25.11</b>
Pledged deposits at financial institutions	106.21	4.15	16.95	0.73	24.02	1.22
Receivables under finance lease contracts - net	-	-	-	-	-	-
Land, Plant, Vessel and Equipment - net	1,460.11	57.09	1,546.30	66.47	1,435.47	72.70
Intangible assets - net	0.69	0.03	0.61	0.03	0.29	0.01
Deferred tax assets - net	-	-	-	-	1.94	0.10
Deposit for purchase of assets	1.69	0.07	1.43	0.06	5.14	0.26
Other non-current assets	0.80	0.03	6.42	0.28	11.81	0.60
<b>Total non-current assets</b>	<b>1,569.50</b>	<b>61.36</b>	<b>1,571.70</b>	<b>67.56</b>	<b>1,478.67</b>	<b>74.89</b>
<b>Total assets</b>	<b>2,557.66</b>	<b>100.00</b>	<b>2,326.39</b>	<b>100.00</b>	<b>1,974.46</b>	<b>100.00</b>
<b>Liabilities</b>						
Bank overdraft and short-term loans from financial institution	-	-	3.56	0.15	-	-
Trade payables and other payables	372.29	14.56	337.47	14.51	126.40	6.40
Short-term loan from related parties	-	-	290.00	12.47	-	-

Statement of Financial Position (Unit : Million Baht)	Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)	
	Ended 31 Dec 20		Ended 31 Dec 19		Ended 31 Dec 18	
	Million Baht	%	Million Baht	%	Million Baht	%
Total current liabilities	372.29	14.56	631.03	27.12	126.40	6.40
Long-term loan	-	-	-	-	-	-
Deferred income tax liabilities-net	2.79	0.11	2.47	0.11	-	-
Non-current provisions for employee	10.77	0.42	9.60	0.41	8.27	0.42
Total non-current liabilities	13.56	0.53	12.07	0.52	8.27	0.42
<b>Total liabilities</b>	<b>385.86</b>	<b>15.09</b>	<b>643.10</b>	<b>27.64</b>	<b>134.67</b>	<b>6.82</b>
<b>Shareholders' Equity</b>						
Registered Capital	1,308.07	51.14	1,308.07	56.23	1,356.00	68.68
Registered and Paid-up capital	1,308.07	51.14	1,308.07	56.23	1,308.07	66.25
Non-controlling interest	-	-	-	-	-	-
Premium on common stocks	289.79	11.33	605.11	26.01	605.11	30.65
Legal Reserve	25.00	0.98	8.23	0.35	8.23	0.42
Retained Earnings (deficits)	551.28	21.55	(235.78)	(10.13)	(79.28)	(4.02)
Other components of shareholders' equity	(2.34)	(0.09)	(2.34)	(0.10)	(2.34)	(0.12)
<b>Total shareholders' equity</b>	<b>2,171.81</b>	<b>84.91</b>	<b>1,683.29</b>	<b>72.36</b>	<b>1,839.79</b>	<b>93.18</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,557.66</b>	<b>100.00</b>	<b>2,326.39</b>	<b>100.00</b>	<b>1,974.46</b>	<b>100.00</b>

Statements of Profit or Loss and Other Comprehensive Income (Unit : Million Baht)	Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)	
	Ended 31 Dec 20		Ended 31 Dec 19		Ended 31 Dec 18	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total Revenue</b>	<b>5,519.03</b>	<b>100.00</b>	<b>1,997.19</b>	<b>100.00</b>	<b>1,570.92</b>	<b>100.00</b>
<b>Total Revenue from Sales and Services</b>	<b>5,514.08</b>	<b>99.91</b>	<b>1,980.67</b>	<b>99.17</b>	<b>1,562.80</b>	<b>99.48</b>
Revenues from sale of goods	5,504.30	99.73	1,957.17	98.00	1,459.23	92.89
Revenues from production contract	0.00	0.00	7.01	0.35	49.46	3.15
Revenues from vessel operating	9.78	0.18	16.49	0.83	54.11	3.44
<b>Cost of Sales and Services</b>	<b>4,901.62</b>	<b>88.89</b>	<b>2,046.23</b>	<b>103.31</b>	<b>1,534.44</b>	<b>98.19</b>
Cost of sales	4,884.18	88.73	2,011.68	102.79	1,444.40	98.98
Cost of production contract	0.00	0.00	4.74	67.57	36.37	73.53

Statements of Profit or Loss and Other Comprehensive Income (Unit : Million Baht)	Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)	
	Ended 31 Dec 20		Ended 31 Dec 19		Ended 31 Dec 18	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of vessel operating	17.44	178.39	29.81	180.80	53.67	99.19
<b>Gross profit (Loss)</b>	<b>612.45</b>	<b>11.11</b>	<b>(65.56)</b>	<b>(3.31)</b>	<b>28.36</b>	<b>1.81</b>
Other incomes	4.95	0.09	16.52	0.83	8.12	0.52
<b>Profit (Loss) before expenses</b>	<b>617.41</b>	<b>11.19</b>	<b>(49.04)</b>	<b>(2.46)</b>	<b>36.48</b>	<b>2.33</b>
Selling expenses	34.51	0.63	19.63	0.98	8.33	0.53
Administrative Expenses	87.62	1.59	78.10	3.91	79.87	5.11
Loss on impairment of property, plant and equipment	0.00	0.00	1.62	0.08	17.40	1.11
<b>Profit (Loss) before financial costs and taxes</b>	<b>495.28</b>	<b>8.97</b>	<b>(148.38)</b>	<b>(7.43)</b>	<b>(69.12)</b>	<b>(4.43)</b>
Financial costs	6.44	0.12	3.71	0.19	-	-
<b>Profit (Loss) before income taxes</b>	<b>488.84</b>	<b>8.86</b>	<b>(152.09)</b>	<b>(7.61)</b>	<b>(69.12)</b>	<b>(4.43)</b>
Tax Expenses	0.32	0.01	4.40	0.22	(3.20)	(0.20)
Defined benefit plan actuarial gains	-	-	-	-	2.29	0.15
Income tax on other comprehensive income relating to items that will not be reclassified (OCI)	-	-	-	-	(0.49)	(0.03)
<b>Profit (Loss) for the Year</b>	<b>488.52</b>	<b>8.85</b>	<b>(156.50)</b>	<b>(7.84)</b>	<b>(70.52)</b>	<b>(4.49)</b>
Gain (Loss) attributable to:						
Equity holders of the parent	<b>488.52</b>	<b>8.85</b>	<b>(156.50)</b>	<b>(7.84)</b>	<b>(72.32)</b>	<b>(4.60)</b>
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive profit (loss) for the year</b>	<b>488.52</b>	<b>8.85</b>	<b>(156.50)</b>	<b>(7.84)</b>	<b>(72.32)</b>	<b>(4.60)</b>
Profit per share (Baht/share)	0.093		(0.030)		(0.015)	
Par value (Baht/share)	0.25		0.25		0.25	
Book value (Baht/share)	5,232.29		5,232.29		5,232.29	
Number of common stocks (Million stocks)	5,232.29		5,232.29		5,232.29	

Statements of Cash Flows (Unit : Million Baht)	Consolidated Financial Statement (Audited)	Consolidated Financial Statement (Audited)	Consolidated Financial Statement (Audited)
	2020	2019	2018
Profit (Loss) before income taxes expenses	488.52	(156.50)	(69.12)
Adjustment to reconcile loss to cash provided by (used in) operating activities:			
Tax expense	0.32	4.40	3.20
Depreciation	113.53	86.43	74.26
Income from disposal of investment	-	(1.67)	-
Amortized computer software	0.22	0.18	0.13
(Gain) Loss on write-off of assets	11.83	3.75	2.75
Allowance for doubtful accounts	-	-	2.78
Unrealized (gain) loss on investments in Open-end Fund	(0.02)	1.16	-
(Reversal) Allowance for devaluation of inventories	(44.00)	41.25	(5.88)
Loss on impairment of property, plant vessel and equipment	(1.62)	1.62	17.40
Unrealized (gain) loss on exchange rates	-	-	-
Non-current provisions for employee	1.96	1.68	1.69
Income from an insurance claim - net	-	(13.33)	-
Interest income	(0.31)	(0.37)	(3.06)
Interest expenses	6.44	3.71	0.00
<b>Gain (Loss) from operating activities before change in operating assets and liabilities</b>	<b>576.89</b>	<b>(27.69)</b>	<b>20.97</b>
Changes in operating assets - (increase) decrease:			
Trade and other current receivables	(146.89)	(273.57)	10.24
Inventories	(54.45)	(140.91)	(59.12)
Oil supplies	0.75	0.82	0.41
Deposit for purchase of assets	(0.26)	3.71	16.39
Other non-current assets	1.94	(0.21)	3.15
Trade and other payables	26.33	205.07	38.50
Cash provided by (used in) operating activities	404.30	(232.77)	30.53
Refunded of income tax	3.69	5.71	-
Payment for employee benefit obligations	(0.79)	(0.35)	(1.35)
Income tax paid	(0.02)	(0.29)	(9.83)
<b>Net cash provided by operating activities</b>	<b>407.19</b>	<b>(227.70)</b>	<b>19.35</b>



Statements of Cash Flows (Unit : Million Baht)	Consolidated Financial Statement (Audited)	Consolidated Financial Statement (Audited)	Consolidated Financial Statement (Audited)
	2020	2019	2018
Increase (decrease) in restricted deposits at financial institution	(89.27)	7.07	(1.00)
Interest received	0.31	0.37	2.05
Increase (decrease) in current investments	-	116.15	46.08
Increase in other current financial assets	5.95	-	-
Payment for purchase of assets	(53.04)	(220.07)	(259.97)
Payment for purchase of intangible assets	(0.31)	(0.49)	(0.18)
Proceeds from receive from disposal of assets	20.34	0.07	10.44
Proceeds from receive from an insurance claim	-	39.24	-
<b>Net cash provided by (used in) investing activities</b>	<b>(116.02)</b>	<b>(57.65)</b>	<b>(202.57)</b>
Interest paid	(6.44)	(3.71)	(0.002)
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(3.56)	3.56	-
Proceeds of short-term loan from related party	260.00	290.00	-
Payment for short-term loans from related party	(550.00)	-	-
Cash received from increase in share capital	-	-	178.07
<b>Net cash used in financing activities</b>	<b>(300.00)</b>	<b>289.85</b>	<b>178.07</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8.83)</b>	<b>4.50</b>	<b>(5.15)</b>
Cash and cash equivalents at beginning of the year	59.03	54.53	59.67
Cash and cash equivalents at end of the year	50.20	59.03	54.53
Assets payable for equipment	10.25	8.37	7.54

### a) Summary of Key Financial Ratio

Financial Ratio		2020	2019	2018
Liquidity ratio	Time	2.65	1.20	3.92
Quick liquidity ratio	Time	1.53	0.69	2.19
Account Receivable Ratio	Time	12.43	8.49	14.98
Average Collection Period	Day	29.37	43.01	24.36
Inventory Stock Ratio	Time	13.34	7.62	8.21

Financial Ratio		2020	2019	2018
Average Selling Period	Day	27.36	47.91	44.45
Account Payable Ratio	Time	13.81	8.82	14.84
Trade Payable Payback Period	Day	26.43	41.37	24.59
Cash cycle	Day	30.30	49.54	44.22
Gross Profit Rate	%	11.11	(3.31)	1.81
Operating Profit Rate	%	8.85	(7.84)	(4.60)
Return on Equity	%	22.49	(9.30)	(3.93)
Return on Asset	%	20.28	(6.90)	(3.63)
Return on Fixed Asset	%	3.67	1.34	1.16
Asset Turnover Ratio	Time	2.26	0.93	0.83
Debt to Equity Ratio	Time	0.18	0.38	0.07
Interest Coverage Ratio	Time	76.92	(40.04)	0.00
Dividend Payout	%	0.00	0.00	0.00

## 14.1 Management Discussion and Analysis on Financial Statement and MBusiness Performance

### 14.1.1 Business Performance

#### Overall business performance

The Company is manufacturing and distributing biodiesel, Edible Oil, and Refined Glycerine produced from crude palm oil ("CPO"), as well as distribute raw materials, namely CPO and Refined Bleached and Deodorized Palm oil (RBD Palm Oil), and distribute by-products gained from manufacturing process, including Palm Fatty Acid ("PFAD"), Palm Stearin, and Crude Glycerine, for being used as raw materials in continuous manufacturing industries, such as soap and cosmetics or bringing back to be used as raw material in the Company's biodiesel production. The Company provides production contracts for crude palm oil refining service for customers, which based on 2 group of customers; Biodiesel group and Edible Oil group. For Biodiesel, the customer is a member of a group of one of traders in under section 7 and 10 of the Fuel Trade Act B.E. 2543 in which currently servicing for RBD Palm Oil. For Edible Oil, the customer is in food processor industry. Moreover, the Company received certificates and assurances representing good management and quality and standard manufacturing, i.e., ISO 9001: 2015, FDA, HACCP, GMP, Kosher, Halal, and the certification of 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 currently has 2 subsidiaries, including AIL and AIPT in which the Company is holding their shares at 99.99% of their authorized capital. AIL provides sea freight services and AIPT provides port services and storage tanks by having 1 deep sea ports and storage tanks located in Muang district in Chumphon

province. Such storage tanks could contain oil at the total of 22,124,000 Liters. Presently, AIPT is temporally stop its business

In accounting period for the year 2020 as of 31 December 2020, the Company and subsidiaries (Consolidated) have realized net profit of 488.52 million Baht, whilst realized a net loss of 156.50 million Baht in 2019. The Company's net profit has increased by 608.81 million Baht or 412.16% from the previous year. In 2020, the Company realized the after adjusted EBIDA of 608.81 million Baht, which increased from in 2019 by 670.76 million Baht or 1082.66%.

In 2020, The Company (Separate) has realized net profit of 496.76 million Baht compared to net loss of 148.86 million Baht in 2019. The Company's net profit has increased by 645.62 million Baht or 433.70%. Due to the increased in biodiesel sold after the increased in the proportion of biodiesel blends in diesel mandate from B7 to B10 as standard diesel and be formally enforced nationwide from January 1st, 2020 onwards. As a result, in 2020, the Company had sales volume of biodiesel over 120 million liters and has registered as an oil trader under Section 7 of the Fuel Trade Act B.E. 2543 since the September 9, 2020. In addition, the Company began commercial operation of refined glycerin production since December 2019 with the production capacity of 100 tons of refined glycerin per day, which improved a better Company's gross profit capability. However, the Company aware of the price fluctuation risks, has set the policy determined especially in raw material procurement procedures. The Company attempt to maintain a faster inventory turnover, where raw material (CPO) and product (Biodiesel) were stocked between 20-30 days in 2020. Also, the Company emphasis on efficiently control production yield.

In 2020, biodiesel sales volume increased from 2019 due to the government has measured to increase the proportion of biodiesel blends in diesel from B7 to B10 as standard diesel and be formally enforced nationwide (biodiesel ratio increased 3%). However, the biodiesel consumption growth is not as expected as a consequence of the lesser demand for diesel from limiting travel and limited business hours, which was caused by the affected from COVID-19 pandemic (March - April). Also, the diesel B7 still account for the highest percentage of overall usage. While the average selling price of biodiesel has increased significantly in correlation to the price of crude palm oil (CPO) as the main raw material. The increase was boosted by government support measures and uncontrollable factors such as assigned the Electricity Generating Authority of Thailand (EGAT) to purchase CPO to use as fuel to generate electricity, B10 mandate nationwide, subsidy to CPO export of 300,000 tons, drought that caused low oil extraction rate (OER) in the first nine months, and the widespread rainfall and flooding in many areas in October 2020. These drove the domestic CPO's safety stock level at the end of 2020 to 180,000 tons, below the policy level of 200,000 tons. This is resulting in an increase in palm product prices that is the average palm fruit prices at 4.78 Baht / kg from the previous year was 3.05 Baht / kg and the average CPO price was 28.04 Baht / kg from the previous year at 18.23 Baht / kg (Source: Department of Internal Trade, 2020). Therefore, there is a continuous increase in biodiesel prices in 1st and 4th quarters of 2020, the Company has received more profitable results from positive raw material price drivers.

