



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited.

AIE086/2018

April 26, 2018

Subject Additional explanation for about the impact of amendments to Financial Statements of 1<sup>st</sup> – 3<sup>rd</sup> Quarter of 2015 and fiscal year 2015 (SEC to edit) (3<sup>rd</sup> Revised)

To President  
The Stock Exchange of Thailand

On April 29, 2015 the Office of the Securities and Exchange Commission (“SEC”) has ordered KorLorTor. PorSor. 798/2559 subject to rectify the financial statements for the year 2015 because the financial statements submitted to the SEC on March 30, 2016 that the auditors expressed Disclaimer of Opinion on the Comprehensive income statement, Changes in shareholders’ equity and cash flows statement due to (1) insufficient and inefficient internal control of inventories and cost of sales of Year 2014 that Dr.Virach & Associates Office Co., Ltd expressed in financial statement for the Year 2014. (2) Auditor could not obtain sufficient appropriate audit evidence to support abnormal production yield during January to June 2015. Furthermore, auditor expressed a qualified opinion on financial position statement due to restricted scope of monitoring by management. Because auditor could not conclude whether there should be any necessary adjustments or will it affect financial statement for Year 2015. SEC requested the company to restate the financial statements to meet accounting standards.

Therefore, company has complied with accounting standards and related announcements by providing sufficient related evidences, document and information. Therefore, auditors obtain sufficient appropriate audit evidences in order to express opinion with assurance and accuracy on financial statements Year 2014 (Revised Version). By that managements had prepared and reviewed documents related to disclaimer of opinion issues based on right accounting standards. The documents prepared by management was reviewed and examined by ANS Audit Co., Ltd which disclose in Notes 33 of Financial Statement Year 2014.

The correction of error:

- The amendments in quarter and annual financial statements of Year 2014 have reflected the financial statements in 2015.
- National Metal and Materials Technology Center (MTEC) examined on company’s biodiesel production process to evaluate the abnormal production yield. They found that biodiesel was loss in washing process which correlated with production yield. The assumption of oil loss in the process is incompleteness of layering. The auditors accept the stated management’s explanation.
- The company found errors in devaluation of inventories so the company adjusted the inventories which reflect financial position statement of 1<sup>st</sup> – 3<sup>rd</sup> Quarter of 2015 and comprehensive incomes statement of 1<sup>st</sup> – 3<sup>rd</sup> Quarter of 2015.
- Data changes from the original financial statements (as in Notes of the financial statements)



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| Compare the changes. | Consolidated financial statements ( in thousands) |            |            | Separate financial statements ( in thousands) |            |            |
|----------------------|---|------------|------------|---|------------|------------|
|                      | After the   | Before the | Increase   | After the                                     | Before the | Increase   |
|                      | update  | update     | (decrease) | update  | update     | (decrease) |

**Statement of financial position as at the date of 31 March 2015.**

**Asset turnover**

|                             |         |         |          |         |         |          |
|-----------------------------|---------|---------|----------|---------|---------|----------|
| Inventories, net decreased. | 486,080 | 507,520 | (21,440) | 485,964 | 507,404 | (21,440) |
|-----------------------------|---------|---------|----------|---------|---------|----------|

**Shareholder's equity**

|                               |        |        |          |        |        |          |
|-------------------------------|--------|--------|----------|--------|--------|----------|
| Decrease in retained earnings | 47,980 | 69,420 | (21,440) | 58,684 | 80,124 | (21,440) |
|-------------------------------|--------|--------|----------|--------|--------|----------|

**Profit and loss and other comprehensive income**

**For the three-month period ended 31 March 2015**

|                          |            |            |        |            |            |        |
|--------------------------|------------|------------|--------|------------|------------|--------|
| Cost of sales increased. | (858,107). | (836,667). | 21,440 | (860,177). | (838,737). | 21,440 |
|--------------------------|------------|------------|--------|------------|------------|--------|

|                        |           |           |        |          |          |        |
|------------------------|-----------|-----------|--------|----------|----------|--------|
| The net loss increase. | (59,029). | (37,589.) | 21,440 | (59,043) | (37,603) | 21,440 |
|------------------------|-----------|-----------|--------|----------|----------|--------|

**Statement of cash flows for the three-month period ended 31 March 2015**

**Cash flow from operating activities**

|   |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|
| Allowance for diminution in value of the goods increases. | 62,188 | 40,748 | 21,440 | 62,188 | 40,748 | 21,440 |
|---|--------|--------|--------|--------|--------|--------|

| Compare the changes. | Consolidated financial statements ( in thousands). |            |            | Separate the financial statements (in thousands) |            |            |
|----------------------|--|------------|------------|--|------------|------------|
|                      | After the  | Before the | Increase   | After the  | Before the | Increase   |
|                      | update.  | update.    | (decrease) | update.  | update.    | (decrease) |

**Statement of financial position as at the date of 30 June- 2015**

**Asset turnover**

|                             |         |         |          |         |         |          |
|-----------------------------|---------|---------|----------|---------|---------|----------|
| Inventories, net decreased. | 551,854 | 571,866 | (20,012) | 551,740 | 571,752 | (20,012) |
|-----------------------------|---------|---------|----------|---------|---------|----------|

**Shareholder's equity**

|                               |       |        |          |        |        |          |
|-------------------------------|-------|--------|----------|--------|--------|----------|
| Decrease in retained earnings | 6,184 | 26,196 | (20,012) | 11,703 | 31,715 | (20,012) |
|-------------------------------|-------|--------|----------|--------|--------|----------|

