



บริษัท เอไอ เอนเนอร์จี จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

**- Information Memorandum -**

**AI Energy Public Company Limited**

- Head Office and Factory** : 55/2 Moo 8 Sethakit 1 Road, Klongmadua, Krathum Baen,  
**Address** Samut Sakhon 74110  
Telephone 034 877 485 – 8 Facsimile 034 877 491 – 2  
Website <http://www.aienergy.co.th>
- Year of being listed in mai.** : 6 January 2014
- Ordinary Shares** : 5,232,291,928 shares at 0.25 Baht per share, equal to 1,308,072,982 Baht
- Capital** : Registered capital  
Ordinary shares 1,308,072,982 Baht  
Paid-up capital  
Ordinary shares 1,308,072,982 Baht
- Secondary Market** : Market for Alternative Investment (mai.)

**Business Profiles:**

AI Energy Public Company Limited (“the Company” or “AIE”) produces and sells Biodiesel: B100 and Palm Olein (Edible Oil), which are produced from crude palm oil (CPO) with environmentally friendly continuous refining and production system and for Edible Oil AIE uses “PAMOLA” brand as traded name. AIE also sells raw materials such as CPO, RBD Palm Oil, including by-products of manufacturing processes, palm fatty acid distillate (PFAD), refined bleached deodorized palm stearin (RBD Palm Stearin) and crude glycerine to be used in other industries such as soap, cosmetics, including reuse as raw materials to produce biodiesel. 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.

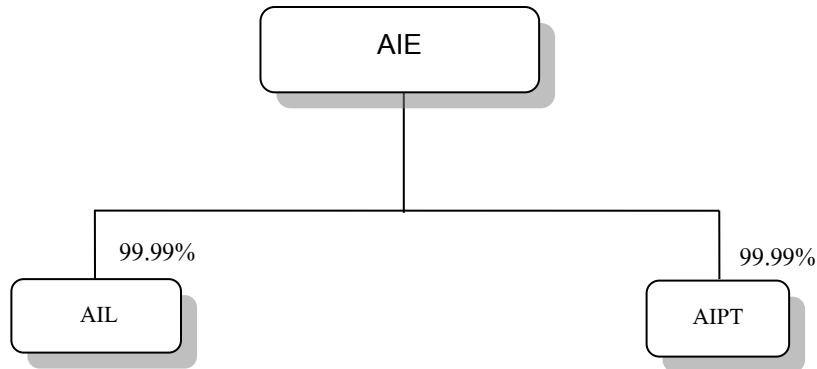


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■ **Group of Company Structure as of 31 March 2019**



Subsidiaries	Type of Business	Registered Capital	Paid-up Capital	Stakeholder
		(Million Baht)	(Million Baht)	%
<b>AIL</b> (AI Logistics Company Limited)	Sea Freight Services	209.00	209.00	99.99
<b>AIPT</b> (AI Ports and Terminals Company Limited)	Ports and Terminals Services	460.00	460.00	99.99

■ **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 (2) refining service revenues, (3) sea freight revenue and Ports and Terminals servicing, and (4) other revenue, which could be characterized by performance of each type of business of sales and services as follows:-

**I. Company's Products**

**1) Selling Revenues – Palm Oil Business**



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#### 1.1 Biodiesel: B100

The company produces biodiesel for sale as Made-to-Order whereas all buyers purchased Biodiesel from the Company were domestic buyers. The group of customers of Biodiesel is oil trader under Section 7 of the Fuel Trade Act B.E. 2543. Biodiesel 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. Biodiesel produced and distributed by the Company has characteristics and quality in accordance with the Fuel Trade Act B.E. 2543 and qualified as required by the Department of Energy Business, Ministry of Energy concerning the nature and quality of biodiesel type of fatty acid methyl esters B.E. 2552. Produced Biodiesel will be used as an ingredient of High-Speed Diesel (HSD) to reduce oil imports and increase the use of alternative energy. Currently, the oil trader under Section 7 uses biodiesel as the ingredient of diesel fuel in the proportion of 93 percent diesel fuel and 7 percent biodiesel, called "Diesel B7".

#### 1.2 Refined Breached Deodorized Plam Olein: RBD Palm Olein

Palm Olein is obtained from refining crude palm oil by squeezing oil from good quality palm oil 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 bag in box under the brand "PAMOLA", which was established in the Palm Olein market more than 30 years.

In 2017, the Company has changed the policy and distribution of Palm Olein business ("Edible Oil") by cancels the sales and distribution by the Company itself, change into refining service of Edible Oil instead. The customer will supply their own CPO and taking liabilities in transporting expenses such raw materials to the factory and charge extra if requested the product in various packages under customer brand. However, the Company has realized revenue from selling Edible Oil in 2018, due to some industrial customers and food chains contracting the Company directly for the Company's product quality reasons.