Thus, the Company may be at risk due to the fluctuation of CPO price since sometime the Company is unable to adjust its cost of raw materials cannot adjust to the market price continuously decline in time. However, the Company aware of such risk, the policy has determined to adopt, especially in raw material procurement procedures. The Company attempt to maintain a faster inventory turnover, where raw material (CPO) and product (Biodiesel) were stocked for 30 days just enough for monthly delivery plan within quarter and/or year contracts. Besides, the Company emphasis on efficiently control the loss rate from production but sometime cannot completely eliminate such risk, only help to decrease the impact from the fluctuation of the price of CPO to the Company's performance and earning.

## **Factors affecting the Company's future performance**

The main factors affecting the Company's performance is the development and cooperation between government and private sectors in the supply and demand of biodiesel production from CPO, by promoting the cultivation of palm trees in more suitable areas according to the AEDP2018 plan and having the production capacity of CPO not less than 5.26 million tons per year with the OER of not less than 19 percent by 2020 and 23% by 2037. In 2020, there was CPO flowed to the market for 2.65 million tons which lower than the previous year. It was expected that palm trees lacked of care in the previous year due to the slump in CPO prices, resulting in less crops harvested to the market. In addition, the drought in the first half of 2020 resulted in the unperforming OER as it should be. As a result, the price of CPO has continued to rise due to the shortage on the supply side. By 2021, it is expected that the palm fruit crops would expand by 3.0-4.0% per year as a result of (1) the expansion of plantations (2) palm trees are in their reproductive age with a high OER (3) favorable weather forecasts that increase yields per rai and (4) farmers are motivated by the income insurance scheme (source: Krungsri Research, January 2021).

While the furtherance on demand is the government measures of subsidized palm fruit price and the announcement of a government measures to increase the proportion of biodiesel in the energy sector in order to help palm fruit farmers. The goal is to create a sustainable balance of the entire palm oil system. Therefore, the diesel B10 is the mandatory diesel, diesel B7 would be downgraded to an alternative choice for some European and old vehicles are compatible with B7 and diesel B20 was provided to the heavy truck, which is a measure that will be a major driver of the biodiesel industry in the coming years. It is expected to increase the consumption of biodiesel to approximately 5.6-6.4 million liters / day or an average growth of 6-9% per year, driven by the increase in the use of diesel B10 will cause biodiesel consumption increased by 1.0-1.5 million liters / day by 2023, including promotion measures for the use of diesel B20 by subsidizing sales prices through the fuel fund, the number of diesel-engine vehicles accumulated is likely to continue to increase by an average of 4.5-5.0% per year. Therefore, the speculation of total diesel consumption would increase by an average of 5.0% per year, but may change in proportion to the biodiesel blended mandate of B7, B10 and B20, which comes from 1) the engine that can use each type of oil and car owner confidence 2) the number of service stations that sell each type of fuel and 3) the difference in the price of each type of diesel including determining the quality of biodiesel to contain the amount of monoglycerides not more than 0.4% from the original not more than 0.7% which the Company has complied and able to control the cost of production resulting in a competitiveness. However, the most important factor is the recovery of economic activity and the transportation sector after the easing of COVID-19, as well as economic connectivity in the ASEAN region is a factor to stimulate demand for commercial vehicles. Although, the CPO demand tends to increase but still requires short-term measures from the government (e.g., the CPO to produce electricity measures, subsidy CPO exporting, international trade policies, etc.) in order to meet demand in line with a large supply to the market in the next year (source: Krungsri Research, January 2021)

Besides, the price and quantity fluctuation of CPO, the biodiesel's industry is a downstream of palm oil industry where the government's policies are the important factor driving the industry. The main goal is to reduce dependence on imported fossil oil and create energy resource security including creating added value for agricultural products by impelling the use of bioenergy such as biodiesel. The main raw material used to produce biodiesel in Thailand is palm oil, such as CPO, RBD palm oil, and palm stearin. For the blending mandates, it was controlled by the government agency to balance the fluctuating in price and quantity of CPO. The government has used its policy to reduce the portion of B100 blended in Diesel such as lowered B10 to B7 when crude palm oil stock low and 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 in edible oil market. Also, price of palm fruit 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 over supply. The fluctuation of CPO price mentioned above had reflected the Company's business operation in the production and distribution of biodiesel from CPO industry, which is the inherent risk that significantly impact on the Company's performance to realized net loss in 2019 and 2018 that is the risk of fluctuation in CPO price; mostly caused by the intervention of the government to determine the CPO pricing policy, economic change, climate change, and demand and supply.

In addition, the Company has invested in the refined glycerine plant according to the Company's strategy plan, which give the value-added to by-product; crude glycerine obtained from the Biodiesel's production with maximum capacity of 100 tons of refined glycerine per day. The Company has continuously produced the refined glycerine through-out 2020, which already has improved the Company's gross profit margin ability since refined glycerine is a product that in the pharmaceutical grade market has the main customer groups mostly in pharmaceutical and food industries. These customer bases were less affected from biodiesel industry's risk.

### **14.1.2 Analysis of Business Performance**

The Company and subsidiaries issued the financial statement as of December 31, 2020, which certified by ANS Audit Company Limited with Unqualified Opinion and basic for opinion and Emphasis of Matter as following;

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, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

#### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter

I draw attention as discussed in Note to Financial Statements No. 24.3, regarding the complaint against two former directors and executives of the Company with the Department of Special Investigation. Presently, the investigation is still under the process. The Company's management and an independent law firm believe that final result investigation in such case do not have any significant impact on the Company's financial statements. My opinion is not modified in respect of this matter.

The Company and subsidiaries gains revenue from businesses which could be divided into (1) *selling revenue* including revenue from palm oil business and refined glycerine business, (2) *Production Contract Revenue*, (3) *Sea Freight Service Revenue*, and (4) *Other Revenue*.

### Total Revenues

The Company and subsidiaries had revenue balance for the accounting period in 2020 of 5,519.03 million Baht, which could be divided into 99.73% for selling revenue, no production contract revenue, 0.18% for sea freight service revenue, and 0.09% for other incomes. In 2019, the Company and subsidiaries had revenue of 1,997.19 million Baht, which could be divided into 98.00% for selling revenue, 0.35% for production contract revenue, 0.83% for sea freight service revenue, and 0.83% for other incomes.

Types of Revenue	Consolidated Financial Statement		Consolidated Financial Statement		Consolidated Financial Statement	
	2020		2019		2018	
	Million	%	Million	%	Million	%
<b>1. Selling revenue</b>	<b>5,504.30</b>	<b>99.73</b>	<b>1,957.17</b>	98.00	<b>1,459.23</b>	<b>92.89</b>
1.1 Palm oil business revenue	5,363.58	97.18	1,956.11	97.94	1,459.23	92.89
1.1.1 Biodiesel	4,976.93	90.18	1,650.98	82.67	1,295.07	82.44
1.1.2 Olein palm oil	272.87	4.94	214.33	10.73	86.63	5.51
1.1.3 By-products	113.78	2.06	90.80	4.55	77.53	4.94
1.2 Revenues from Refined Glycerine	140.73	2.55	1.06	0.05	-	-
<b>2. Production contract revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>7.01</b>	<b>0.35</b>	<b>49.46</b>	<b>3.15</b>
<b>3. Sea freight service revenue</b>	<b>9.78</b>	<b>0.18</b>	<b>16.49</b>	<b>0.83</b>	<b>54.11</b>	<b>3.44</b>
<b>Total revenues</b>	<b>5,514.08</b>	<b>99.91</b>	<b>1,980.67</b>	<b>99.17</b>	<b>1,562.80</b>	<b>99.48</b>
<b>4. Other revenues</b>	<b>4.95</b>	<b>0.09</b>	<b>16.52</b>	<b>0.83</b>	<b>8.12</b>	<b>0.52</b>
<b>Total revenues</b>	<b>5,519.03</b>	<b>100.00</b>	<b>1,997.19</b>	<b>100.00</b>	<b>1,570.92</b>	<b>100.00</b>



## 1) Selling Revenue

Selling revenue from the business operations of AIE can be divided into 2 types; revenues from palm oil business and revenues from refined glycerine. The Company had selling revenue in 2020 to 2019 equal to 5,504.30 million Baht and 1,957.17 million Baht which accounts for 99.73% and 98.00% of total revenue consecutively. The major contribution of revenue was from palm oil business in total annual revenue. In this connection, the details of selling revenues could be explained by types of sales as follows:

### 1.1) 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:-

#### 1.1.1 Revenue from Biodiesel

The Company produces 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 revenues from sales of biodiesel business to total revenue for the fiscal year 2020 and 2019 were 90.18% and 82.67% respectively. In 2020 and 2019, the Company had sales of Biodiesel equal to 4,976.93 million Baht and 1,650.98 million Baht, accounting for 90.42 percent and 84.40 percent of total revenue from biodiesel sold respectively.

In 2020, the Company's biodiesel quantities sold had increased for 96.32% and selling prices were increased by 53.55%, compared to those in 2019. Due to receiving more bidding's awards from new customers and the B10 mandatory diesel nationwide. So, the revenue from sale of biodiesel is increased by 201.45%. However, growth in biodiesel consumption has not been as predicted as the impact of the substantial resurgence of the COVID-19 pandemic in late 2020 has resulted in a decline in travelling and transportation, despite the holidays and traveling season. Nevertheless, the average selling price of biodiesel has increased significantly in accordance to the price of crude palm oil as the main raw material. Due to heavy rains and flooding in many areas in early Q4 of 2020, together with the government's measures; the subsidy to crude palm oil and crude palm kernel oil export which led to the domestic crude palm oil safety stock level down to 180,000 tons in 2020, causing the price of crude palm oil to rise, with the average price of 28.04 Baht/Kilogram in 2020, higher than that of the average price of 18.23 Baht/kilogram in 2019 (Source: Department of Internal Trade). Hence, the selling price of biodiesel was increased in relation to crude palm oil price compared to the previous year.

#### 1.1.2 Revenue from Palm Olein (Edible Oil)

The Company manufactures and distributes palm olein in tank trucks and in packaging under "PAMOLA" brand to customers domestically. The customers who use Palm Olein could be divided into 2 groups; (1) large food manufacturing industry which mostly orders by tank truck, (2) packaged customers, chained restaurant that ordered in bag-in-box 13.75 liters under the brand "PAMOLA", which was established in the Palm Olein market more than 30 years.

The Company had revenue from Edible Oil in 2020 of 272.87 million Baht, increased by 58.54 Million Baht or 27.32% from 214.33 million Baht in 2019. The Company's revenues from sales of edible oil to total revenue from palm oil business for 2020 and 2019 were 5.09% and 10.96%, and revenues from sales of edible oil to total revenue were 4.94% and 10.73%, respectively. The sales volume in 2020 has decreased by 17.91% and increasing in selling price for 55.09% from 2019. Such revenue comes from the same customers, who awarded an order from a bidding competition, where the Company focuses mainly on sales in industrial customers on a short-term purchase contract that determine

the quantity and delivery period, allowing the Company to make plans to procure raw materials under the Company's bidding cost of sales.

### **1.1.3 By-products**

The Company sold raw materials and by-products; included palm fatty acid, palm stearin and crude glycerine to the customers in downstream industries, such as consumer products and cosmetic industries.

In 2020 and 2019, the Company's revenue from raw materials and by-products were 113.78 million Baht and 90.80 million Baht at the proportion of 2.12% and 4.64% of total revenue from Palm Oil business. Also, the revenue from sales of raw materials and by-products has contributed for 2.06% and 4.55% of the total revenue.

The selling price of raw materials and by-products in 2020 was decreased by 25.17% and sale volume increased by 25.31% as an increase in biodiesel's production, when compared to 2019. However, the Company has set a policy to sell by-products of the remaining quantity only from its own production of biodiesel and refined glycerine.

### **1.2) Revenue from Refined Glycerine**

In 2020, the Company had revenue of 140.72 million Baht which increased by 139.66 million Baht or 13,175.47% from 2019, which realized the revenue of 1.06 million Baht from the increased in sales volume by 13,023.43 %. The Company has started selling refined glycerine in the 4th quarter of 2019 onwards. In addition, the Company had the increasing of sales revenue from refined glycerine primarily from its selling price escalated and sales volume increased in correlation to the improving of demand for glycerine in hygiene products.

## **2) Revenue from production contract**

Revenue from production contract is revenue on behalf of the Company resulted from providing service on refining CPO to RBD Palm Oil and Palm Olein (Edible Oil). The customer will supply CPO, as well as taking liabilities in transporting such raw materials to the Company's factory.

The Company does not have refining service revenue since the 2nd quarter of 2019 because it has not enough capacity to services.

## **3) Revenue from Sea freight Business**

In 2020 and 2019, AIL's revenue from sea freight service was 9.78 million Baht and 16.49 million baht respectively. AIL has permanently ceased its operation and in the process of liquidation, whose had sold its last vessel; Thararatana 3, 2,500 tons gross to other buyer who is not related-party for 20 million Baht in May 21, 2020.

## **4) Other incomes**

The Company and subsidiaries had revenue from Other Income in 2020 and 2019 for 4.95 million Baht and 16.52 million Baht, or accounting for 0.09 percent and 0.83 percent of total revenue. In 2019, other income was mainly contributed from the received of insurance claim of 13.33 million Baht. If considering other incomes of the Company and subsidiaries under normal operations in 2019, other incomes were 3.19 million Baht. The other income in 2020 has increased from 2019 by 1.76 million Baht.

## Cost of Sales and Gross Profit

Cost of Sales and Services	2020			2019			Increase (Decrease)			
	Thousand Baht	% / Sales	%	Thousand Baht	% / Sales	%	Thousand Baht	%	% / Sales	%
<b>1. Cost of Sales</b>										
Biodiesel	4,436,465	89.14	90.51	1,654,926	100.24	80.88	2,781,539	168.08	(11.10)	(11.07)
By-product	127,985	112.49	2.61	103,080	113.53	5.04	24,905	24.16	(1.04)	(0.92)
Edible Oil	234,912	86.09	4.79	208,450	97.26	10.19	26,462	12.69	(11.17)	(11.48)
Refined Glycerine	128,819	91.54	2.63	1,232	116.03	0.06	127,587	10,366.10	(24.49)	(21.11)
**Allowance Devaluation in Inventory	(44,000)	(0.80)	(0.90)	44,000	2.25	2.15	-	-	(3.05)	(135.56)
<b>Total Cost of Sales</b>	<b>4,884,182</b>	<b>88.73</b>	<b>99.64</b>	<b>2,011,688</b>	<b>102.79</b>	<b>98.31</b>	<b>2,872,494</b>	<b>142.79</b>	<b>(14.05)</b>	<b>(13.67)</b>
<b>2. Cost of Production Contract</b>										
Biodiesel	-	-	-	4,739	67.56	0.23	(4,739)	(100.00)	(67.56)	(100.00)
Edible Oil	-	-	-	-	-	-	-	-	-	-
<b>Total Cost of Production Contract</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,739</b>	<b>67.56</b>	<b>0.23</b>	<b>(4,739)</b>	<b>(100.00)</b>	<b>(67.56)</b>	<b>(100.00)</b>
<b>3. Cost of Sea Freight Service</b>	<b>17,444</b>	<b>178.38</b>	<b>0.36</b>	<b>29,808</b>	<b>180.80</b>	<b>1.46</b>	<b>(12,364)</b>	<b>(41.48)</b>	<b>(2.42)</b>	<b>(1.34)</b>
<b>Cost of Sales and Services</b>	<b>4,901,625</b>	<b>88.89</b>	<b>100.00</b>	<b>2,046,235</b>	<b>103.31</b>	<b>100.00</b>	<b>2,855,390</b>	<b>139.54</b>	<b>(14.42)</b>	<b>(13.96)</b>

**Remark :** \*\*As of December 31st, 2020, the Company realized stock gain from the reversal of the allowance devaluation in inventory (NRV) of 44 million Baht, consist of crude glycerine that use in refined glycerine's production for 40 million Baht and biodiesel for 4 million Baht, which was realized stock loss from the allowance devaluation in inventory (NRV) of 44 million Baht.

