



AIE 084/2018

April 26, 2018

Subject: Management's Discussion and Analysis for year 2015 as of December 31, 2015 (SEC to edit)
(2nd Revision)

Attention: President
The Stock Exchange of Thailand

AI Energy Public Company Limited (AIE) would like to submit the company and its subsidiaries financial statement for the fiscal year 2015, ended as of December 31, 2015 which details are as following;

Results	2015	2014	Increase (Decrease)	
	(Revised Version)	(Revised Version)	Million Baht	Percentage
Total Revenues	3,533.44	4,574.73	(1,041.29)	(22.76)
Cost of Sales	3,502.85	4,293.84	(790.99)	(18.42)
Expenses	120.69	156.08	(35.39)	(22.67)
Net Profit (Loss)	(82.53)	90.67	(173.20)	(191.02)
Earnings per share (Baht per share)	(0.02)	0.02	(0.04)	(200.00)

Net Profit

The company and subsidiaries realized net loss as of the fiscal year 2015, ended as of December 31, 2015 of THB 82.53 million, decreased for THB 173.20 million or 191.02% comparing to the fiscal year 2014 which the realized net profited was THB 90.67 million, for the following reasons;



Revenue

The company and subsidiaries realized the revenue as of the fiscal year 2015, ended as of December 31, 2015 of THB 3,533.44 million which decreased for THB 1,041.29 million or 22.76% from the fiscal year 2014 which realized the revenue THB 4,574.73 million, where the reasons are summarized as follows.

The results of the year 2015	Biodiesel Edible oil By-product	Palm oil refining service	Sales of porcelain and component	Sale of Ice cube	Vessel operating	Port services	Other income	Total revenue
Revenues from sales and services	3,418.20	45.81	0.00	28.54	19.55	0.00	21.34	3,533.44
Cost of sales and services	(3,419.00)	(37.00)	0.00	(24.26)	(22.59)	0.00	0.00	(3,502.85)
Gross profit (loss) by segment	(0.80)	8.81	0.00	4.28	(3.04)	0.00	21.34	30.59
Segment income (%)	96.74	1.30	0.00	0.81	0.55	0.00	0.60	100.00
Sales cost rates. (%)	100.02	80.77	0.00	85.00	115.55	0.00	0.00	99.13
The results of the year 2014	Biodiesel Edible oil By-product	Palm oil refining service	Sales of porcelain and component	Sale of Ice cube	Vessel operating	Port services	Other income	Total revenue
Revenues from sales and services	4,355.19	133.54	3.84	31.45	35.29	1.00	14.42	4,574.73
Cost of sales and services	(4,139.81)	(78.13)	(2.96)	(25.30)	(47.14)	(0.50)	0.00	(4,293.84)
Gross profit (loss) by segment	215.38	55.41	0.88	6.15	(11.85)	0.50	14.42	280.89
Segment income (%)	95.20	2.92	0.08	0.69	0.77	0.02	0.32	100.00
Sales cost rates. (%)	95.05	58.51	77.08	80.45	133.58	0.00	0.00	93.86
Compare the results of the operation.	Biodiesel Edible oil By-product	Palm oil refining service	Sales of porcelain and component	Sale of Ice cube	Vessel operating	Port services	Other income	Total revenue
The difference as income.	(936.99)	(87.73)	(3.84)	(2.91)	(15.74)	(1.00)	6.92	(1,041.29)
The difference of rates revenue by segment (%)	(21.51)	(65.70)	(100.00)	(9.25)	(44.60)	(100.00)	47.99	(22.76)
Sales cost variance as	(720.81)	(41.13)	(2.96)	(1.04)	(24.55)	(0.50)	0.00	(790.99)
The rate of sales cost variance as (%)	(17.41)	(52.64)	(100.00)	(4.11)	(52.08)	0.00	0.00	(18.42)
Cost variance Upselling for sale	4.97	22.26	(77.08)	4.55	(18.03)	(100.00)	0.00	5.27



1. Revenues of manufacture and sales of biodiesel, Edible oil and By-Product business

Revenues of manufacture and sales of biodiesel, Edible oil and By-Product business in the fiscal year 2015 was THB 3,418.20 million which has decreased THB 936.99 million or 21.51% from the fiscal year 2014 which the revenue is THB 4,355.19 million. Ratio of the revenues to total revenues in 2015 and 2014 is 96.74% and 95.20%. Because the sale price of the goods is different by 2.00-3.00 baht/kg, and the quantity of edible oil sold declined as followed;

- Biodiesel sold at 87,500 tons with sales price of 33,200 baht/ton in 2014, while it is sold at 87,325 tons with sales prices of 30,910 baht/ton in 2015.
- Edible oil sold at 29,808 tons with sales price of 33,530 baht/ton in 2014, while it is sold at 21,183 tons with sales price of 29,790 baht/tons.