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### 1.3 Raw Materials and By-products

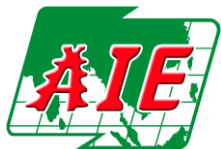
The Company sells raw materials, including crude palm oil which is an initial raw material for manufacturing of Biodiesel, and distributes Refined Bleached Deodorized Palm Oil (RBD Palm Oil) which is an initial raw material for manufacturing of Biodiesel and Olein Palm oil to both domestic and overseas customer. In addition, the Company had revenues from selling of by-products received from manufacturing including Palm Fatty Acid Distillate (PFAD), Refined Bleached Deodorized Palm Stearin (RBD Palm Stearin) and crude glycerin. Such by-products will be supplied to the manufacturers in other industries, such as soap and cosmetics, as well as reused as raw materials from Biodiesel production. The Company sold such by-products to both domestic and overseas.

### 2) Revenues from Refining Services

The Company had revenues from refining service contracts resulted 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 group and Edible Oil group. For Biodiesel, the customer is a member of a group of traders in section 7 of the Fuel Trade Act B.E. 2543 in which currently there is one of under section 7 providing refining services of RBD Palm Oil to such customer 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 to customer in Edible Oil business. 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.

## II. **Product of Subsidiaries**

### 1) Revenue from Sea Freight Service



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Revenue from sea freight service is revenue arising on behalf of AI Logistics Co., Ltd. (AIL) which operating vessel freight services with 1 high-quality vessels, namely "Thareratana 3" in 2019. AIL provides sea freight service for fuel, lubricant oil, crude palm oil, refined palm oil to other customers internationally. Presently, AIL provides sea freight service to other customer in various industries, who are not involved with any shareholder, board, and executive of the Company. For "Thareratana 1", AIL has disposed it to the Buyer since 18 October 2016 on the leased-purchase agreement and will be fully paid within October 2018. The detail of the vessel Thareratana 3 is as the following.

**Matrix Representing Basic Information Regarding AIL's Vessel**

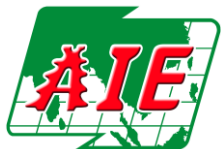
Vessel Title	Vessel License	Type of Vessel	Size/Route
Thareratana 3	Transport CPO and Fuel	Mechanical sea area only	- Vessel size (Double – Hull) 2,500 Gross Ton - International Sea Freight

**2) Revenues from Ports and Terminals servicing**

Revenue from port and terminals services is revenue arising on behalf of AI Ports and Terminals Co., Ltd. (AIPT) which operates port services and shore storage tanks. AIPT is a subsidiary of the Company and have 1 port and shore storage tanks located in Amphur Muang district of Chumphon province, able to store fuel, lubricant oil, crude palm oil, and refined palm oil with 10 tanks of total storage capacity 20,000 tons, or approximately 22,124,000 Liters. AIPT only provides service to the Company, therefore, this revenue was considered as related transaction which will not be shown in the Company's consolidated financial statements.

Since 2018, AIPT has no revenue from port and terminal service since its temporarily ceased it's operation and the Company has been canceled CPO storage at AIPT-Samut Sakhon and AIPT – Chumphon from July 2016. While, AIPT had sold some of its assets at Tha Chalom in Samut Sakhon, which are port, lands building, tanks farm (5 tanks with total storage capacity of 11,062,000 Litres), and ice factory to the Buyer since June 2017.