## Cost of Sales and Services

The Company and subsidiaries' cost of sales and services in 2020 was 4,901.62 million Baht and the cost of sales over total revenue ratio was 88.89 %, in 2019 was 2,046.24 million Baht with the ratio of 103.31 %, which decreased by 14.42%. In 2020, there was a reversing of the allowance for diminishing value of inventories from the previous year by 44.00 million Baht and there was no considering of the allowance for diminishing value of inventories (NRV) as of December 31, 2020. Summary according to the following segments;

### 1) Cost of Sales

The Company's cost of sales to total revenue ratio in 2020 has decreased from in 2019 by 11.33%. This is due to the higher products sold than previous year. The Company was possible to allocate fixed costs efficiently. Although, the price of crude palm oil was fluctuating during certain periods, the Company still maintains a policy to manage the inventories' optimization efficiently which can be classified by product groups as follows;

- 1.1 In 2020, the Biodiesel's ratio of cost of sales to total revenue was decreased from 2019 to 11.10% or decreased by 11.07%. The increase in sales volume was efficiently reduced the average fixed costs. The Company also achievably controlled the production's loss. In addition, the price of crude palm oil has steadily increased in the 4th quarter of 2019 and the Company was realized a reversing of the allowance for the value of inventories (NRV) in biodiesel of 4 million Baht from the previous year. While in 2019, the situation of crude palm oil prices continued to decline causing the cost of goods sold to be higher than the selling price in the market. However, the Company has emphasized on managing raw materials and inventory to have a faster turnover rate and keep the inventories between 20-30 days in order to avoid the risk from the fluctuation of palm oil prices, which is an important factor of the Company's profitability.
- 1.2 In 2020, the edible oil's cost of sales ratio was 86.09% which decreased from 2019 of 97.26% by 11.17%. The Company was possible to generate profit from this business unit since it was a Made to Order, which is managing the raw material used to produce edible oil to be profitable. But the storage of crude palm oil cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- 1.3 In 2020, the by-products' cost of sales ratio was decreased from 2019 to 1.04% or decreased by 0.92%. The Company has determined the cost of by-products according to the market selling prices. The market price was continuously decreased which led to higher cost of by-products since 2nd quarter of 2019 to March 2020, where the market price was increased but still cannot reverse to profit in 2020.
- 1.4 In 2020, the Company had the cost of sales to revenue ratio from refined glycerine for 63.12 %. The Company was realized the profit since March 2020, where the market price of refined glycerine had increased. Also, the Company has realized the reversing of the allowance for devaluation of inventories (NRV) in the refined glycerine of 40.00 million Baht form 2019.

## **2) Cost of Production Contract**

There was no refining service transaction since 2nd quarter of 2019 due to the Company's capacity was fully occupied which impossible to fulfil this segment. The refining service's volumes used to share the Company's fixed costs, which help to maintain production cost as low as possible.

## **3) Cost of Sea Freight Services**

The continuously realized losses is the main reason that AIL has ceased its business operation in 2020 and in the process of liquidation. In 2019, the cost of sea freight service (AIL) was 29.81 million Baht, with ratio of cost of service to revenue was 180.80%.

## **Gross Profit (Loss) Margin**

The Company and subsidiaries had realized a gross profit (loss) from sales of goods and services as of 2020 for 612.46 million Baht which increased by 1,034.13% from 2019, which realized (65.56) million Baht, where the ratio of gross profit (loss) was 11.11% and (3.31%) respectively. The reasons are summarized as follows;

Gross profit (loss) margin	2020		2019		Increase (Decrease)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>1. Sales</b>						
Biodiesel	540,463	10.86	(3,941)	(0.24)	544,404	13,814.42
By-product	(14,209)	(12.49)	(12,284)	(13.53)	(1,925)	(15.67)
Edible Oil	37,959	13.91	5,877	2.74	32,083	545.93
Refined Glycerine	11,906	8.46	(170)	(16.03)	12,076	7,095.79
*Allowance Devaluation in Inventory	44,000	-	(44,000)	-	-	-
<b>Gross profit (loss) from Sales</b>	<b>620,119</b>	<b>11.27</b>	<b>(54,518)</b>	<b>(2.79)</b>	<b>674,638</b>	<b>1,237.45</b>
<b>2. Production Contract</b>						
Biodiesel	-	-	2,275	32.44	(2,275)	(100.00)
Edible Oil	-	-	-	-	-	-
<b>Gross profit (loss) from Production Contract</b>	<b>-</b>	<b>-</b>	<b>2,275</b>	<b>32.44</b>	<b>(2,275)</b>	<b>(100.00)</b>
<b>3. Sea Freight Service</b>	<b>(7,665)</b>	<b>(78.38)</b>	<b>(13,321)</b>	<b>(80.80)</b>	<b>5,656</b>	<b>42.46</b>
<b>Gross profit (loss) margin</b>	<b>612,455</b>	<b>11.11</b>	<b>(65,564)</b>	<b>(3.31)</b>	<b>678,018</b>	<b>1,034.13</b>

1. Gross profit (loss) margin from Biodiesel as of 2020 and 2019 was 10.86% and (0.24%), which the gross loss margin was increased from 2019 due to the increased in sales volume was efficiently reduced the average fixed costs, which was achievably controlled the production's loss. In addition, the average of CPO price has steadily increased from the previous year.
2. Gross profit margin from Edible Oil as of 2020 and 2019 were 13.91% and 2.74%, where the Company possible to generate profit from this business unit since there were Made to Order according to the awarded bidding that the Company can control margin and CPO's price fluctuation.
3. Gross profit (loss) margin from By-products as of 2020 and 2019 were (12.49%) and (13.53%), which the gross (loss) was decreased from 2019 due to by-products were realized according to marked-to-market selling price and allocated into cost of each products and by-products. Thus, the market price of by-product has continually decreased, therefore the cost of goods sold is higher than the selling price.
4. Gross profit (loss) margin from Refined Glycerine of 2020 and 2019 were 8.46% and (16.03%) due to the refined glycerine price in the global market was increasing. Also, the Company has realized the reversing of the allowance for devaluation value of inventories (NRV) in the refined glycerine of 40.00 million Baht form 2019.
5. Gross profit margin from Production contract as of 2019 was 32.44% from biodiesel producer and there was no production contract in 2020.
6. Gross profit (loss) margin from Sea Freight service as of 2020 and 2019 were (78.38%) and (80.80%). The continuously realized losses is the main reason that AIL has ceased its business operation and in the process of liquidation.

## **Expenses**

The Company and subsidiaries' expenses as of the fiscal year 2020 and 2019 was 128.89 million Baht and 107.45 million Baht or accounting for 2.34 percent and 5.38 percent of total revenue, respectively. The Company's expense consists of selling expense and administration expense in 2020-2019; selling expense were 34.51 million and 19.63 million Baht; administration expense were 87.62 million Baht and 79.72 million Baht, financial cost were 6.44 million Baht and 3.71 million Baht, and tax expense were 0.32 million Baht and 4.40 million Baht, respectively with details as the following.

### **Selling Expense**

The Company and subsidiaries' selling expenses as of the fiscal year 2020 and 2019 were 34.51 million Baht and 19.63 million Baht, which increased by 14.88 million Baht or 75.84%. The ratio to revenue was 0.63% and 0.98%, respectively. The increased in selling expense was the cost of transportation in co-relation to the increased in quantities sold.

### **Administration Expenses**

The Company and subsidiaries' administration expenses for the fiscal year 2020 and 2019 were 87.62 million Baht and 79.52 million Baht, which increased by 7.90 million Baht or 9.91% due to the increased in loss from assets disposal for 7.06 million Baht and doubtful debts for 2.00 million Baht. The ratio to revenue was 1.59% and 3.99%, respectively. In 2019, AIL has realized the provision for impairment of vessel for 1.62 million Baht.

### **Financial Cost and Tax Expenses**

The Company and subsidiaries have financial cost in 2020 of 6.44 million Baht and 3.71 million Baht in 2019. In 2020, the Company have loaned from financial institutions and the related-parties to use as working capital.

In 2020 the Company and subsidiaries had tax expense of 0.32 million Baht and 4.40 million Baht in 2019.

## **Net Profit (Loss) and Profit (Loss) Margin**

The Company and subsidiaries' net profit (loss) of the fiscal year 2020 and 2019 were 488.52 million Baht and (156.50) million Baht. In 2020, net profit has increased by 645.01 million Baht or 412.16% from 2019. The ratio to revenue was 8.85% and (7.84%), respectively. In 2020, the Company realized the after adjusted EBIDA of 608.81 million Baht, which increased from 61.96 million Baht in 2019 by 670.76 million Baht or 1,082.66%.

## **Return on Equity (ROE)**

In accounting period of 2020 and 2019, the Company and subsidiaries had return on equity (ROE) equal to 22.49 and (9.30), respectively. As of 2020, the Company and subsidiaries had net profit of 488.52 million Baht; consist of net profit from the Company itself of 496.76 million Baht and retain earning of 551.28 million Baht, and while in 2019 had net loss of 156.50 million Baht that contributed net loss from the Company for 148.86 million Baht with retain earnings (Loss) of (323.55) million Baht. The Company had higher return on equity than year before because the improvement in profitability. The Company will pay a cash dividend for the year 2020 from operating performance of 0.05 baht per share, totaling approximately 261.61 million Baht of the net profit of the Separate Financial Statement after the appropriated-legal reserved, which will be paid from the net profit for the year 2020 that is promoted under BOI.



## Company's Financial Statement

### Assets

Total assets of the Company as of 31 December 2020 was equal to 2,557.66 million Baht, and as of 31 December 2019 was equal to 2,326.39 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 2020, the Company had cash and cash equivalent lower than in 2019 by 8.83 million Baht or 14.95%. In 31 December 2020 and 31 December 2019, the Company had cash and cash equivalent transaction equal to 50.20 million Baht and 59.03 million Baht, or accounting for 1.96% and 2.54% of total assets, respectively. The cash and cash equivalent as of 31 December 2020 and 2019 consist of;รายการเทียบเท่าเงินสด ณ วันที่ 31 ธันวาคม 2563 และ 2562 ประกอบด้วย

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash in hand	382,000	496,796	350,000	350,000
Deposit at bank - savings	49,700,203	56,086,261	36,651,149	49,637,250
- current	116,728	33,889	60,000	3,920
Fixed deposits due within 3 months	987	2,410,468	987	2,410,468
Total cash and cash equivalents	50,199,918	59,027,414	37,062,136	52,401,638

#### - Current Investment

As of 31 December 2020, the Company has current investment less than those in previous by 8.69 million Baht, or decreased by 100.00% to use money as working capital. However, there is no the current investment in 2020 and 2019 was equal to 8.69 million Baht or accounting for 0.37% of total assets.

#### - Trade Receivables and Other Current Receivables

As of 31 December 2020 it was equal to 518.26 million Baht and as of 31 December 2019 it was equal to 368.99 million Baht, which consist of trade receivables 515.19 million Baht and 365.70 million Baht, and other current receivables 3.07 million Baht and 3.29 million Baht, respectively. The increase in trade accounts receivable is consistent with the change in revenue that has continued to increase. The Company had policy to determine allowance for doubtful accounts from the estimation of the expected doubtful debts. The management is required to exercise judgment in estimating the expected doubtful debts on each account receivables. By taking into account the past collection experience, the aging of the debt outstanding, and the expected economic conditions of the group with similar credit risk, etc.

As of 31 December 2020, the Company had trade receivables not yet paid at the total of 489.56 million Baht, representing a ratio of 95.03% of total account receivables which mostly are traders under Section 7 who buy biodiesel from the Company. Such group of customers paid to the Company on 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 Edible Oil from 2018 and from one biodiesel producer from 2019. The Company had an overdue account receivable of 30.26 million Baht, representing a ratio of 5.87% of total account receivables, receivables that were overdue more than 3 months equal to 0.35 million Baht or 0.07% of total accounts receivable, receivables that were overdue more than 12 months equal to 29.91 million Baht or 5.81% of total accounts receivable. The allowance for doubtful debt was increased from 2019 by 1.41 million Baht as a result from write-off of some accounts receivables due to legal action ending of 0.44 million Baht, was partially re-paid from one account receivable of 0.15 million Baht, and increased in the allowance for doubtful debts of 2.00 million Baht which was estimating on time value of money basic that the Company is in the process of investigating assets to enforce the payment of an overdue account receivable for more than 12 months in the amount of 27.28 million Baht. The mentioned account receivable is still operating and the Company's management believe that the Company would not be damaged exceed the allowance for doubtful accounts recorded. It could be summed up the accounts receivables based on its maturity as of 31 December 2020 and as of 31 December 2019 as follows:-

<b>Account Receivables (Unit : Million Baht)</b>	<b>Consolidated Financial Statements As of 31 December, 2020</b>	<b>Consolidated Financial Statements As of 31 December, 2019</b>
<b>Account receivable</b>		
Undue	489.56	327.41
Overdue for 3 months	0.35	7.77
Overdue for 3 months but not over 6 months	-	30.52
Overdue for 3 months but not over 12 months	-	-
Overdue over 12 months	29.91	3.22
<b>Total</b>	<b>519.82</b>	<b>368.92</b>
<u>Less Doubtful Account</u>	<u>(4.63)</u>	<u>(3.22)</u>
<b>Net Account Receivable</b>	<b>515.19</b>	<b>365.70</b>

In 2020 and 2019, the Company's average collection period were equal to 29.37 days and 43.01 days, respectively. The Company determined credit term policy for receiving payments from clients between 19-60 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 demanding in writing.

#### **- Inventory**

As of 31 December 2020 it was 416.94 million Baht and as of 31 December 2019 it was 317.23 million Baht or 16.30% and 13.64% of total assets, which was increased by 99.71 million Baht or 31.43% to support large order before and after new year holiday and the beginning of 1st quarter of 2021.

The inventory consisted of raw materials and chemicals, works in process, finished goods, and miscellaneous, which identified at cost of sale or net realizable value, whichever is the lower by using the weighted average

cost; including labor expense and overhead cost. The Company has set an allowance for devalue for deteriorated products and estimated the allowance for diminution and obsolete in the value of inventory. The estimation is based on turnover and deterioration and the market price or replacement cost of different types of inventories.

	Unit : Baht	
	Consolidated/Separate financial statements	
	2020	2019
Raw materials and chemicals	161,659,489	115,393,104
Work in process	151,958,596	156,775,185
Finished goods	88,303,382	78,251,213
Supplies	15,023,382	10,813,750
Total inventories	416,944,849	361,233,252
<u>Less</u> Allowance for devaluation of inventories	-	(44,000,000)
Total inventories - net	416,944,849	317,233,252

#### - Other current financial assets

The Company's other current financial assets as of 31 December 2020 consist of Opened-end Fund-Debt securities and fixed deposits equal to 2.76 million Baht or 0.11% total assets.

#### - Land, building, and equipment - net

The items were mainly composed of land and land improvements, building and utilities, and machineries of the refined glycerine plant, furniture and office equipment, vehicles and assets under construction, and installation of the assets. Most of transaction was land, building, and machinery.