2. Revenues from palm oil refining services

Ratio of the revenues to total revenues in 2015 and 2014 is 1.30% and 2.92%. Revenues from palm oil refining service in the fiscal year 2015 is THB 45.81 million which has decreased by THB 87.73 million or 65.70% from the fiscal year 2014 because of reduced in demand for palm oil.

3. Revenues of ports and terminal services and ice cube factory

Revenues from Ports and Terminal Services, the subsidiary (AIPT) were received from the Company who was only customer to AIPT, therefore such transaction will not show in Revenue. Revenues from terminal services is THB 1 million, ratio to total revenue is 0.02% and ice cube factory revenue ratio in the fiscal year 2015 and 2014 was THB 28.54 million and THB 31.45 million respectively which has decreased by THB 2.91 million or 9.25%.

4. Revenues from sea freight carrier business

Ratio of the revenues to total revenues in 2015 and 2014 is 0.55% and 0.77%. Revenues from sea freight carrier business in the fiscal year 2015 and 2014 were THB 19.55 million and THB 35.29 million. The income reduced by THB 15.74 million or 44.60% because most of the sea freight carrier serviced to the company.

5. Revenues from other income

Revenues from other income in the fiscal year 2015 and 2014 was THB 21.34 million and THB 14.42 million with Ratio of the revenues to total revenues in 2015 and 2014 is 0.60% and 0.32%. Other incomes has increased by THB 6.92 million or 47.99% from the fiscal year 2014.

Remark : The company and subsidiaries have policies not selling porcelain and component and stopped trading since 2014.



Cost of Sales and Services

The company realized the cost of sales as of the fiscal year 2015, ended as of December 31, 2015 of THB 3,502.85 million. Cost of goods sold to sales is 99.13% which has increased by 5.27%. The main reasons were as follows:

1. Cost of manufacture and sales of biodiesel, Edible oil and By-Product in the fiscal year 2015, 2014 was THB 3,419.00 million or 100.02% of revenue and THB 4,139.81 million or 95.05% respectively. There is an increased in cost of sale ratio by 4.97% due to the price of raw materials is higher than the market price. The company was not able to sell product by the time the market price was reduced.
2. Cost of palm oil refining service in the fiscal year 2015 and 2014 was THB 37 million or 80.77% of the volume of refining service and THB 78.13 million or 58.51% of the volume of refining service respectively. There is an increased in cost of sales ratio by 22.26% due to reduced in demand of palm oil, making production costs higher.
3. Cost of sales for ports and terminal service and ice cube factory in the fiscal year 2015 and 2014 was THB 24.26 million or 85% of revenues and THB 25.30 million or 80.45% of revenues.
4. Cost of sea freight carrier service in the fiscal year 2015 and 2014 was THB 22.59 million or 115.55% of revenues and THB 47.14 million or 133.58% of revenues respectively.

Selling Expenses

The company's selling expenses as of the fiscal year 2015, ended as of December 31, 2015 was THB 43.12 million, which decreased by THB 12.37 million or by 22.29% from selling expenses the amount of THB 55.49 million in the year 2014. The major contributions were the cost of transportation and products insurances.

Administration Expenses

The company's administration expenses for the fiscal year 2015, ended as of December 31, 2015 was THB 66.60 million which decreased by THB 10.81 million or by 13.96% from administration expenses the amount of THB 77.41 million in the year 2014.

Financial Cost

The financial cost for the fiscal year 2015, ended as of December 31, 2015 was THB 10.97 million, which decreased by THB 12.21 million or 52.67% from financial cost the amount of THB 23.18 million in the year 2014.



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AI Energy Public Company Limited.



Please be informed accordingly.

Yours sincerely,

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Managing Director

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