■ **Revenue Structure of the Company and its Subsidiaries**



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Types of Revenue	Consolidated Financial Statement (Reviewed)		Consolidated Financial Statement (Reviewed)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)		Consolidated Financial Statement (Audited)	
	Q1/2019		Q1/2018		2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Selling revenue</b>	<b>412.51</b>	<b>97.12</b>	<b>411.73</b>	<b>92.62</b>	<b>1,459.23</b>	<b>92.89</b>	<b>2,176.30</b>	<b>88.43</b>	<b>3,416.58</b>	<b>97.90</b>
1.1 Palm oil business revenue	412.51	97.12	411.73	92.62	1,459.23	92.89	2,176.30	88.43	3,395.67	97.30
1.1.1 Biodiesel	333.91	78.61	386.36	86.92	1,295.07	82.44	1,930.18	78.43	2,652.04	75.99
1.1.2 Palm Olein	67.77	15.96	-	-	86.63	5.51	130.44	5.30	690.27	19.78
1.1.3 Raw materials & by-product <sup>1</sup>	10.84	2.55	25.37	5.71	77.53	4.94	115.68	4.70	53.36	1.53
1.2 Revenues from ice cube selling <sup>2</sup>	-	-	-	-	-	-	-	-	20.91	0.60
<b>2. Refining service revenue</b>	<b>5.07</b>	<b>1.19</b>	<b>16.65</b>	<b>3.75</b>	<b>49.46</b>	<b>3.15</b>	<b>77.03</b>	<b>3.13</b>	<b>32.58</b>	<b>0.93</b>
<b>3. Sea freight revenue<sup>3</sup></b>	<b>6.44</b>	<b>1.52</b>	<b>13.68</b>	<b>3.08</b>	<b>54.11</b>	<b>3.44</b>	<b>32.92</b>	<b>1.34</b>	<b>29.94</b>	<b>0.86</b>
<b>Total sub-revenues</b>	<b>424.02</b>	<b>99.83</b>	<b>442.06</b>	<b>99.45</b>	<b>1,562.80</b>	<b>99.48</b>	<b>2,286.25</b>	<b>92.90</b>	<b>3,479.10</b>	<b>99.69</b>
<b>4. Other revenues<sup>4</sup></b>	<b>0.74</b>	<b>0.17</b>	<b>2.45</b>	<b>0.55</b>	<b>8.12</b>	<b>0.52</b>	<b>174.81</b>	<b>7.10</b>	<b>10.87</b>	<b>0.31</b>
<b>Total revenues</b>	<b>424.76</b>	<b>100.00</b>	<b>444.51</b>	<b>100.00</b>	<b>1,570.92</b>	<b>100.00</b>	<b>2,461.06</b>	<b>100.00</b>	<b>3,489.97</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 glycerin will be supplied to the entrepreneurs in continuous industries, such as soap, lotion, cosmetic, cream, and condensed milk industry.

<sup>2</sup> Revenues from ice cube mean revenues on behalf of AIPT which is a subsidiary of the Company and it has been permanently ended its ice cube business since November 2016.

<sup>3</sup> Revenues from sea freight mean revenues on behalf of AIL which is a subsidiary of the Company.

<sup>4</sup> Other revenues mean other revenues from the Company and subsidiaries such as revenues from selling scarps, interest income and revenue from gain on dispose of non-current assets of AIPT for THB 156.57 million

#### ■ Targeted Customers

Targeted customers are based on the Company's products line as following.



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1) Biodiesel

The main customers are oil trader under Section 7 of the Fuel Trade Act B.E. 2543, who trading all kind of methyl esters with totally more than 100,000 tons or 120 million liters per year or trading gas petroleum more than 50,000 tons per year, mostly are national major oil companies. Contracting under 3-12 months contracts by bidding method, depend on each customers' policies.

2) Palm Olein

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 bag in box under the brand "PAMOLA", which was established in the Palm Olein market more than 30 years. The Company current policy is Made to Order.

In 2017, the Company has changed the policy and distribution of Palm Olein business ("Edible Oil") by cancels the sales and distribution by the Company itself, change into refining service of Edible Oil instead. The customer will supply their own CPO and taking liabilities in transporting expenses such raw materials to the factory. However, in 2018 the Company has revenue from sales of edible oil to customers in chain restaurant segment who has requested purchasing order from the Company directly.

3) Raw Materials and By-products

The Company sells raw materials, including crude palm oil which is an initial raw material for manufacturing of Biodiesel, and distributes Refined Bleached Deodorized Palm Oil (RBD Palm Oil) which is an initial raw material for manufacturing of Biodiesel and Olein Palm oil to both domestic and overseas customer. In addition, the Company sell by-products received from manufacturing including Palm Fatty Acid Distillate (PFAD), Refined Bleached Deodorized Palm Stearin (RBD Palm Stearin) and crude glycerin to the manufacturers in other industries, such as soap and cosmetics, as well as reused as raw materials from Biodiesel production. For the transportation depending on mutual agreement.

4) Refining Services



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The Company had revenues from providing service on refining crude palm oil (CPO) to gain Refined Bleached Deodorized Palm Oil (RBD Palm Oil) and Palm Olein 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 (depend on negotiation). There are 2 group of customer; Biodiesel group and Edible Oil group. For Biodiesel, the customer is a member of a group of traders in section 7 of the Fuel Trade Act B.E. 2543 in which providing 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 to Edible Oil trading customer.

#### ■ Distribution Channel

Biodiesel (B100) For the distribution channels of biodiesel of the company. It is in the form of bidding for biodiesel contracts with customers. Each customer will be invited the company to bid for the contract. Each customer will have a different time to bid, that is, some will bid once a year, while some will bid two to four times a year, depending on the ordering policy of each customer. Most of the contract period is from 3 months, 6 months and 12 months.

Palm Olein The Company has adopted a Made to Order policy to distribute palm olein directly to some customers. To be able to control costs and profit margins, the sale department of Palm Olein was ceased. And using the method of contract refining service where as a customer supplies their own raw materials including transportation to the factory, where the Company receives refining and packing charges in return.