In 2020 and 2019 the Company's land, building, vessels and equipment - net was 1,460.11 million Baht and 1,546.30 million Baht or equivalent to 57.09% and 66.47% of total assets, which was decreased by 86.19 million Baht or 5.57%.

In 2019, AIL had the book value of the vessels and improvements in the consolidated financial statements higher than the market value of the business. The management has assessed the value of the vessels by using the work of independent appraiser for the fair value of the vessels. According to the appraisal report, the appraised value is in the amount of 24.60 million Baht, which as of 31 December 2019 the book value of vessel was 26.22 million Baht. Therefore, AIL had to realizes an allowance for impairment in the amount of 1.62 million Baht. As of 31 December 2020, AIL has ceased its operation and in the process of liquidation, whose had sold its last vessel to other buyer who is not related-party for 20 million Baht in 21 May 2020, which the book value is in the amount of 24.30 million Baht (Net from the allowance for impairment of 1.62 million Baht). AIL has realized a loss from disposal of its asset for 4.30 million Baht.

In 4<sup>th</sup> quarter of 2019, AIPT has generated an income from operation, and then temporarily ceased its business operations again in February 2020 onwards. AIPT has recorded its depreciation expense in the administration, and in the 4<sup>th</sup> quarter of 2020 the management has assessed the value of property, plant and equipment in the consolidated financial statements from the temporary cessation of business by using the appraiser to evaluate the fair value

of the assets were not significantly different to the previous appraiser value. Therefore, an allowance for impairment in the amount of 17.40 million Baht from 2019 still remain as of 31 December 2020.

**- Deposit for purchase of assets**

In 2020 and 2019 the Company's deposit for purchase of assets were 1.69 million Baht and 1.43 million Baht or equivalent to 0.07% and 0.06% of total assets, which was increased by 0.26 million Baht or 18.22%.

**- Other non-current assets**

Other non-current assets consist of withholding tax, advance payment for raw materials, and insurance. In 2020 and 2019, the Company's other non-current assets were 0.80 million Baht and 6.42 million Baht or equivalent to 0.03% and 0.28% of total assets, which was decreased by 5.63 million Baht or 87.62% since the Company had already received the return of withholding tax for the year ended 2017 and 2018 for 3.69 million Baht, respectively, and advance payment for raw materials in 2020.

## **Liquidity**

Current assets as of 31 December 2020 and 31 December 2019, the Company had current assets 988.17 million Baht and 754.69 million Baht, which increased for 233.47 million Baht or 37.94%. This resulted primarily from an increase of current assets; trade receivables in relation to the increased in sales volume and revenue, while the Company's current liabilities had declined to 258.74 million Baht or 41.00%. In 2020 and 2019, the Company had current liabilities of 372.29 million Baht and 631.03 million Baht which the decreased by the decreasing in trade payables of 34.82 million Baht, loans from related parties of 290.00 million Baht, and overdraft from financial institution of 3.56 million Baht.

Regarding changes in current assets and current liabilities as such, the Company's liquidity ratio in 2020 and 2019 were at 2.65 times and 1.20 times and the quick ratio were 1.53 times and 0.69 times respectively, with the increase of the current ratio. High liquidity due to a decrease in current liabilities in proportion to the greater than the increase in current assets. The current liabilities that have changed significantly in 2020 was the decreased in loans from related parties of 290.00 million Baht. The trade payables for raw material procurement in the end of 2020 in order to support the production according to the purchase order in early 2021 for 34.20 million Baht. Considering the company's Cash Cycle, in 2020 was equal to 30.30 days and 49.54 days in 2019, it was a better cash cycle than year before. As a result of the debt collection period is shorter and shorter inventory days. In 2020 and 2019, there is a debt collection period, Repayment period, and inventory period were 29.37 days, 26.43 days and 27.36 days and equal to 43.01 days, 41.37 days and 47.91 days, respectively.

## **Financing Resources**

### **Liabilities**

As of 31 December 2020, it was 385.86 million Baht. As of 31 December 2019, it was 643.10 million Baht. The significant changes of liabilities are as follows:-

**- Bank overdrafts and short-term loans from financial institutions**

As of December 31, 2020, the Company and subsidiaries had no outstanding overdrafts and short-term loans from financial institutions. As of December 31, 2019, AIL had overdrafts from financial institution for 3.56 million Baht. During 2020, the Company and its subsidiaries had overdraft and short-term loans from financial

institutions to be used as working capital and pay back within some point of time. Therefore, there is no outstanding balance as of 31 December 2020, with the Company and its subsidiaries receiving credit limit as follows;

	Credit facilities (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	50,000,000	50,000,000	50,000,000	-
Promissory	50,000,000	-	50,000,000	-
Letter of guarantee	8,313,200	21,629,813	5,813,200	19,129,813
<b>Total</b>	<b>108,313,200</b>	<b>26,629,813</b>	<b>105,813,200</b>	<b>19,129,813</b>

#### - Trade and Other Current Payables

As of 31 December 2020 and 2019, the Company has trade and other payables of 372.29 million Baht and 337.47 million Baht, representing 14.56% and 14.51% of total liabilities and shareholders' equity respectively. Most of payables were contributed from raw materials purchasing domestically, which the movement is trend to relate with the Company's sale volume and customers' product pick-up at certain times of the year, especially before or after the long holiday season and the ordered quantities. Trade and other current payables transaction consisted of trade payables and other current payables, i.e. asset payables, tax payables, accrued expenses and the receipt of advance payment. Considering average payment period, it was found that the Company has decreased in debt payment period to 26.43 days in 2020 and 41.37 days in 2019. This is because the Company has more trade payables from purchasing raw materials as a result of increasing sales. This group of trade creditors has a credit term of not more than 15 days, reducing the repayment period.

<b>Trade Payables and Other Current Payables (Unit : Million Baht)</b>	<b>Consolidated Financial Statements As of 31 Dec, 2020</b>	<b>Consolidated Financial Statements As of 31 Dec, 2019</b>
Trade payables	291.12	271.19
Asset payables	10.25	8.37
Other payables	70.92	57.91
<b>Total trade payables and other current payables</b>	<b>372.29</b>	<b>337.47</b>

#### - Long-term Loan for Financial Institutes

In 2020 and 2019, the Company and subsidiaries had no long-term loans from financial institutions. However, in the past, the Company and its subsidiaries were able to complete the repayment of long-term loans from financial institutions in accordance with the terms of installments.

#### – Deferred Tax-Net

In 2020 and 2019, the Company and subsidiaries had deferred tax of 2.79 million Baht and 2.47 million Baht, representing 0.11% and 0.11% of total liabilities and shareholders' equity respectively.

As at 31 December 2020 and 2019, the Company and its subsidiaries have unused tax losses of 331.15 million Baht and 493.78 million Baht, respectively, which the management considers uncertain from the tax utilization. Therefore, the related deferred tax assets are not recognized.

#### – Provident Fund

The change in the present value of non-current provisions for employee benefits. For the year ended 31 December 2020 and 2019, equal to 10.77 million Baht and 9.60 million Baht, respectively, or equivalent to the ratio of shareholders to liabilities and total shareholders' equity of 0.42% and 0.41%, respectively.

### **Shareholders' Equity**

As of 31 December 2020, the Company had shareholders' equity at 2,171.81 million Baht, increased by 488.52 million Baht from 1,683.29 million Baht as of 31 December 2019, which accounting for 84.91% and 72.36% of total liabilities and shareholder's equity.

As of 31 December 2020 and 31 December 2019, the Company's debt to equity ratio 0.18 times and 0.38 times because the Company and subsidiaries had net profit for the year 2020 of 488.52 million Baht which increased the equity and lower trade payables than in 2019.

On 24 February 2020, the Board of Directors' meeting passed a resolution to propose to the 2020 Annual General Meeting of Shareholders to consider and approve the transfer of legal reserve amounting to 8.23 million Baht and premium on ordinary shares of 315.32 million Baht to offset the deficits in the separate financial statements of the Company as of 31 December 2019. Subsequently, on 18 June 2020 the Company's 2020 Annual General Meeting of Shareholders approved the transfer of legal reserve and premium on ordinary shares amounting 323.55 million Baht to offset the deficits in the Company's separate financial statements.

In 2020, the Company has allocated legal reserve in accordance with the Public Company Limited Act BE 2535, not less than 5% of the annual net profit, less accumulated losses (if any) until the reserve is not less than 10 percent of the registered capital of the Company, which cannot be used to pay cash dividends for 25.00 million Baht.

### **Cash Flows**

In accounting period 2020 and 2019, the Company and subsidiaries had cash flow provided by (used in) operating activities at 407.19 million Baht and (227.70) million Baht, respectively. The Company had net profit in the accounting period 2020 for 576.89 million Baht, the cash flow used in operating activities decreased by 198.91 million Baht, cash flow from trade payables increased by 26.33 million Baht, cash received from tax refund of 3.69 million Baht, and tax expense and employee benefits of 0.81 million Baht. Therefore, in 2020 the Company has a positive cash flow and better liquidity than 2019.

The Company and subsidiaries had cash flow from investing activities in the accounting period 2020 and 2019 of (116.02) million Baht and (57.65) million Baht, as a result from the increasing in fixed deposit as collaterals to



credit limits from financial institutions of 89.27 million Baht, the increasing in investment in building, utilities, and machineries of 53.04 million Baht, and cash received from vessel disposal of 20.34 million Baht in 2020. The investing activities in 2019 consists of the increasing in investment in building, utilities, and machineries for the refined glycerine plant of 220.07 million Baht, received an insurance claim of 39.24 million Baht, and decreased in current investment in the Open-end Fund-Debt securities by 116.15 million Baht that used to fund refined glycerine plant and used as working.

The Company and subsidiaries have net cash flow from financing activities in accounting period 2020 and 2019 were (300.00) million Baht and 289.85 million Baht, respectively. As a result of the repayment loans from related parties of 290.00 million Baht, repayment an overdraft from financial institutions of 3.56 million Baht, and financial costs of 6.44 million Baht in 2020. Whilst, the 2019, the Company had received from loans from related parties of 290.00 million Baht, overdraft draw of 3.56 million Baht, and financial costs of 3.71 million Baht in 2019.

From the cash flow statement, it shows that in the year 2020, the Company and subsidiaries had cash received from operations of 407.19 million Baht, used in investing activities increased by 116.02 million Baht and used in financing activities 300.00 million Baht, while in 2019, cash received from financing activities of 289.85 million Baht was used in operating activities equal to 227.70 million Baht and spent in investing activities increased for 57.65 million Baht. As of 31 December 2020, cash and cash equivalents were 50.20 million Baht, decreased by 8.83 million Baht from 59.03 million Baht as of 31 December 2019.

*“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](http://www.sec.or.th) or the company’s website”*

# 15 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 2020 as of 31 December 2020 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 2020, is adequately disclose, complete, and reliable in accordance with accounting standards and related regulations.



**Narong Thareratanavibool**  
**Chairman of the Board of Director**

## Statement of the Audit Committee' responsibilities for the financial statements

To: The Shareholders of AI Energy Public Company Limited

The Audit Committee consists of Mr.Kaweepong 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 Ratima 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 2020, the Audit Committee held 10 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. Kaweepong Hirankasi	Chairman of Audit Committee	10/10
2	Assistant Professor Sampan Hunpayon	Audit Committee	10/10
3	Mr. Choti Sontiwattananont	Audit Committee	10/10

## 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 2020, 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 are 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 2020 are adequately disclosed in an appropriate information, no conflict with the facts and are prepared in accordance with accepted accounting principles.

## **2 Internal Controls**

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The Audit Committee has appointed Honor and Advisory 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 order to prevent any significant deficiencies of the internal control of the accounting system that impact on the Company's financial statements.

## **3 Compliance**

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In monthly and quarterly meeting of Audit Committee, the Audit Committee has been continuously audited and reviewed regarding the Securities and Exchange Act and the Stock Exchange of Thailand regulations including laws relating to the Company's operation.

## **4 Whistleblowing**

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In 2020, No reports of misconduct, fraud, and abnormal activities.

## **5 Appointment of the External Auditor**

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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 2020 financial statements and set the Audit fee for no more than 3.39 million Baht and proposed for the Board of Director's approval prior to present the Shareholder Meeting approved.

**On behalf of Audit Committee**



**Kaweepong Hirankasi**  
**Chairman of Audit Committee**

# 16 Independent Auditor's Report

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

## Opinion

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, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the AI Energy Public Company Limited and its subsidiaries, and of AI Energy Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Emphasis of Matter

I draw attention as discussed in Note to Financial Statements No. 24.3, regarding the complaint against two former directors and executives of the Company with the Department of Special Investigation. Presently, the investigation is still under the process. The Company's management and an independent law firm believe that final result investigation in such case do not have any significant impact on the Company's financial statements. My opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters, except with respect to the matter as mentioned in the Basis for qualified opinion paragraph.

## Quantity of inventories

### Risk

As mentioned in Note to Financial Statements No. 7, as at December 31, 2020, the Company has outstanding inventories in amount of Baht 416.94 million. The calculation of the quantities of ending inventories must include the measurement and calculation methods, for which there are many variables. Such calculation is complex.

### Auditor's Response

I gained an understanding of the physical stock-take plan and the variables involved in calculating the quantities of inventories. Further, I tested the calculation of inventory quantities and observed physical stock-takes.

## Inventory Valuation

### Risk

The Company calculated the cost of inventories. This is a complex formula that may cause errors with respect to inventory costing. In addition, inventories are goods that contain intense price volatility. This volatility may lead to present at cost or net realizable value, whichever is the lower. Therefore, Management must use significant judgment in determining the appropriate amount of allowance for devaluation of inventories.

### Auditor's Response

I gained an understanding of the Company's inventory costing method and tested the computation of the cost of the outstanding inventories. Then, I performed an analytical review of the unit cost of inventory of the current year as compared to the previous year in order to identify possible irregularities in the costing.

In addition, I assessed and considered the appropriateness of the assumptions used by Management for its determination of the allowance for devaluation of inventories and tested the calculation for the net realizable value. I then considered the appropriateness of the allowance for inventory devaluation on the outstanding inventory.

## Impairment of property, plant and equipment in subsidiary

### Risk

As at December 31, 2020, the Group has property, plant and equipment of subsidiary, AI Ports and Terminals Co., Ltd, with a net book value of Baht 151.04 million, representing 5.91 percent of the Group's total assets, as described in Notes 12 to the financial statements. Due to the subsidiary has temporarily halted main business which is an indication of impairment of the property, plant and equipment. In determining the



impairment loss, management had to exercise judgement with plans for management of assets, which directly affect the amount of allowance for impairment loss on such assets.

#### Auditor's Response

I obtained an understanding of the Company's policy to determine the allowance for impairment of property, plant and equipment and assessed the assumptions applied in preparing plans and cash flow projections, based on the understanding I gained of the process by which the figures were arrived at. I considered the appropriateness of the allowance for impairment of the property by verifying the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets, assessing the competency of the independent appraiser engaged, and evaluating the appropriateness of valuation methodology used by the independent appraiser for selling consideration purpose. I also evaluated the appropriateness of the recoverable amount and the key assumptions. Moreover, I reviewed the disclosures made with respect to the impairment assessment for property, plant and equipment.

### Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Vichai Ruchitanont**  
**Certified Public Accountant**  
**Registration Number 4054**

**ANS Audit Co., Ltd.**  
**Bangkok, February 18, 2021.**



**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**AI ENERGY PUBLIC COMPANY AND SUBSIDIARIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
<b>Assets</b>					
Current assets					
Cash and cash equivalents	5	50,199,918	59,027,414	37,062,136	52,401,638
Current investment	2	-	8,692,219	-	6,228,665
Trade and other current receivables - net	6	518,262,082	368,992,718	518,013,401	368,195,800
Short-term loans to related party	4	-	-	-	15,000,000
Inventories - net	7	416,944,849	317,233,252	416,944,849	317,233,252
Oil supplies	8	-	746,210	-	-
Other current financial assets	9	2,759,755	-	277,334	-
Total current assets		988,166,604	754,691,813	972,297,720	759,059,355
Non-current assets					
Investments in subsidiaries - net	10	-	-	352,395,280	358,013,140
Pledged deposits at financial institutions	11	106,213,200	16,947,299	105,813,200	16,547,299
Property, plant, vessel and equipment - net	12	1,460,107,150	1,546,295,451	1,309,069,676	1,357,975,514
Intangible assets - net	13	694,166	605,723	675,253	581,197
Deposit for purchase of assets		1,687,122	1,427,108	1,687,122	1,427,108
Other non-current assets		795,091	6,421,503	363,779	6,199,789
Total non-current assets		1,569,496,729	1,571,697,084	1,770,004,310	1,740,744,047
<b>Total assets</b>		2,557,663,333	2,326,388,897	2,742,302,030	2,499,803,402

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

The accompanying notes are an integral part of these financial statements.

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
<b>Liabilities and shareholders'equity</b>					
Current liabilities					
Bank overdrafts loans from financial institutions	14	-	3,557,889	-	-
Trade and other current payables	4, 15	372,292,239	337,471,812	371,418,004	337,354,267
Short-term loans from related parties	4	-	290,000,000	260,000,000	550,000,000
Total current liabilities		372,292,239	631,029,701	631,418,004	887,354,267
Non-current liabilities					
Deferred tax liabilities - net	18	2,792,039	2,469,179	2,792,039	2,469,179
Non-current provisions for employee benefits	16	10,771,351	9,599,438	10,289,627	8,936,889
Total non-current liabilities		13,563,390	12,068,617	13,081,666	11,406,068
Total liabilities		385,855,629	643,098,318	644,499,670	898,760,335
Shareholders' equity					
Authorized share capital					
Common share 5,232,291,928 shares, at Baht 0.25 par value		1,308,072,982	1,308,072,982	1,308,072,982	1,308,072,982
Issued and paid - up share capital					
Common share 5,232,291,928 shares, at Baht 0.25 par value		1,308,072,982	1,308,072,982	1,308,072,982	1,308,072,982
Premium on common stocks	17.2	289,794,916	605,113,717	289,794,916	605,113,717
Retained earnings (deficits)					
Appropriated					
Legal reserve	17.1, 17.2	25,000,000	8,226,574	25,000,000	8,226,574
Unappropriated	17.2	551,283,072	(235,779,428)	471,759,293	(323,545,375)
Other components of shareholders' equity		(2,343,266)	(2,343,266)	3,175,169	3,175,169
Total Shareholders' Equity		2,171,807,704	1,683,290,579	2,097,802,360	1,601,043,067
<b>Total liabilities and shareholders' equity</b>		<b>2,557,663,333</b>	<b>2,326,388,897</b>	<b>2,742,302,030</b>	<b>2,499,803,402</b>

.....Director

(Thanit Thareratanavibool)

.....Director

(Pimwan Thareratanavibool)

The accompanying notes are an integral part of these financial statements.

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
3, 4, 20, 21, 23					
<b>Revenues</b>					
Revenues from sale of goods		5,504,300,744	1,957,169,594	5,504,300,744	1,957,169,594
Revenues from production contract		-	7,014,453	-	7,014,453
Revenues from vessel operating		9,778,446	16,486,717	-	-
Income from an insurance claim - net		-	13,331,727	-	13,331,727
Other incomes		4,952,314	3,190,881	4,536,820	2,636,547
Total Revenues		5,519,031,504	1,997,193,372	5,508,837,564	1,980,152,321
<b>Expenses</b>					
Cost of sales		(4,884,180,876)	(2,011,688,269)	(4,883,178,515)	(2,012,147,834)
Cost of production contract		-	(4,739,352)	-	(4,739,352)
Cost of vessel operating		(17,443,717)	(29,807,749)	-	-
Distribution costs		(34,512,061)	(19,627,485)	(34,265,375)	(19,242,836)
Administrative expenses		(87,615,668)	(78,095,822)	(79,393,496)	(77,708,196)
Loss on impairment of plant vessel and equipment	12	-	(1,620,000)	-	-
Total Expenses		(5,023,752,322)	(2,145,578,677)	(4,996,837,386)	(2,113,838,218)
<b>Profit (loss) before financial costs and tax expense</b>		495,279,182	(148,385,305)	512,000,178	(133,685,897)
Finance costs		(6,439,197)	(3,705,945)	(14,918,025)	(10,770,156)
<b>Profit (loss) before income tax expenses</b>		488,839,985	(152,091,250)	497,082,153	(144,456,053)
Tax expense	19	(322,860)	(4,404,969)	(322,860)	(4,404,969)
<b>Profit (loss) for the years</b>		488,517,125	(156,496,219)	496,759,293	(148,861,022)
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income (loss) for the years</b>		488,517,125	(156,496,219)	496,759,293	(148,861,022)
Profit (loss) attributable to :					
Equity holders of the parent		488,517,125	(156,496,219)	496,759,293	(148,861,022)
Non-controlling interests		-	-	-	-
		488,517,125	(156,496,219)	496,759,293	(148,861,022)
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		488,517,125	(156,496,219)	496,759,293	(148,861,022)
Non-controlling interests		-	-	-	-
		488,517,125	(156,496,219)	496,759,293	(148,861,022)
<b>Earnings (loss) per share</b>					
Basic earning (loss) per share					
Basic earnings (loss) attributable per share (Baht)		0.093	(0.030)	0.095	(0.028)
Weighted average number of common shares (share)		5,232,291,928	5,232,291,928	5,232,291,928	5,232,291,928

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

The accompanying notes are an integral part of these financial statements.



AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht										
Consolidated financial statements										
Notes	Shareholders' equity of the parent					Other components of equity				
	Retained earnings (deficits)					Other comprehensive income				
	Share capital Issued and paid - up	Premium on common stocks	Appropriated Legal reserve	Unappropriated	Actuarial gain	Difference on business combination under common control (Note 10)	Total other components of equity	Total equity of the parent	Non-controlling interests	Total shareholders' equity
Balance as at January 1, 2020	1,308,072,982	605,113,717	8,226,574	(235,779,428)	2,881,849	(5,225,115)	(2,343,266)	1,683,290,579	-	1,683,290,579
Changes in shareholders' equity for the year :										
Transfer of legal reserve and premium on ordinary shares to offset the deficits	-	(315,318,801)	(8,226,574)	323,545,375	-	-	-	-	-	-
Legal reserve	-	-	25,000,000	(25,000,000)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	488,517,125	-	-	-	488,517,125	-	488,517,125
Balance as at December 31, 2020	1,308,072,982	289,794,916	25,000,000	551,283,072	2,881,849	(5,225,115)	(2,343,266)	2,171,807,704	-	2,171,807,704
Balance as at January 1, 2019	1,308,072,982	605,113,717	8,226,574	(79,283,209)	2,881,849	(5,225,115)	(2,343,266)	1,839,786,798	-	1,839,786,798
Changes in shareholders' equity for the year :										
Total comprehensive loss for the year	-	-	-	(156,496,219)	-	-	-	(156,496,219)	-	(156,496,219)
Balance as at December 31, 2019	1,308,072,982	605,113,717	8,226,574	(235,779,428)	2,881,849	(5,225,115)	(2,343,266)	1,683,290,579	-	1,683,290,579

.....Director  
(Thanit Tharatatanavibool)

.....Director  
(Pinwan Tharatatanavibool)

The accompanying notes are an integral part of these financial statements.

AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht							
Separate financial statements							
Notes	Share capital Issued and paid - up	Premium on common stocks	Retained earnings (deficits)		Other components of equity		Total shareholders' equity
			Appropriated Legal reserve	Unappropriated	Other comprehensive income		
						Actuarial gain	
Balance as at January 1, 2020	1,308,072,982	605,113,717	8,226,574	(323,545,375)	3,175,169		1,601,043,067
Changes in shareholders' equity for the year :							
Transfer of legal reserve and premium on ordinary shares to offset the deficits	-	(315,318,801)	(8,226,574)	323,545,375	-		-
Legal reserve	-	-	25,000,000	(25,000,000)	-		-
Total comprehensive income for the year	-	-	-	496,759,293	-		496,759,293
Balance as at December 31, 2020	1,308,072,982	289,794,916	25,000,000	471,759,293	3,175,169		2,097,802,360
Balance as at January 1, 2019	1,308,072,982	605,113,717	8,226,574	(174,684,353)	3,175,169		1,749,904,089
Changes in shareholders' equity for the year :							
Total comprehensive loss for the year	-	-	-	(148,861,022)	-		(148,861,022)
Balance as at December 31, 2019	1,308,072,982	605,113,717	8,226,574	(323,545,375)	3,175,169		1,601,043,067

.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

The accompanying notes are an integral part of these financial statements.

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	488,517,125	(156,496,219)	496,759,293	(148,861,022)
Adjustments to reconcile profit (loss) to cash provided by (used in) operating activities:				
Tax expense	322,860	4,404,969	322,860	4,404,969
Depreciation	113,532,840	86,429,282	99,655,548	68,460,111
Income from disposal of investment	-	(1,674,915)	-	-
Amortization of computer softwares	223,521	178,712	217,908	175,174
Bad debt	-	-	8,500,000	-
Loss on write-off of assets	11,834,570	3,749,325	6,510,465	3,749,325
Unrealized (gain) loss on investments in Open-end Fund	(19,361)	1,163,841	(494)	(46,560)
(Reversal) allowance for devaluation of inventories	(44,000,000)	41,250,000	(44,000,000)	41,250,000
(Reversal) loss on impairment of vessel and equipment	(1,620,000)	1,620,000	-	-
Loss on impairment of investment in subsidiary	-	-	5,617,860	20,750,000
Non-current provisions for employee benefits	1,961,547	1,677,847	1,880,548	1,696,236
Income from an insurance claim - net	-	(13,331,727)	-	(13,331,727)
Interest income	(306,583)	(365,523)	(606,815)	(602,956)
Interest expenses	6,439,197	3,705,945	14,918,025	10,770,156
Gain (Loss) from operating activities before changes in operating assets and liabilities	576,885,716	(27,688,463)	589,775,198	(11,586,294)
Changes in operating assets - (increase) decrease :				
Trade and other current receivables	(146,890,469)	(273,570,329)	(149,817,601)	(271,407,873)
Inventories	(54,451,751)	(140,905,922)	(54,451,751)	(140,905,922)
Oil supplies	746,210	824,656	-	-
Deposit for purchase of assets	(260,013)	3,714,892	(260,013)	3,714,892
Other non-current assets	1,942,515	(213,377)	2,152,111	(517,433)
Changes in operating liabilities - increase :				
Trade and other payables	26,328,093	205,066,116	27,941,422	205,199,463
Cash provided by (used in) operating activities	404,300,301	(232,772,427)	415,339,366	(215,503,167)
Income tax paid	(15,124)	(289,651)	(6,248)	(281,416)
Refunded of income tax	3,690,146	5,711,524	3,690,146	5,711,524
Payment for employee benefit obligations	(789,634)	(347,550)	(527,810)	(347,550)
Net cash provided by (used in) operating activities	407,185,689	(227,698,104)	418,495,454	(210,420,609)

.....Director

(Thanit Tharatanavibool)

.....Director

(Pimwan Tharatanavibool)

The accompanying notes are an integral part of these financial statements.

## AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted deposits at financial institution	(89,265,901)	7,069,598	(89,265,901)	7,069,598
Interest received	306,583	365,524	606,815	602,956
Decrease (increase) in current investments	-	116,151,558	-	(5,848,442)
Increase in other currents financial asstes	5,951,825	-	5,951,825	-
Cash paid from short-term loan to related party	-	-	(5,000,000)	(15,000,000)
Proceeds from receive from short-term loan to related party	-	-	11,500,000	-
Payment for purchases of assets	(53,037,502)	(220,065,706)	(52,657,465)	(208,723,888)
Payment for purchases of intangible assets	(311,964)	(491,982)	(311,964)	(463,917)
Proceeds from receive from disposal of assets	20,340,863	74,766	259,759	74,766
Proceeds from receive from an insurance claim	-	39,243,715	-	39,243,715
Net cash used in investing activities	(116,016,096)	(57,652,527)	(128,916,931)	(183,045,212)
<b>Cash flows from financing activities</b>				
Interest paid	(6,439,200)	(3,705,945)	(14,918,025)	(10,770,156)
Increase (decrease) in bank overdraft from financial institutions	(3,557,889)	3,557,889	-	-
Proceeds of short-term loan from related party	260,000,000	290,000,000	260,000,000	510,000,000
Payment for short-term loans from related party	(550,000,000)	-	(550,000,000)	(100,000,000)
Net cash provided by (used in) financing activities	(299,997,089)	289,851,944	(304,918,025)	399,229,844
Net Increase (decrease) in cash and cash equivalents	(8,827,496)	4,501,313	(15,339,502)	5,764,023
Cash and cash equivalents at beginning of the year	59,027,414	54,526,101	52,401,638	46,637,615
Cash and cash equivalents at end of the year	50,199,918	59,027,414	37,062,136	52,401,638
<b>Additional disclosure items to cash flows statements</b>				
Non-cash flows items consist of:				
Assets payable for equipment	10,245,092	8,374,573	10,245,092	8,374,573

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

The accompanying notes are an integral part of these financial statements.

**AI ENERGY PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2020****1. GENERAL INFORMATION**

AI Energy Public Company Limited (“the Company”) was registered as a company under the Civil and Commercial Code of Thailand 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 61.77% 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”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, 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 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.

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

**Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic resulting in an economic slowdown and adversely impacting businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates and the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**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”) by shareholding in subsidiaries were as follows:

Name	Nature of business	Country of incorporation	Percentage of holding	
			2020	2019
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials. (At present temporarily halted main business)	Thailand	100.00	100.00
AI Ports and Terminals Company Limited	Servicing port and rental of tank farms. (At present temporarily halted main business operation and in the process of preparing a business plan.)	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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**New financial reporting standards and accounting guidance****(a) Financial reporting standards that became effective in the current year**

During the year 2020, the Company has adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements except the adoption of financial reporting standards related to financial instruments and TFRS 16 Leases which are summarized changes to key principles and the effects as below:

**Financial reporting standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

**TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)



**Impacts on the financial information**

The Group adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment since January 1, 2020, and the comparative information was not restated.

The reclassifications in the statement of financial position as at January 1, 2020 are as follows:

Unit : Baht				
Consolidated financial statements				
Financial reporting				
December 31, 2019	standards related to	January 1, 2020		
"Audited"	financial instruments	TFRS 16	"Unaudited"	
<b>Statement of financial position</b>				
<b>Current assets</b>				
Current investment	8,692,219	(8,692,219)	-	-
Other current financial assets	-	8,692,219	-	8,692,219
<b>Total assets</b>	<b>8,692,219</b>	<b>-</b>	<b>-</b>	<b>8,692,219</b>

Unit : Baht				
Separate financial statement				
Financial reporting				
December 31, 2019	standards related to	January 1, 2020		
"Audited"	financial instruments	TFRS 16	"Unaudited"	
<b>Statement of financial position</b>				
<b>Current assets</b>				
Current investment	6,228,665	(6,228,665)	-	-
Other current financial assets	-	6,228,665	-	6,228,665
<b>Total assets</b>	<b>6,228,665</b>	<b>-</b>	<b>-</b>	<b>6,228,665</b>

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**Financial instruments***Classification and measurement*

On January 1, 2020 (the date of initial application), the Company's management has assessed which business models applied to the financial assets and financial liabilities held by the Company and has classified and measures all the financial assets and financial liabilities at amortized cost, except investment in equity instrument measured at fair value through profit or loss that present as short-term investments.