**Profit and loss and other comprehensive income**

**For the three months ended 30 June- 2015**

|                         |            |            |         |            |            |         |
|-------------------------|------------|------------|---------|------------|------------|---------|
| Cost of sales decreased | (905,810). | (907,238). | (1,428) | (908,804). | (910,232). | (1,428) |
|-------------------------|------------|------------|---------|------------|------------|---------|

|                     |           |           |         |          |           |         |
|---------------------|-----------|-----------|---------|----------|-----------|---------|
| Net loss decreased. | (41,796.) | (43,224.) | (1,428) | (46,981) | (48,409.) | (1,428) |
|---------------------|-----------|-----------|---------|----------|-----------|---------|



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| Compare the changes.                    | Consolidated financial statements ( in thousands). |              |            | Separate financial statements (in thousands) |              |            |
|---|--|--------------|------------|--|--------------|------------|
|   | After the  | Before the   | Increase   | After the                                    | Before the   | Increase   |
|   | update.  | update.      | (decrease) | update.                                      | update.      | (decrease) |
| <b>For the six months ended 30 June</b> |  |              |            |  |              |            |
| Cost of sales increased.                | (1,763,917).                                       | (1,743,905). | 20,012     | (1,768,981).                                 | (1,748,969). | 20,012     |
| Net loss increased                      | (100,825).   | (80,813)     | 20,012     | (106,024).                                   | (80,012.)    | 20,012     |

**Cash flow statement for the six months ended 30 June- 2015.**

**Cash flow from operating activities**

|   |        |       |        |        |       |        |
|---|--------|-------|--------|--------|-------|--------|
| Allowance for diminution in value of the goods increases. | 28,255 | 8,243 | 20,012 | 28,255 | 8,243 | 20,012 |
|---|--------|-------|--------|--------|-------|--------|

| Compare the changes.  | Consolidated financial statements ( in thousands). |            |            | Separate financial statements (in thousands) |            |            |
|---|--|------------|------------|--|------------|------------|
|   | After the  | Before the | Increase   | After the                                    | Before the | Increase   |
|   | update.  | update.    | (decrease) | update.                                      | update.    | (decrease) |
| <b>Profit and loss and other comprehensive income</b>       |  |            |            |  |            |            |
| <b>For the three-month period ended 30 September, 2015.</b> |  |            |            |  |            |            |
| Cost of sales decreased                                     | (840,548).   | (860,560). | (20,012)   | (840,611).                                   | (860,623). | (20,012)   |
| Net loss decreased.   | (32,441.)  | (52,453)   | (20,012)   | (32,285)                                     | (52,297.)  | (20,012)   |

**For the nine-month period ended 30 September, 2015**

|                          |             |             |   |             |             |   |
|--------------------------|-------------|-------------|---|-------------|-------------|---|
| Cost of sales not change | (2,604,465) | (2,604,465) | - | (2,609,592) | (2,609,592) | - |
| Net loss not change      | (133,266)   | (133,266)   | - | (141,310)   | (141,310)   | - |



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| Compare the changes.  | Consolidated financial statements ( in thousands) . |                    |                     | Separate financial statements ( in thousands) . |                    |                     |
|---|---|--------------------|---------------------|---|--------------------|---------------------|
|   | After the update.                                   | Before the update. | Increase (decrease) | After the update.                               | Before the update. | Increase (decrease) |
| <b>Statement of financial position as at the date of 31 December 2015</b> |   |                    |                     |   |                    |                     |
| <b>Current liabilities.</b>   |   |                    |                     |   |                    |                     |
| Corporate income tax payable.   | 3,765   | 840                | 2,925               | 2,925   | -                  | 2,925               |
| <b>Shareholder's equity</b>   |   |                    |                     |   |                    |                     |
| Decrease in retained earnings   | 24,479  | 27,404             | (2,925)             | 17,894  | 20,820             | (2,925)             |
| <b>Income statement for the year ended 31 December 2015</b>               |   |                    |                     |   |                    |                     |
| Cost of sales increased.  | (3,443,253).  | (3,433,383)        | 9,869               | 3,449,522                                       | (3,439,653)        | 9,869               |
| ** The cost of Refining services (classification)                         | (37,003.)   | (37,003.)          | -                   | (37,003.)                                       | * (37,003.)        | -                   |
| Loss for the year add up.   | (82,530.)   | (72,661.)          | 9,869               | (99,832)  | (89,963)           | 9,869               |

- During the year, the management prepared and reviewed new documents to support the transactions related to the findings of opinion of the Auditor. In accordance, consolidated financial statements meet financial reporting standards, so it was necessary to make retrospective adjustment of financial statements for the year ended December 31, 2014 and 2015.

- The company has categorized some transactions in the new order that affected financial statements Year 2015. The example of new category is to realize the cost of refining services from the cost of sales of Biodiesel, Vegetable oil and By-product so the adjustment required as followed; Cost of sales of Biodiesel, Vegetable oil and By-product decreased by 9,698,250 baht and the cost of refining services increased by the same amount. As a result, there was no impact on net incomes and shareholders' equity on the financial statements for the year 2015. However, the company has adjusted the inventories by 9,869,423 baht which resulted in increasing of net loss by 9,869,423 baht for the financial statements Year 2015.

Please be informed accordingly.

Best regards,

AI Energy Public Company Limited

(Ms. Pimwan Thareratanawibool)

Managing Director