#### ■ Raw Material Procurement

Main raw materials used in biodiesel production are CPO and Chemicals including Methanol, Sodium methylate, Bleaching Earth, phosphoric acid, and fuels. Also, the packaging for Palm Olein. The Company purchases main raw materials from many manufacturers and distributors locally. The procurement plans for each raw material were done accordingly to production and delivery plans. The Company only purchases raw materials only from those in the approved supplier list to compare the price before the purchase, also set the criteria to assess the supplier in various aspects such as raw material quality, price, service, delivery, and ISO certification. The Company reviews the approved supplier list every 6 months to prevent potential risks if significant vendor qualification changes could affect the quality and delivery of raw materials to the





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Company. Considering the procurement of raw materials used in the production of the company, by considering the types of raw materials, the following can be explained.

1. Crude Palm Oil (CPO): The Company purchase CPO from palm oil extraction plants located in southern part of Thailand, mostly are in Surat Thani, Prachuap Khiri Khan, Chumphon, Ranong, Krabi, Nakorn Srithammarat and etc. The Company has clearly defined the criteria for the purchase of CPO as a guideline for purchasing department to strictly follow in order to control the quality of incoming CPO. Normally, the Company buy CPO 2 weeks in advance before production, where suppliers gradually deliver upon the agreed plans at front of the Company's factory. CPO is one of the agriculture products controlled by the Department of Internal Trade (DIT) since 25 January 2012 under oil category and fat from plants and animals, whether edible or non-edible. The Company's purchasing department will consider the purchasing price based on the announced price of CPO by DIT, which will be shown in the website of the Ministry of Commerce daily, to compare and negotiate with suppliers. CPO will be lab tested for quality assurance before received and stored in tanks.

2. Chemical: There were several chemicals used in Biodiesel and Palm Olein's productions such as Bleaching Earth, Methanol, Sodium Methylate, and Phosphoric acid, which locally obtain from various suppliers. The Company always buys those chemicals in advance according to production plans, where suppliers absorbed all transportation costs.

3. Fuels: The Company uses coals and fuel oil as the source of power to create steam and heat for production, which locally obtain from various suppliers. The Company always buys fuels in advance according to production plans, where suppliers absorbed all transportation costs.

### **Environmental Impact:**

There are by-products from RBD Palm Oil, Biodiesel, and Palm Olein productions that are; Palm Fatty Acid Distillate, Crude Glycerine, and Palm Stearin respectively, which can be sold to customers in same and other industries. Consequently, the environmental impact from the production process's waste is minimal. In addition, the biodiesel production process is designed to be a closed production process to reduce the reaction between biodiesel and oxygen, also to prevent chemicals used for production being released into the air and waste water. In addition, for chemicals and chemical containers after use, the Company also sets a



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clear policy to separate and divide the area to prevent the risk of chemical reactions and hire service providers to dispose them on a monthly basis. Currently, the company does not have any disputes or lawsuits related to the environment.

#### Biodiesel's Sale Contracts (B100)

<b>Customer</b>	:	Esso (Thailand) Public Company Limited
<b>Contract Date</b>	:	18 March 2019
<b>Type of Contract</b>	:	B100 on agreed quantity
<b>Contract Period</b>	:	From 1 April to 31 December 2019
<b>Payment Condition</b>	:	For invoices sent to customers from the 1st to 15th of the month, payment of goods is within the last day of the order month. For invoices sent to customers from 16-31 of the months, payment of goods will be within the 15th of the following month.

<b>Customer</b>	:	IRPC Public Company Limited
<b>Contract Date</b>	:	3 December 2018
<b>Type of Contract</b>	:	B100 on agreed quantity
<b>Contract Period</b>	:	From 1 January to 31 December 2019
<b>Payment Condition</b>	:	For invoices sent to customers from the 1st to 15th of the month, payment of goods is within the last day of the order month. For invoices sent to customers from 16-31 of the months, payment of goods will be within the 15th of the following month.

<b>Customer</b>	:	PTTOR
<b>Contract Date</b>	:	31 March 2019
<b>Type of Contract</b>	:	B100 on agreed quantity
<b>Contract Period</b>	:	From 1 April 2019 to 31 March 2020
<b>Payment Condition</b>	:	Within 19 days since delivered (Delivery date is count as day zero)

#### Project Feasibility:



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- N/A -

### **Technical and Management:**

- N/A -

### **Future Projects:**

#### **I. Refined Glycerine Plant Project**

The Company has a capacity of 600 tons of Biodiesel (B100) per day, which produce crude glycerine as by-product by 10-15% or equivalent to 60-90 tons crude glycerine per day. Currently, the Company sells crude glycerine to customers in various industries and chemical traders locally and internationally. Therefore, the Company had invested in Refined Glycerine Plant in order to put a value added to crude glycerine, where the refined glycerine price is more than double the price of crude glycerine. Besides Refined glycerine that the Company will get as main product, the Company also get Fatty Acids Oil that are separated from crude glycerine, which it is used as a raw material for B100 production.