*Impairment of financial assets*

The Company has trade receivables that are subject to the expected credit loss model. On that basis, the Company did not have the loss allowance for trade receivables as at January 1, 2020.

**(b) Revised financial reporting standards**

In January 2021, The Federation of Accounting Professions announced to apply TFRS 16 Lease (revise 2020), which 2 addition relief measures as follow:

- 1) A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.
- 2) Change in lease contract because of reference interest rate reform are effective for fiscal periods beginning on or after January 1, 2022.

The adoption of these revised financial reporting standards that has come into force does not have any significant impact on the Company's and its subsidiaries' financial statements.

**(c) Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation"**

The Federation of Accounting Professions announced Accounting Treatment Guidance on "Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation".

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To lightly weight information relating to the COVID-19 situation in applying the valuation technique to measure the fair value of financial assets in the form of equity instruments using Level 2 or Level 3 inputs.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenues and expenses recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers, after deducting goods returns.

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.

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of trading securities disposed during the year is calculated by the weighted average method.

#### 3.4 Trade and other accounts receivable

Trade receivables are presented at amount of receive payment for sales and services.

Trade and other accounts receivable are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component when they are recognized at fair value through profit or loss.

The Company applies the simplified approach to principles of TFRS 9 measurement expected credit losses, which requires expected lifetime losses to be recognized from initial recognition of trade 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 allowance for devaluation of inventories for the deteriorated goods and expected to be unsalable.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

### 3.6 Oil supplies

Oil supply is valued at the lower of cost by the weighted average method and net realisable value and is charged to vessel operating costs whenever consumed.

### 3.7 Financial assets and financial liabilities

#### Classification and measurement of financial assets and financial liabilities

##### *Classification*

The Classification depends on the entity's business model for managing the financial assets and the contractual term of cash flows of financial assets.

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost.

The Company must reclassify debt investments when the Company change its business model for managing those assets.

Equity instruments measured at fair value either be recorded in profit or loss or OCI, where the Company's management has elected to present fair value gains and losses on equity investment in OCI, there is no subsequent reclassification of fair value gains or losses to profit or loss.

##### *Measurement*

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset or financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

For Subsequent measurement of debt instruments, there are 3 measurement categories into which the Company classifies its debt instruments:

- **Amortised cost** – Assets that are held for collection of contractual cash flow, where those cash flows represent solely payments of principal and interest, are measurement at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gain/ (losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- **Fair value through other comprehensive income (FVOCI)** – Asset that are hold for collection of contractual cash flows and for selling the financial asset, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

included in finance income using the effective interest rate method. Impairment e losses are presented as separate line item in the statement of profit or loss.

- *Fair value through profit or loss (FVPL)* – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gain/ (losses) in the period in which it arises.

Subsequently measures all equity investment at fair value. Change in the fair value are recorded in profit or loss or OCI depends in classification of equity investment.

Derivatives are classify and measure at FVPL, except derivatives for hedge.

Dividends from financial assets are recognised as other income in profit or loss when the right to receive payment is established.

### **Impairment**

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

### **3.8 Investments in subsidiaries**

Investments in subsidiaries mean those companies in which the parent company in the Group, 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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**3.9 Property, plant, vessel and equipment**

Property, plant, vessel and equipment are stated at cost, less accumulated depreciation and impairment losses (if any). 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 improvement	5 - 10
Building and improvement*	5 - 40
Utility systems	5 - 20
Machinery accessories and tools**	5 - 20
Vessel and improvement	3 - 10
Office furniture and equipment	5
Motor vehicles	5 - 20

\* Building and improvement included Port and Storage tanks farm.

\*\* Machinery accessories and tools included Refinery plants.

**3.10 Borrowing cost**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**3.11 Intangible assets and amortization**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Computer softwares are amortized to expense by the straight - line method for 5 - 10 years.

**3.12 Trade and other current payables**

Trade and other current payables are started at cost.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**3.13 Income tax****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.

**3.14 Non-current provisions for employee benefit****Short-term employee benefits**

The Company and subsidiaries recognized salaries, wages and bonuses 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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)



**3.15 Basic earning (loss) per share**

Basic earning (loss) per share are computed by dividing the net profit (loss) for the year by the weighted average number of issued common shares during the year.

**3.16 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.

**3.17 Significant accounting judgements and estimates*****Allowance for expected credit losses of trade receivables and contract assets***

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

***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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

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 the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### ***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.

.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

### 3.18 Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company and subsidiaries determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

#### 4. TRANSECTION 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
<b>Parent Company</b>		
Asian Insulators Public Company Limited	Producing and selling porcelain insulators.	61.77 % holding of interest and directorship with the Company.
<b>Subsidiaries of the Company</b>		
AI Logistics Company Limited	Local and overseas logistics for passenger, merchandise, parcel and other materials. (At present temporarily halted main business)	100.00 % holding of interest.
AI Ports and Terminals Company Limited	Servicing port and rental of tank farms. (At present temporarily halted main business operation and in the process of preparing a business plan.)	100.00 % holding of interest.
<b>Subsidiary of the Parent Company</b>		
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.
<b>Related companies</b>		
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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Significant transactions between the Company and related parties for the years ended December 31, 2020 and 2019 were as follows:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Pricing policies	2020	2019	2020	2019
<b>Other incomes - Interest income</b>					
AI Logistics Company Limited	2.84, 3.75% P.A.	-	-	311,301	252,421
<b>Purchase of raw material</b>					
Samart Palm Oil Company Limited	Market value	1,873,940	17,490,480	1,873,940	17,490,480
Samart Palm Industry Company Limited	Market value	7,209,315	4,857,383	7,209,315	4,857,383
AI Ports and Terminals Company Limited	Market value	-	-	44,950	-
<b>Service Cost</b>					
AI Ports and Terminals Company Limited	Mutually agreed	-	-	-	6,336,163
<b>Rental and Service</b>					
AI Ports and Terminals Company Limited	Mutually agreed	-	-	2,031,083	-
<b>Administrative expenses</b>					
Asian Insulators Public Company Limited	Mutually agreed	2,390,009	1,728,337	1,879,441	966,984
AI Logistics Company Limited	Mutually agreed	-	-	8,500,000	-
<b>Interest paid</b>					
Asian Insulators Public Company Limited	2.84, 3.65-3.75% P.A.	5,488,945	3,535,521	5,488,945	3,535,521
AI Ports and Terminals Company Limited	2.84, 3.75% P.A.	-	-	8,564,329	7,175,046
Director	3.75% P.A.	431,507	59,589	431,507	59,589

#### Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2020 and 2019 consisted of:

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Short-term employee benefits		15,262,004	17,704,174	13,805,463	15,331,438
Long-term post-employment benefits		514,319	424,522	414,865	346,831
Total directors and management's remuneration		15,776,323	18,128,696	14,220,328	15,678,269

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Significant balances with related parties as at December 31, 2020 and 2019 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b><u>Assets</u></b>				
<b>Short-term loan to related party</b>				
AI Logistics Company Limited	-	-	-	15,000,000
<b><u>Liabilities</u></b>				
<b>Trade payables</b>				
AI Ports and Terminals Company Limited	-	-	-	2,172,100
<b>Other current payable</b>				
AI Ports and Terminals Company Limited	-	-	-	176,550
<b>Short-term loan from related parties</b>				
AI Ports and Terminals Company Limited	-	-	260,000,000	260,000,000
Asian Insulators Public Company Limited	-	250,000,000	-	250,000,000
Director	-	40,000,000	-	40,000,000

As at December 31, 2019, the Company has short-term loan to related party, AI Logistics Company Limited (“the subsidiary”). The subsidiary issued promissory notes in the amount of Baht 15 million, with an interest rate of 3.75% per annum, due on June 30, 2020.

According to Board of Directors’ Meeting No.10/2020, of AI Logistics Company Limited (“Subsidiary”), held on June 19, 2020, management of both the Company and Subsidiary resolved to reduce of the short-term loans to AI Logistics Company Limited by Baht 8.50 million. AI Logistics Company Limited is unable to repay all loans as it has incurred continuous losses, halted operations and disposed of all its assets.

As at December 31, 2020 and 2019 the Company has short-term loan from related parties, AI Ports and Terminals Company Limited (“the subsidiary”), Asian Insulators Public Company Limited (“the parent”) and a director. The Company issued promissory notes in the total amount of Baht 260 million and Baht 550 million, respectively, with an interest rate of 1.55 - 3.75% per annum, due on June 30, 2021.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash in hand	382,000	496,796	350,000	350,000
Deposit at bank - savings	49,700,203	56,086,261	36,651,149	49,637,250
- current	116,728	33,889	60,000	3,920
Fixed deposits due within 3 months	987	2,410,468	987	2,410,468
Total cash and cash equivalents	50,199,918	59,027,414	37,062,136	52,401,638

**6. TRADE AND OTHER CURRENT RECEIVABLES – NET**

Trade and other current receivables as at December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivable - others	519,823,386	368,918,667	519,823,386	368,918,667
Total trade receivables	519,823,386	368,918,667	519,823,386	368,918,667
<u>Less</u> Allowance for doubtful accounts	(4,632,107)	(3,221,507)	(4,632,107)	(3,221,507)
Total trade receivables - net	515,191,279	365,697,160	515,191,279	365,697,160
Other current receivables				
Prepaid insurance	1,766,509	2,179,940	1,766,509	1,610,451
Prepaid expenses	466,941	409,894	316,504	278,818
Revenue Department receivable	98,244	96,613	-	-
Undue input tax	461,447	610,028	461,447	609,371
Others	584,012	306,433	584,012	306,350
Total other current receivables	3,377,153	3,602,908	3,128,472	2,804,990
<u>Less</u> Allowance for doubtful accounts	(306,350)	(306,350)	(306,350)	(306,350)
Total other current receivables - net	3,070,803	3,296,558	2,822,122	2,498,640
Total trade and other current receivables - net	518,262,082	368,993,718	518,013,401	368,195,800

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)



As at December 31, 2020 and 2019 outstanding balances of trade receivables aged by number of months were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Others</b>				
Current	489,556,252	327,410,847	489,556,252	327,410,847
Overdue				
Within 3 months	354,780	7,770,537	354,780	7,770,537
Over 3 months to 6 months	-	30,515,776	-	30,515,776
Over 12 months	29,912,354	3,221,507	29,912,354	3,221,507
Total	519,823,386	368,918,667	519,823,386	368,918,667
<u>Less</u> Allowance for doubtful accounts	(4,632,107)	(3,221,507)	(4,632,107)	(3,221,507)
Total trade receivables - net	515,191,279	365,697,160	515,191,279	365,697,160

The Company prevailed in a civil court case and is in the process of enforcing repayment of outstanding receivables, due for over 12 months, in the amount of Baht 27.28 million. The management of Company believes that will have no affect beyond the allowance for doubtful accounts recorded.

## 7. INVENTORIES – NET

Inventories as at December 31, 2020 and 2019 consisted of:

	Unit : Baht	
	Consolidated/Separate financial statements	
	2020	2019
Raw materials and chemicals	161,659,489	115,393,104
Work in process	151,958,596	156,775,185
Finished goods	88,303,382	78,251,213
Supplies	15,023,382	10,813,750
Total inventories	416,944,849	361,233,252
<u>Less</u> Allowance for devaluation of inventories	-	(44,000,000)
Total inventories - net	416,944,849	317,233,252

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**8. OIL SUPPLIES**

Oil supplies as at December 31, 2020 and 2019 consisted of:

	Unit : Baht	
	Consolidated financial statements	
	2020	2019
Bunker oil	-	624,897
Lubricants	-	121,313
Total oil supplies	-	746,210

**9. OTHER CURRENT FINANCIAL ASSETS**

Other current financial assets as at December 31, 2020 consisted of:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Open-end Fund-Debt securities - at cost	2,481,942	62,947
<u>Add unrealized gain on investment revaluation</u>	64,808	1,382
Open-end Fund-Debt securities - net	2,546,750	64,329
Fixed deposits	213,005	213,005
Total other current financial assets	2,759,755	277,334

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**10. INVESTMENTS IN SUBSIDIARIES - NET**

Investments in subsidiaries as at December 31, 2020 and 2019 consisted of:

Company	Nature of business	Percentage of Holding (%)		Paid-up share capital (Million Baht)		Unit : Baht	
		2020	2019	2020	2019	2020	2019
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
	(At present temporarily halted main business)						
AI Ports and Terminals	Servicing port and rental of tank farms.	100.00	100.00	460	460	352,395,280	352,395,280
Company Limited	(At present temporarily halted main business operation and in the process of preparing a business plan.)						
Total						435,073,140	435,073,140
Less Allowance for impairment of investments						(82,677,860)	(77,060,000)
Total investments in subsidiaries - net						352,395,280	358,013,140

The Company records the allowance for impairment of investments by using the cash flows projection which is the fair value measurement hierarchy in Level 3.

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

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.

#### 11. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

The Company and subsidiary's has pledged deposit at bank as collateral for credit facilities and issuance of bank guarantee (Note 14 and 24.1).

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

## 12. PROPERTY, PLANT, VESSEL AND EQUIPMENT - NET

Property, plant, vessel and equipment as at December 31, 2020 and 2019 consisted of:

	Unit : Baht										
	Consolidated financial statements										
	As at December 31, 2020										
		Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation	Total
Cost											
As at December 31, 2019	174,556,021	46,514,837	502,233,035	66,873,544	1,166,513,694	125,317,234	8,642,028	30,039,836	128,334,889	2,249,025,118	
Purchases during the year	-	760,050	2,625,575	251,698	15,001,526	-	648,011	2,521,600	42,927,775	64,736,235	
Transfers in (out) during the year	-	2,013,513	1,613,804	19,629,589	134,196,212	-	5,291,627	-	(162,744,745)	-	
Disposals/ written-off during the year	-	-	(2,429,898)	(196,646)	(25,741,448)	(125,317,234)	(437,853)	(1,447,057)	(591,011)	(156,161,147)	
As at December 31, 2020	174,556,021	49,288,400	504,042,516	86,558,185	1,289,969,984	-	14,143,813	31,114,379	7,926,908	2,157,600,206	
Accumulated depreciation											
As at December 31, 2019	-	13,664,256	155,411,223	27,563,708	366,268,877	99,100,879	7,048,921	14,651,803	-	683,709,667	
Depreciation for the year	-	4,026,076	22,930,054	8,229,323	71,146,276	1,398,853	3,951,485	1,850,773	-	113,532,840	
Disposals/ written-off during the year	-	-	(1,212,762)	(149,124)	(13,757,152)	(100,499,732)	(347,434)	(1,183,247)	-	(117,149,451)	
As at December 31, 2020	-	17,690,332	177,128,515	35,643,907	423,658,001	-	10,652,972	15,319,329	-	680,093,056	
Allowances for impairment											
As at December 31, 2019	-	-	-	-	-	-	-	-	-	19,020,000	
Written-off during the year	-	-	-	-	-	-	-	-	-	(1,620,000)	
As at December 31, 2020	-	-	-	-	-	-	-	-	-	17,400,000	
Net book value											
As at December 31, 2019	174,556,021	32,850,581	346,821,812	39,309,836	800,244,817	26,216,355	1,593,107	15,388,033	128,334,889	1,546,295,451	
As at December 31, 2020	174,556,021	31,598,068	326,914,001	50,914,278	866,311,983	-	3,490,841	15,795,050	7,926,908	1,460,107,150	