Since 2017, the Company has invested in a Refined Glycerin Plant that has purity follows United States Pharma Grade (USP) or European Pharma Grade (EP) standards with the production capacity of 100 tons refined glycerin per day. As of 31 March 2019, the total investment was THB 430 million.

**Project Status:** As of 31 March 2019, the refined glycerine plant was 100% completed and currently in commission phase, which expected to commercially run within 2<sup>nd</sup> quarter of 2019.





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**Related Transactions:**

Companies or Persons, who may have conflict of interest, having related transactions with the Company as of 31 March 2019 and as of 31 December 2018 accounting period are as follows;

Companies or persons 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 59.59 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>



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Companies or persons with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		3 Months As of 31 Mar, 19	12 Months As of 31 Dec, 18	
1) Asian Insulators Public Company Limited (AI)	<u>Administrative Expenses:</u> The Company and its subsidiaries made a payment for accounting software service fees and server to AI.	0.37	1.56	- 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. In 2018, AIE paid software service fee to AI for 6,122.00 Baht per user and in 2017 for 7,902.94 Baht per user. Such software service fee was not including server charge, which AI will collect as agreed upon rate and in accordance to the normal term of contract.  <u>Audit committee's opinions</u> Audit Committee meeting No. 7/2019 on 14 May 2019 has resolution verified and provided comments on transaction occurring between the Company, the parent company, and its subsidiaries by considering such transaction is beneficial to the business of the Company, were based on the Company's policy and appropriation.
	<u>Administrative Expenses:</u>	0.04	0.18	- In 2018 and 2017, AIL rented office space located at Number 254



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Companies or persons with Possible Conflict of Interest	Related Transactions	Item Value (Million Baht)		Item Characteristics/ Needs and Reasonability
		3 Months As of 31 Mar, 19	12 Months As of 31 Dec, 18	
	AIL, rented office space and utilities from AI.			<p>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 and compatible with those that offered in the same area. 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.</p> <p><u>Audit committee's opinions</u></p> <p>Audit Committee meeting No. 7/2019 on 14 May 2019 has resolution verified and provided comments on transaction occurring between the Company, the parent company, and its subsidiaries by considering such transaction is beneficial to the business of the Company, were based on the Company's policy and appropriation.</p>



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### Auditing Committee's opinions

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

**Obligation:** as of 31 March 2019

User	Person of Guarantee	Financial Institute	Loan Types	Credit Limit (Million Baht)	Outstanding (Million Baht)	Collaterals
AIE	-	SCB	LG - Electricity	2.50	1.67	Pledged fixed account fully covered outstanding
AIE	-	TMB	OD	5.00	-	N/A
			PN	500.00	-	
AIE	-	KBANK	LG - Electricity	3.81	3.70	Pledged fixed account fully covered outstanding
			LG - Custom	18.30	18.25	Pledged fixed account fully covered outstanding
AIPT	-	KBANK	LG - Electricity	0.40	0.40	Pledged fixed account fully covered credit limit
AIL	-	KBANK	OD	5.00	0.31	N/A



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## **Risk Factors:**

### **Risks in the Company's business**

#### **1. Business Competition**

The Company operates business in producing and distributing biodiesel fuel (B100) and by-product from the production process. If we consider the business growth of each product, biodiesel fuel is known to be a product which 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 biodiesel (B100) to improve such strategy fairly. This is considered one of the ways to support biodiesel producers by slowly increase such mixture of biodiesel from the enforcement of B3 - B7 which is used nationwide (biodiesel rule B7 refers to diesel fuel which has 7% mixture of biodiesel and diesel fuel mixture of 93%), which the government has agreed to such strategy to develop and promote biodiesel use 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. Since 2012 the Company has gained an economy of scale from Crude Palm Oil Refinery of 1,150 tons per day and in the past 3 years the Company has expand investment to further improve efficiency and reduce cost by using palm fatty acid (PFAD) which is a by-product as a raw material to produce biodiesel, so called Esterification 80% Plant with production capacity of 72 tons of PFAD per day, also expanded its biodiesel production capacity from 450 tons of biodiesel per day to 600 tons per day to benefit from economies of scale in biodiesel production. In 2017, the Company has invested to construct the Refined Glycerine Plant, which has a production capacity of 100 tons of refined glycerine per day, add the value added to the Company's existing by-product; crude glycerine. The refined glycerine commonly known as an essential raw material in foods and pharmaceutical industries that help the Company expanding customer base in other industries, where has less government policy's intervention. The plant itself is completed 100% and expected commercially run in 2<sup>nd</sup> quarter of 2019.