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

Unit : Baht

Consolidated financial statements									
As at December 31, 2019									
	Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Fixed assets under construction and installation
Cost	Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Vessel and improvement	Office furniture and equipment	Motor vehicles	Total
As at December 31, 2018	174,556,021	35,691,160	427,087,087	50,276,565	773,390,618	124,165,749	8,468,002	29,945,836	2,080,341,576
Purchases during the year	-	1,700,635	795,176	60,080	26,194,241	10,659,045	1,116,716	94,000	228,466,780
Transfers in (out) during the year	-	9,123,042	80,950,772	26,701,874	399,389,948	-	106,900	-	-
Disposals/ written-off during the year	-	-	(6,600,000)	(10,164,975)	(32,461,113)	(9,507,560)	(1,049,590)	-	(59,783,238)
As at December 31, 2019	174,556,021	46,514,837	502,233,035	66,873,544	1,166,513,694	125,317,234	8,642,028	30,039,836	2,249,025,118
<b>Accumulated depreciation</b>									
As at December 31, 2018	-	10,093,753	138,173,881	26,214,671	328,020,110	104,436,042	7,509,747	13,024,850	627,473,054
Depreciation for the year	-	3,570,503	18,392,339	5,592,469	52,511,886	4,172,397	562,735	1,626,953	86,429,282
Disposals/ written-off during the year	-	-	(1,154,997)	(4,243,432)	(14,263,119)	(9,507,560)	(1,023,561)	-	(30,192,669)
As at December 31, 2019	-	13,664,256	155,411,223	27,563,708	366,268,877	99,100,879	7,048,921	14,651,803	683,709,667
<b>Allowances for impairment</b>									
As at December 31, 2018	-	-	-	-	-	-	-	-	17,400,000
During the year	-	-	-	-	-	1,620,000	-	-	1,620,000
As at December 31, 2019	-	-	-	-	-	1,620,000	-	-	19,020,000
<b>Net book value</b>									
As at December 31, 2018	174,556,021	25,597,407	288,913,206	24,061,894	445,370,508	19,729,707	958,255	16,920,986	1,435,468,522
As at December 31, 2019	174,556,021	32,850,581	346,821,812	39,309,836	800,244,817	24,596,355	1,593,107	15,388,033	1,546,295,451

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

Unit : Baht

## Separate financial statements

As at December 31, 2020

	Land	Land improvement	Building and building improvement	Utility systems	Machinery accessories and tools	Office furniture and equipment	Motor vehicles	under construction and installation	Total
<b>Cost</b>									
As at December 31, 2019	157,135,835	46,514,837	251,853,677	66,859,889	1,123,219,678	7,558,097	30,007,837	128,334,889	1,811,484,739
Purchases during the year	-	760,050	2,625,575	251,698	14,625,227	644,273	2,521,600	42,927,775	64,356,198
Transfers in (out) during the year	-	2,013,514	1,613,803	19,629,589	134,196,212	5,291,627	-	(162,744,745)	-
Disposals/ written-off during the year	-	-	(2,429,898)	(196,646)	(22,430,854)	(163,507)	(1,447,056)	(591,011)	(27,258,972)
As at December 31, 2020	157,135,835	49,288,401	253,663,157	86,544,530	1,249,610,263	13,330,490	31,082,381	7,926,908	1,848,581,965
<b>Accumulated depreciation</b>									
As at December 31, 2019	-	13,664,255	67,079,656	27,550,056	324,446,821	6,148,632	14,619,805	-	453,509,225
Depreciation for the year	-	4,026,076	10,661,994	8,229,324	71,016,163	3,901,842	1,820,149	-	99,655,548
Disposals/ written-off during the year	-	-	(1,212,762)	(149,124)	(10,948,301)	(159,051)	(1,183,246)	-	(13,652,484)
As at December 31, 2020	-	17,690,331	76,528,888	35,630,256	384,514,683	9,891,423	15,256,708	-	539,512,289
<b>Net book value</b>									
As at December 31, 2019	157,135,835	32,850,582	184,774,021	39,309,833	798,772,857	1,409,465	15,388,032	128,334,889	1,357,975,514
As at December 31, 2020	157,135,835	31,598,070	177,134,269	50,914,274	865,095,580	3,439,067	15,825,673	7,926,908	1,309,069,676

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)



Unit : Baht

Separate financial statements									
As at December 31, 2019									
Cost	Land		Building and improvement		Machinery		under		Total
As at December 31, 2018	157,135,835	35,691,160	176,707,729	50,262,910	730,627,778	7,535,667	29,913,837	456,760,538	1,644,635,454
Purchases during the year	-	1,700,635	795,176	60,080	25,663,064	965,119	94,000	187,846,887	217,124,961
Transfers in (out) during the year	-	9,123,042	80,950,772	26,701,874	399,389,948	106,900	-	(516,272,536)	-
Disposals/ written-off during the year	-	-	(6,600,000)	(10,164,975)	(32,461,112)	(1,049,589)	-	-	(50,275,676)
As at December 31, 2019	157,135,835	46,514,837	251,853,677	66,859,889	1,123,219,678	7,558,097	30,007,837	128,334,889	1,811,484,739
Accumulated depreciation									
As at December 31, 2018	-	10,093,753	59,858,781	26,201,018	289,929,998	6,657,822	12,992,852	-	405,734,224
Depreciation for the year	-	3,570,502	8,375,872	5,592,470	48,779,942	514,372	1,626,953	-	68,460,111
Disposals/ written-off during the year	-	-	(1,154,997)	(4,243,432)	(14,263,119)	(1,023,562)	-	-	(20,685,110)
As at December 31, 2019	-	13,664,255	67,079,656	27,550,056	324,446,821	6,148,632	14,619,805	-	453,509,225
Net book value									
As at December 31, 2018	157,135,835	25,597,407	116,848,948	24,061,892	440,697,780	877,845	16,920,985	456,760,538	1,238,901,230
As at December 31, 2019	157,135,835	32,850,582	184,774,021	39,309,833	798,772,857	1,409,465	15,388,032	128,334,889	1,357,975,514

.....Director  
(Thanit Thararatnavibool)

.....Director  
(Pimwan Thararatnavibool)

Depreciations in the statements of profit or loss for the years ended December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sales and services	97,975,331	73,531,509	95,666,135	64,925,164
Distribution costs and administrative expenses	15,557,509	12,897,773	3,989,413	3,534,947
	<u>113,532,840</u>	<u>86,429,282</u>	<u>99,655,548</u>	<u>68,460,111</u>

The gross carrying amounts of assets were fully depreciated but these items are still in active use by the Company and subsidiaries as at December 31, 2020 and 2019, in the consolidate financial statement totaling approximately Baht 319.38 million and Baht 147.08 million, respectively, and in the separate financial statements totaling approximately Baht 168.34 million and Baht 41.21 million, respectively.

In 2018, the subsidiary, AI Ports and Terminals Co., Ltd, due to at present temporarily halted main business. Management has assessed the appropriateness of the valuation of the property, plant and equipment of the subsidiary in the consolidate financial statement from temporarily halted by using the work of the independent appraiser that the Company uses to evaluate the fair value of underlying assets. And considered to set up the allowance for impairment amount of Baht 17.40 million, in the consolidated statements of financial position as at December 31, 2018. The property, plant and equipment appraisal above is the fair value measurement hierarchy in Level 2. The net book value of property, plant and equipment as at December 31, 2018, amount of Baht 194.05 million.

In the fourth quarter of year 2019, the subsidiary had begun to earn income from operations with the Company and had stopped in February 2020. The subsidiary recorded its depreciation in administrative expenses during temporarily halted main business operation.

In the fourth quarter of year 2020, the management of Company reviewed the impairment by revaluing the fair value of property, plant and equipment of the subsidiary it appears that the new fair value was not significant different.

In 2019, the subsidiary, AI Logistics Co., Ltd, has the net book value of vessel and improvement in the consolidate financial statement more than market value. Management has assessed the appropriateness of the valuation of the vessel of the subsidiary by using the work of the independent appraiser that the Company uses to evaluate the fair value of vessel. According to the appraisal report, the appraisal value amounted Baht 24.60 million. The vessel appraisal above is the fair value measurement hierarchy in Level 2. The net book value of vessel as at December 31, 2019, amount of Baht 26.22 million. There for, the company considered to set up the allowance for impairment amount of Baht 1.62 million, in the consolidated financial statements of the year ended December 31, 2019.

On May 18, 2020, AI Logistics Company Limited (“the subsidiary”) entered into the Contracts for sale of vessel and improvement with a local company for the amount of Baht 20 million. The subsidiary had received the payment and the ownership of assets had been transferred as at May 21, 2020. The net book value of vessel and improvement as at May 21, 2020 (net of impairment of Baht 1.62 million) is Baht 24.30 million, then the subsidiary recorded loss on disposal of the assets in amount of Baht 4.30 million in the consolidated statements of profit or loss for the year ended December 31, 2020.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**13. INTANGIBLE ASSETS – NET**

Intangible assets as at December 31, 2020 and 2019 consisted of:

	Unit : Baht	
	Consolidated	Separate
	financial statements	financial statements
<b>At cost</b>		
As at December 31, 2019	1,359,483	1,251,971
Purchases during year	311,964	311,964
Disposal /written off during year	(6,190)	-
As at December 31, 2020	1,665,257	1,563,935
<b>Accumulated amortization</b>		
As at December 31, 2019	(753,760)	(670,774)
Amortization for the year	(223,521)	(217,908)
Depreciation - disposals for the year	6,190	-
As at December 31, 2020	(971,091)	(888,682)
<b>Book value</b>		
As at December 31, 2019	605,723	581,197
As at December 31, 2020	694,166	675,253

	Unit : Baht	
	Consolidated	Separate
	financial statements	financial statements
<b>At cost</b>		
As at December 31, 2018	867,501	788,054
Purchases during the year	491,982	463,917
As at December 31, 2019	1,359,483	1,251,971
<b>Accumulative amortization</b>		
As at December 31, 2018	(575,048)	(495,601)
Amortization for the year	(178,712)	(175,173)
As at December 31, 2019	(753,760)	(670,774)
<b>Book value</b>		
As at December 31, 2018	292,453	292,453
As at December 31, 2019	605,723	581,197

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**14. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS**

Bank overdrafts from financial institutions as at December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	-	3,557,889	-	-
Total	-	3,557,889	-	-

	Credit facilities (Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdrafts	50,000,000	5,000,000	50,000,000	-
Promissory notes	50,000,000	-	50,000,000	-
Letter of guarantee	8,313,200	21,629,813	5,813,200	19,129,813
Total	108,313,200	26,629,813	105,813,200	19,129,813

The Company and its subsidiaries had credit facilities from financial institutions, these credit facilities are secured by the guarantee from the Company, and by pledge of bank deposit from the Company (Note 11).

.....Director  
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.....Director  
(Pimwan Thareratanavibool)

**15. TRADE AND OTHER CURRENT PAYABLES**

Trade and other current payables as at December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - related parties	-	-	-	2,172,100
Trade payables - others	291,122,643	271,190,111	291,122,643	269,821,447
Total trade payables	291,122,643	271,190,111	291,122,643	271,993,547
Other current payables				
Others current payables	8,107,336	6,463,760	8,107,336	6,638,518
Retention	7,241,527	14,154,183	7,241,527	14,154,183
Revenue Department payable	36,154,696	26,513,033	36,149,452	26,309,071
Electricity payable	5,099,708	5,054,405	5,083,824	5,035,979
Accrued expenses	4,011,031	2,617,514	3,718,672	2,377,827
Payables for purchase of assets	10,245,092	8,374,573	10,245,092	8,374,573
Unearned revenue for goods	9,737,527	2,458,638	9,737,527	2,458,638
Others	572,679	645,595	11,931	11,931
Total other current payables	81,169,596	66,281,701	80,295,361	65,360,720
Total trade and other current payables	372,292,239	337,471,812	371,418,004	337,354,267

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**16. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS**

Movement of the present value of non-current provisions for employee benefits for years ended December 31, 2020 and 2019 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
<b>Non-current provisions for employee</b>				
<b>benefit at beginning of year</b>	9,599,438	8,269,141	8,936,889	7,588,203
Included in profit or loss:				
Current service cost	1,760,096	1,499,480	1,694,681	1,534,137
Interest cost	201,451	178,367	185,867	162,099
Benefit paid during the year	(789,634)	(347,550)	(527,810)	(347,550)
<b>Non-current provisions for employee</b>				
<b>benefit at end of year</b>	10,771,351	9,599,438	10,289,627	8,936,889

Employee benefit expenses in profit or loss for year ended December 31, 2020 and 2019 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
Cost of sales	1,062,912	985,762	1,062,912	967,358
Distribution costs	136,261	164,483	136,261	164,483
Administrative expenses	762,374	527,602	681,375	564,395
<b>Total employee benefit expenses</b>	1,961,547	1,677,847	1,880,548	1,696,236

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2020 and 2019 (represented by the weighted-average) were as follows:

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(Pimwan Thareratanavibool)

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2.16 - 2.94	2.16 - 2.94	2.16	2.16
Salary increases rate	1.5 - 5.00	1.5 - 5.00	1.5 - 5.00	1.5 - 5.00
Mortality rate	100% of Thai	100% of Thai	100% of Thai	100% of Thai
	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary
	Tables of 2017	Tables of 2017	Tables of 2017	Tables of 2017
Turnover rate				
Under 31 years old	0.00 - 40.00	0.00 - 40.00	22.00 - 40.00	22.00 - 40.00
31 - 40 years old	0.00 - 28.00	0.00 - 28.00	16.00 - 28.00	16.00 - 28.00
41 - 50 years old	0.00 - 5.00	0.00 - 5.00	5.00	5.00
Above 51 years old	0.00	0.00	0.00	0.00

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2020 are summarised below:

	Unit : Baht			
	Change of the present value of the non-current provisions for employee benefit			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(886,642)	1,024,884	(829,561)	958,236
Salary increase rate	1,263,199	(1,103,013)	1,186,406	(1,036,971)
Turnover rate	(947,599)	613,999	(887,661)	631,999

As at December 31, 2020 the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	1,098,396	1,098,396
Over 1 and up to 5 years	2,864,217	2,691,383
Over 5 and up to 10 years	7,295,551	7,295,551

.....Director  
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.....Director  
(Pimwan Thareratanavibool)

**17. LEGAL RESERVE****17.1 Appropriation of 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 after deducting the accumulated loss brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

**17.2 Transfer of legal reserve and premium on ordinary shares to offset the deficits**

On February 24, 2020, the Board of Directors' Meeting passed a resolution to propose to the Annual General Shareholders' Meeting of 2020 to consider and approve the transfer of legal reserve amounting to Baht 8.23 million and premium on ordinary shares amounting to Baht 315.32 million so as to offset the deficits in the Company's separate financial statements as at December 31, 2019, which, subsequently, on June 18, 2020, the Annual General Shareholders' Meeting passed a resolution for the aforementioned transfer of legal reserve and premium on ordinary shares. The Company completely recorded the transfer of legal reserve and premium on ordinary shares amounting to Baht 323.55 million to offset the deficits in the Company's separate financial statements.

**18. DEFERRED TAX**

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

	Unit : Baht			
	Consolidated/Separate financial statements			
	As at January 1, 2020	Profit (Loss)	comprehensive Income	As at December 31, 2020
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	705,571	282,120	-	987,691
Non-current provision for employee benefits	1,787,378	270,548	-	2,057,926
Total	2,492,949	552,668	-	3,045,617
<b>Deferred tax liabilities</b>				
Depreciation	(4,962,128)	(875,528)	-	(5,837,656)
Total	(4,962,128)	(875,528)	-	(5,837,656)
Deferred tax liabilities - net	(2,469,179)	(322,860)	-	(2,792,039)

.....Director  
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	Unit : Baht			
	Consolidated/Separate financial statements			
	As at January 1, 2019	Profit (Loss)	comprehensive loss	As at December 31, 2019
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	705,571	-	-	705,571
Non-current provision for employee benefits	1,517,641	269,737	-	1,787,378
Tax loss carries forward	4,145,171	(4,145,171)	-	-
Total	6,368,383	(3,875,434)	-	2,492,949
<b>Deferred tax liabilities</b>				
Depreciation	(4,432,593)	(529,535)	-	(4,962,128)
Total	(4,432,593)	(529,535)	-	(4,962,128)
Deferred tax assets (liabilities) - net	1,935,790	(4,404,969)	-	(2,469,179)

As at December 31, 2020 and 2019 The Company and its subsidiaries had tax losses carried forward amounting to Baht 331.15 million and Baht 493.78 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax loss carried forward.