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## 2. Customer Concentration Risk

The company sells Biodiesel (B100) up to 78.61% of total Sales in the 1<sup>st</sup> quarter of 2019. 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 the Company for bidding. The selling process after winning the bidding will be a 3-12 months' contract depending on the project plan and customer's policy. Most customers will determine the product pickup or amount of goods clearly in the contract.

However, the purchasing ratio may adjust according to the customer's demand during each period. The company is sure that there is very small chance for us to lose our customers as producers and distributors of biodiesel fuels are rare when compare to the demand since the government's policy to induce higher usage of Biodiesel and recently increased B100 blend mandate for trucks (Fleet) to B20 in mid-2017.

## 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 separated for various business sectors such as energy, industry, and other non- food sectors such as soap and cosmetics. Palm oil in the country has enough capacity for domestic and some export, which palm oil and crude palm oil that are products of extruded palm oil, including products which use crude palm oil as raw material in the production process will be controlled by the state through various ministries, directly and indirectly such as the Ministry of Agriculture and Cooperative, Ministry of Energy, and Ministry of Commerce since crude palm oil that has been extracted from palm oil is considered a raw material in various industries. With the direction of crude palm oil in Thailand moving in the same direction of the Malaysian crude palm oil, the largest crude palm oil in the world, in the past Thai palm oil industry has faced various factors that caused price to fluctuate and effected plan industries from the earlier stages. 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.



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For the price and quantity fluctuation of crude palm oil, the government had issued a policy to control such problem from both the fluctuating price and quantity. The government has used its policy to reduce the portion of biodiesel in diesel oil such as at the moment, the government had lowered B7 to B5 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 oil palm and crude palm oil has been controlled in case of fluctuation and use the policy to buy crude palm oil from the market in case of crude palm oil stocking price being too high and the policy to import crude palm oil from abroad. In the case that domestic crude palm oil is at a shortage (at the moment Thailand has a policy to control imported palm oil even though the import tax rate is at 0% since 2010 whereby allowing palm oil to be an authorized imported product. The 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.

## **Production-Related Risks**

### **1. Material shortage risk.**

The Company is a manufacturer and distributor of biodiesel and palm olein under “PAMOLA” brand from crude palm oil. Also, the company provides production services for RBD Palm oil and Palm Olein by using CPO as main raw material with a proportion in total cost of 85-90 percent. Due to the purchasing of crude palm oil is in the short-term, 15 days, ordering contract or agreement, which states the purchasing price certainly without the long-term ordering contract with the supplier especially. Thus, the company may be risk to a shortage of raw materials if the supplier cannot supply the crude palm oil to the company adequately or stop to supply the crude palm oil to the company by the supplier's internal policies. Therefore, the company may be loosening the opportunity to conduct business, which may affect to the company's earnings. The company is aware of the risk issue as above, the protective approach has determined



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for such risk by purchasing the raw material from more than 20 potential suppliers and maintaining of a good relationship with the suppliers continuously. More than 80 percent of raw material suppliers is in vendor list of the company is business partners with the company for more than 8 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 assures that it will be less of material shortage risk

## 2. The risk of fluctuations in raw material prices.

The Company uses crude palm oil (“CPO”) as key raw material for Biodiesel production. The cost of crude palm oil in the global market is defined as the direction of the market of crude palm oil in Malaysia. Because of Malaysia has the proportion of export the crude palm oil per product highest in the world. The factors that affect the price of crude palm oil i.e. changing of economic conditions, consumer wants, weather, crude palm oil remaining in stock, and price of other alternative oil such as soy oil and rice bran oil etc.

For Thailand, the price of CPO trend to fluctuates according to the price of crude palm oil in global market. The average price of CPO in 2019 (as of 14 May 2019) decreased from 2018 by 18.80%, in 2018 decreased from 2017 by 21.35%, and in 2017 decreased from 2016 by 22.12% (the average price in 2019 as of 14 May, equal to THB 15.92 / Kilogram, in 2018 was THB 19.57 / Kilogram, in 2017 was THB 24.88 / Kilogram, and in 2016 was THB 31.95 / Kilogram) (source: Department of Internal Trade of Thailand, Ministry of Commerce.) Since the end of 2016 till now, the monthly average price of CPO was lowest at THB 14.76 / Kilogram in March 2019. Due to the oversupply of palm fruits and CPO that have flooded into the market, resulting the Company realized higher the average cost of CPO than CPO price in the market and unable to adjust its costing inline to the market price continuously and severely.

Thus, the Company may be risk due to the fluctuation of the price of crude palm oil, which sensitive to the factors that impact both in and out of the country. The fluctuation of the price of crude palm oil may affect to the earning of the company. The Company aware of these risks, the policy has determined to adopt in related department in the Company, especially in raw material procurement procedures. The Company attempt to maintain a faster inventory turnover, where raw material (CPO) were stocked for not over 30 days just enough for monthly delivery plan within the sale contract scope and efficiently control the



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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 fluctuation impact of price of the raw material.

#### **Legal Disputes:**

- N/A -

**Number of Employees:** as of 31 March 2019, there were 166 persons (excluding directors and executives).

#### **Business Profile:**

Year	Significant Event
2006	<ul style="list-style-type: none"><li>- 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.</li><li>- 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.</li></ul>
2007	<ul style="list-style-type: none"><li>- 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.</li><li>- 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.</li></ul>
2008	<ul style="list-style-type: none"><li>- 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.</li></ul>
2009	<ul style="list-style-type: none"><li>- 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.</li></ul>



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Year	Significant Event
2010	<ul style="list-style-type: none"><li>- 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.</li><li>- The general meeting of shareholders on 4 August 2010 had special resolution to add registered capital from 300,000,000 Baht to 370,000,000 Baht by issuing 7,000,000 capital-raising common stocks for sales to existing shareholders by proportion at par value of 10 Baht per share to support the investment in crude palm oil refinery tower (Refinery Tower 2) construction which would have production capacity of 800 tons of crude palm oil per day. In that case, the Company could enhance its production capacity from 300 tons of crude palm oil per day to 1,100 tons of crude palm oil per day. After issuing such capital-raising common stocks, AI shares increased from 92.00 percent to 93.14 percent of registered capital at that time.</li></ul>
2012	<ul style="list-style-type: none"><li>- 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.</li><li>- The company has finished the construction of Refinery Tower 2 which increases the production capacity to 1,150 tons of crude palm oil per day.</li></ul>
2013	<ul style="list-style-type: none"><li>- The general meeting of shareholders on 9 April 2013 had the important resolutions as follows<ol style="list-style-type: none"><li>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.</li><li>2) Approved to buy common stocks of AIPT and AIL to prepare the company based on spin-off plan.</li></ol></li><li>- The extraordinary meeting of shareholders on 2 May 2013 had resolutions as follows:<ol style="list-style-type: none"><li>1) Approved the Company's transformation into Public Company Limited and prepared to be listed on mai. The Company's title was changed to "AI Energy</li></ol></li></ul>



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Year	Significant Event
	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.
2015	- The Annual General Meeting of shareholders on 21 April 2015 had resolutions as follows: - <ol style="list-style-type: none"><li>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.<ol style="list-style-type: none"><li>1. For expanding production capacity</li><li>2. For investing in machine to increase production yield</li><li>3. For working capital</li></ol></li><li>2) Approved the change of stocks’ par value from 1 Baht per share to 0.25 Baht per share.</li><li>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.</li></ol>



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Year	Significant Event
2016	<p>- 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;</p> <ol style="list-style-type: none"><li>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</li><li>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</li></ol>
2017	<p>- The Company has started the construction of Refined Glycerine Plant (Refined Glycerine, USP and Pharma Grade) with the capacity of 100 tons refined glycerine per day and was planned to complete construction in 1<sup>st</sup> quarter of 2019 and expected to commercial run in 2<sup>nd</sup> 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.</p> <p>- The Company has increased its Biodiesel production capacity from 500 tons of Biodiesel per day to 600 tons of Biodiesel per day</p> <p>- 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.</p>
2018	<p>- 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</p>



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Year	Significant Event
	<p>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)</p> <p>- 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.</p>

**Subsidiaries:**

Subsidiaries as of 31 March 2019.

Company Name	Initial	Business Types	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Holding %
1. AI Logistics Co., Ltd.	AIL	Sea Freight Service	209.00	209.00	99.99
2. AI Ports and Terminals Co., Ltd.	AIPT	Port and Terminal Service	460.00	460.00	99.99

**Increase (Decrease) in capital in the past 3 years:**

(Unit: Baht)

Date	Before (Decrease) / Increase Paid-up Capital	After (Decrease) / Increase Paid-up Capital	Purpose
6 June 2018 <sup>/1</sup>	1,130,000,000	1,308,072,982	<ol style="list-style-type: none"> <li>For expanding production capacity</li> <li>For investing in machine to increase production yield</li> <li>For working capital</li> </ol>

**Remark:** /1 Paid-up capital has increased from the exercised of AIE-W1





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**Accounting period** : 1 January to 31 December

**Auditors** : Mr. Vichai Ruchitanont Certified Public Accountant No. 4054  
Mr. Atipong Atipongsakul Certified Public Accountant No. 3500  
Mr. Sathien Vongsnan Certified Public Accountant No. 3495  
Miss Kultida Pasurakul Certified Public Accountant No. 5946  
Mr. Yuttapong Chuamuangpan Certified Public Accountant No. 9445  
ANS Audit Company Limited.