## 19. INCOME TAX EXPENSE

Income tax expenses for years ended December 31, 2020 and 2019 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current tax expense</b>				
Current year	-	-	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	(322,860)	(4,404,969)	(322,860)	(4,404,969)
Total	(322,860)	(4,404,969)	(322,860)	(4,404,969)

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.....Director  
(Pimwan Thareratanavibool)

## Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Income(loss)before income tax expenses		488,839,985		(152,091,250)
Income tax using the corporate tax rate	20	(97,767,997)	20	30,418,250
Exemption from income tax on profit				
received from BOI		60,438,132		-
Non-taxable income		9,444,130		-
Double expenses by the Revenue Code		36,793		67,072
Non-deductible expenses		(4,325,294)		(14,432,329)
Loss carried forward		34,607,687		-
Unrecognised current tax loss carries forward*		(2,756,311)		(20,457,962)
Tax expenses	(0.07)	<u>(322,860)</u>	3	<u>(4,404,969)</u>

\* The Company and its subsidiaries had tax losses for the years 2020 and 2019 amounting to Baht 13.73 million and Baht 102.29 million, respectively. Due to the uncertainty of their utilization, the Management, therefore, will not account for the deferred tax on these unutilized tax loss carried forward.

	Separate financial statements			
	2020		2019	
	Tax rate		Tax rate	
	(%)	Unit : Baht	(%)	Unit : Baht
Income(loss)before income tax		497,082,153		(144,456,053)
Income tax using the corporate tax rate	20	(99,416,431)	20	28,891,211
Exemption from income tax on profit				
received from BOI		60,438,132		-
Non-taxable income		8,800,000		-
Double expenses by the Revenue Code		35,295		65,826
Non-deductible expenses		(4,787,543)		(17,608,371)
Loss carried forward		34,607,687		-
Unrecognised current tax loss carries forward*		-		(15,753,635)
Tax expense	(0.06)	<u>(322,860)</u>	3	<u>(4,404,969)</u>

\*The Company had tax loss for the year 2019 amounting to Baht 78.77 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.

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.....Director  
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**Income tax reduction**

The Act of Legislation amended Revenue Code No.42 B.E. 2559, dated March 3, 2016, grants the corporate income tax rate 20% on net profit for the accounting periods beginning on January 1, 2016 onwards.

**20. EXPENSES BY NATURE**

Significant expenses by nature for the years ended December 31, 2020 and 2019 consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(Increase) Decrease in change of				
finished goods and work in progress	(5,235,580)	(115,832,560)	(5,235,580)	(115,832,560)
Raw materials and consumables used	4,706,721,392	1,940,389,532	4,697,011,819	1,926,813,514
Employee benefit expenses	81,960,305	76,439,099	77,671,987	65,542,125
Depreciation and amortization expenses	113,756,362	86,607,994	99,873,457	68,635,285
Reversal allowance for devaluation of inventories	(44,000,000)	41,250,000	(44,000,000)	41,250,000
Allowance for impairment of investments in subsidiaryies	-	-	5,617,860	20,750,000

.....Director  
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.....Director  
(Pimwan Thareratanavibool)

**21. PROMOTIONAL PRIVILEGES**

The Company were granted promotional certificates by virtue of the Investment Promotion Act, B.E. 2520 (1977) as follows:

Companies	1. Promotional certificates Nos.	2. Effective dates	3. To promote investment in business of	4. Expiry dates according to items 5.1 and 5.2
AI Energy Public Co., Ltd.	1992(1)/2553 2777(1)/2556 60-0406-1-001-0 60-0623-1-00-1-0	October 1, 2013 February 3, 2015 November 21, 2019 Not yet operated	Producing biodiesel Producing biodiesel Producing 99.8% Refine Glycerin Producing biodiesel	September 30, 2021 February 2, 2023 November 22, 2022 Not yet operated

5. Important privileges which are granted :

5.1 Exemption from corporate income tax on net profit of promotional operation for 8 years. The promotional certificates No. 1992(1)/2553, 2777(1)/2556. And promotional operation for 3 years. No. 60-0406-1-00-1-0 and 60-0623-1-00-1-0

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. 1992(1)/2553 and 2777(1)/2556. and from promotional net profit at 100% of normal rate since the exemption is expired as 5.1 for 3 years especially for promotional certificate No.60-0406-1-00-1-0 and 60-0623-1-00-1-0

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. 1992(1)/2553 and 2777(1)/2556.

5.5 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit since the expiry dates within 5 years, by which can be deducted from net profit of any year or several years of all promotional certificates.

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

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

The Company revenues from sale of goods, which are granted the promotional certificates for year ended December 31, 2020 and 2019 in the separate financial statement, as follows:

Unit : Baht			
Separate financial statements			
	Promoted	Non-promoted	
	Activities	Activities	Total
<b>For the year ended December 31, 2020</b>			
Revenues from sale of goods	4,104,592,462	1,399,708,282	5,504,300,744
Other incomes	-	4,536,820	4,536,820
Total	4,104,592,462	1,404,245,102	5,508,837,564
<b>For the year ended December 31, 2019</b>			
Revenues from sale of goods	711,504,068	1,245,665,526	1,957,169,594
Revenues from production contract	-	7,014,453	7,014,453
Income from an insurance claim - net	-	13,331,727	13,331,727
Other incomes	-	2,636,547	2,636,547
Total	711,504,068	1,268,648,253	1,980,152,321

## 22. 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 profit or loss for the years ended December 31, 2020 and 2019 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
AI Energy Public Company Limited	1,691,821	1,556,808	1,691,821	1,556,808
AI Logistic Company Limited	15,243	37,148	-	-
Total	1,707,064	1,593,956	1,691,821	1,556,808

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

**23. SEGMENTS INFORMATION**

The segments information for the years December 31, 2020 and 2019 was as follows:

Unit : Thousand Baht						
Consolidated financial statements						
For the year ended December 31, 2020						
Sale of biodiesel and vegetable oil and by product	Production contract		Sale of Refine Glycerine	Vessel operating		Port services
	of refine crude palm oil					
Revenues from sales and services	5,363,576	-	140,725	9,778	-	5,514,079
Cost of sales and services	(4,799,362)	-	(128,819)	(17,444)	-	(4,945,625)
Reversal for devaluation of inventories	4,000		40,000	-	-	44,000
Gross profit (loss) by segment	568,214	-	51,906	(7,666)	-	612,454
Other income						4,952
Distribution costs						(34,512)
Administrative expenses						(87,615)
Finance costs						(6,439)
Tax income						(323)
Profit for the year						488,517
Property, plant, vessel and equipment-net	853,547		455,523	-	151,037	1,460,107

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(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

Unit : Thousand Baht

Consolidated financial statements						
For the year ended December 31, 2019						
	Sale of biodiesel and vegetable oil and by product	Production contract of refine crude palm oil	Sale of Refine Glycerine	Vessel operating	Port services	Total
Revenues from sales and services	1,956,108	7,014	1,062	16,487	-	1,980,671
Cost of sales and services	(1,966,456)	(4,739)	(1,232)	(29,808)	-	(2,002,235)
Allowance for devaluation of inventories	(4,000)	-	(40,000)	-	-	(44,000)
Gross profit (loss) by segment	(14,348)	2,275	(40,170)	(13,321)	-	(65,564)
Income from an insurance claim - net						13,332
Other income						3,191
Distribution costs						(19,628)
Administrative expenses						(78,096)
Loss on impairment of property, plant and equipment						(1,620)
Finance costs						(3,706)
Tax expenses						(4,405)
Loss for the year						(156,496)
Property, plant, vessel and equipment-net	886,224		471,752	24,854	163,465	1,546,295

.....Director  
(Thanit Tharatanavibool)

.....Director  
(Pimwan Tharatanavibool)

**24. COMMITMENT AND CONTINGENT LIABILITIES**

Commitments and contingent liabilities as at December 31, 2020 and 2019 were as follows:

**24.1 Letters of guarantee**

The Group had contingent liabilities on bank guarantees by banks on behalf of the Group were as follows.

	Unit : Baht	
	Consolidated financial statements	
	2020	2019
Guarantee for importation machinery	-	11,178,299
Guarantee for electricity usage	5,769,000	5,769,000
Total	5,769,000	16,947,299

**24.2 Group has contingent liabilities on capital commitments were as follows:**

	Contracted Balance (Unit : Baht)	
	Consolidated/Separate financial statements	
	2020	2019
Capital commitments		
Contracted but not provided for		
work in process - building and utility systems	5,321,226	1,877,155
work in process - machinery	1,979,500	2,553,705
work in process - Purify Glycerin project	-	14,023,420

24.3 On June 20, 2017, the Enforcement Department, Office of the Securities and Exchange Commission of Thailand (the SEC) has filed a criminal complaint against two former directors and executives of the Company in case of the preparation of incorrect financial statements for the year 2014 (Before restated), as the Company predecessor auditor had expressed the disclaimer of opinion, with the Department of Special Investigation (DSI) for further legal proceedings. Presently, the investigation is still under the process.

During the year of 2019, the Company requested a legal opinion this case with an independent law firm, whose letter dated November 11, 2019, has an opinion that the case is the criminal complaint against former directors and executives of the Company which is a personal matter, and the Company which is a juristic person will not be liable in any way. Therefore, when former directors and executives of the Company have complaint against it will not have any impact on the Company.

The Company's management believes that final result investigation in such case do not have not any significant impact on the Company's financial statements.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)



**25. DISCLOSURE OF FINANCIAL INSTRUMENTS**

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

**25.1 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 and vessel operation to few major customers but very high proportion.
- 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.

**25.2 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.

**25.3 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.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

## 25.4 Fair value of financial instruments

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2020 and January 1, 2020 are presented below.

Unit : Baht				
Consolidated financial statements as at December 31, 2020				
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	50,199,918	50,199,918	50,199,918
Trade and other receivables - net	-	518,626,082	518,626,082	518,626,082
Other currents financial assets	2,546,750	213,005	2,759,755	2,759,755
Pledged deposits at financial institutions	-	106,213,200	106,213,200	106,213,200
<b>Total financial assets</b>	<b>2,546,750</b>	<b>675,252,205</b>	<b>677,798,955</b>	<b>677,798,955</b>
<b>Financial liabilities</b>				
Trade and other current payables	-	372,292,239	372,292,239	372,292,239
<b>Total financial liabilities</b>	<b>-</b>	<b>372,292,239</b>	<b>372,292,239</b>	<b>372,292,239</b>

Unit : Baht				
Consolidated financial statements as at January 1, 2020				
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	59,027,414	59,027,414	59,027,414
Trade and other receivables - net	-	368,992,718	368,992,718	368,992,718
Other currents financial assets	2,527,389	6,164,830	8,692,219	8,692,219
Pledged deposits at financial institutions	-	16,947,299	16,947,299	16,947,299
<b>Total financial assets</b>	<b>2,527,389</b>	<b>451,132,261</b>	<b>453,659,650</b>	<b>453,659,650</b>
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans from				
financial institutions	-	3,557,889	3,557,889	3,557,889
Trade and other current payables	-	337,471,812	337,471,812	337,471,812
Short-term loans from related parties	-	290,000,000	290,000,000	290,000,000
<b>Total financial liabilities</b>	<b>-</b>	<b>631,029,701</b>	<b>631,029,701</b>	<b>631,029,701</b>

.....Director  
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.....Director  
(Pimwan Thareratanavibool)

Unit : Baht

	Separate financial statements as at December 31, 2020			
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	37,062,136	37,062,136	37,062,136
Trade and other receivables - net	-	518,013,401	518,013,401	518,013,401
Other current financial assets	64,329	213,005	277,334	277,334
Pledged deposits at financial institutions	-	105,813,200	105,813,200	105,813,200
<b>Total financial assets</b>	<b>64,329</b>	<b>661,101,742</b>	<b>661,166,071</b>	<b>661,166,071</b>
<b>Financial liabilities</b>				
Trade and other current payables	-	371,418,004	371,418,004	371,418,004
Short-term loans from related parties	-	260,000,000	260,000,000	260,000,000
<b>Total financial liabilities</b>	<b>-</b>	<b>631,418,004</b>	<b>631,418,004</b>	<b>631,418,004</b>

Unit : Baht

	Separate financial statements as at January 1, 2020			
	Carrying value			Fair value
	Fair value through			
	profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	52,401,638	52,401,638	52,401,638
Trade and other receivables - net	-	368,195,800	368,195,800	368,195,800
Short-term loans to related parties	-	15,000,000	15,000,000	15,000,000
Other current financial assets	63,835	6,164,830	6,228,665	6,228,665
Pledged deposits at financial institutions	-	16,547,299	16,547,299	16,547,299
<b>Total financial assets</b>	<b>63,835</b>	<b>458,309,567</b>	<b>458,373,402</b>	<b>458,373,402</b>
<b>Financial liabilities</b>				
Trade and other current payables	-	337,354,267	337,354,267	337,354,267
Short-term loans from related parties	-	550,000,000	550,000,000	550,000,000
<b>Total financial liabilities</b>	<b>-</b>	<b>887,354,267</b>	<b>887,354,267</b>	<b>887,354,267</b>

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)

Other current financial assets that is investment in open-end Fund-Debt securities of the Company and subsidiaries are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trusts has been determined by using the net asset value.

## 26. 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.

## 27. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors ("the Board") meeting No. 1/2021 held on February 18, 2021, the Board passed a resolution to approve as follows:

27.1 Pay dividend for the year 2020 of Baht 0.05 per share for a total amount of Baht 261.61 million from the separate financial statements' net profit of promoted activities for the year 2020 after deduction of legal reserves and exempt from income tax, according to the BOI Certificate. These dividends will be approved by the shareholders in the Annual General Shareholders' meeting on April 5, 2021.

27.2 Increase the Company's registered capital from the existing registered capital of 5,232,291,928 shares at Baht 0.25 per share totaling amount of Baht 1,308,072,982.00 to the newly registered capital of 6,278,750,314 shares at Baht 0.25 per share totaling amount of Baht 1,569,687,578.50 as a reserve for the rights exercise under the warrants schemes to purchase the Company's ordinary shares.

27.3 Issue warrants to purchase the Company's newly issued ordinary shares (AIE-W2) for the existing shareholders, not exceeding 1,047 million units (allocate to existing shareholders at the ratio of 5 existing ordinary shares to 1 unit of warrant). 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 1 ordinary shares
Exercise price	:	Baht 0.25 per share
Exercise date	:	The first exercise date is March 31, 2022 and the last exercise date is May 4, 2023
Issuance date of warrants	:	May 5, 2021
Maturity of warrants	:	2 years from the issuance date.

27.4 Issued promissory notes to a director in the amount not exceeding of Baht 200 million, with an interest rate of 2.50% per annum (Depending on the market interest condition at that time), and not exceeding 1 year from issuing date.

## 28. FINANCIAL STATEMENT APPROVAL

These financial statements have been approved to issue by the Company's Board of Directors on February 18, 2021.

.....Director  
(Thanit Thareratanavibool)

.....Director  
(Pimwan Thareratanavibool)



**AI Energy Public Company Limited**