**The person taking the** Miss Pimwan Thareratanavibool

**highest responsibility in  
finance and accounting**

**(CFO):**

**The person supervising** Miss Piyanart Nampiroj  
**accounting**

**(Chief Accountant):**

**Securities Registrar** : Thailand Securities Depository Co., Ltd.

**Financial Advisor** : Asset Pro Management Co., Ltd.

## **BOI**

<b>Company</b>	<b>BOI No.</b>	<b>Effective Date</b>	<b>Expiry Date</b>	<b>To Promote Investments in business</b>
AI Energy PLC.	1922(1)/2553	1 Oct 2013	30 Sep 2021	Biodiesel Production
	2777(1)/2556	3 Feb 2015	3 Feb 2023	Biodiesel Production
	60-0406-1-00-1-0	13 Dec 2016	13 Dec 2019	Refined Glycerin 99.8%
	60-0623-1-00-1-0	27 Feb 2017	27 Feb 2025	Biodiesel Production



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**Shareholders:** as of 14 March 2019;

	No.	No. of Shares (Ordinary Shares)	% Paid-up Capital
1. Strategic Shareholder	13	3,810,979,382	72.83
1.1 Directors, managers, and executive management including related persons and associated persons	12	578,879,894	11.06
1.2 Shareholders who have a holding of 5% or above including related persons	1	3,232,099,488	61.77
1.3 Others controlling persons	-	-	-
2. Minor shareholders (Non-Strategic shareholders)	5,301	1,421,311,271	27.16
3. Shareholders who hold less than 1 board lot	87	1,247	0.00
<b>Total Shareholders</b>	<b>13</b>	<b>3,810,979,382</b>	<b>72.83</b>

**Major Shareholders:** as of 14 March 2019

No.	Name of Shareholders	No. of Shares	% Paid-up Capital
<b>1</b>	<b>Thareratanavibool Family</b>	<b>3,859,786,982</b>	<b>73.77</b>
	<i>1.1 Asian Insulators Public Company Limited</i>	<i>3,232,099,488</i>	<i>61.77</i>
	<i>1.2 Mr. Noppol Thareratanavibool</i>	<i>331,340,107</i>	<i>6.33</i>
	<i>1.3 Mr. Thanit Thareratanavibool</i>	<i>95,595,456</i>	<i>1.83</i>
	<i>1.4 Mrs. Sopha Thareratanavibool</i>	<i>48,502,761</i>	<i>0.93</i>
	<i>1.5 Mr. Narong Thareratanavibool</i>	<i>29,787,777</i>	<i>0.57</i>
	<i>1.6 Mr. Kovit Thareratanavibool</i>	<i>25,200,000</i>	<i>0.48</i>
	<i>1.7 Mr. Anurag Thareratanavibool</i>	<i>24,240,000</i>	<i>0.46</i>
	<i>1.8 Mrs. Usana Thareratanavibool</i>	<i>21,125,793</i>	<i>0.40</i>
	<i>1.9 Mr. Pongsakon Thareratanavibool</i>	<i>13,368,000</i>	<i>0.25</i>
	<i>1.10 Miss Pimwan Thareratanavibool</i>	<i>12,500,000</i>	<i>0.24</i>
	<i>1.11 Mr. Sirikul Thareratanavibool</i>	<i>10,569,200</i>	<i>0.20</i>
	<i>1.12 Mrs. Pakapan Svetakomolnan</i>	<i>6,000,000</i>	<i>0.11</i>
	<i>1.13 Mr. Ronachit Svetakomolnan</i>	<i>4,400,000</i>	<i>0.08</i>



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No.	Name of Shareholders	No. of Shares	% Paid-up Capital
	1.14 Miss Tharawan Svetakomolnan	4,000,000	0.08
	1.15 Miss Ratima Thareratanavibool	1,056,000	0.02
	1.16 Mr. Natthakij Thareratanavibool	2,400	<0.01
2	Mr. Vichit Chinawongworakul	51,772,320	0.99
3	Mrs. Jarunee Worakitjanuwat	36,056,625	0.69
4	Miss Varunee Jiengpradit	24,000,000	0.46
5	Miss Thanyaporn Kunasakpanich	19,831,968	0.38
6	Miss Montawee Lertprasertkul	19,200,000	0.37
7	Mr. Supoj Subthaweechaikul	14,800,000	0.28
8	Mr.Boonlert Khawcharoenporn	13,656,000	0.26
9	Mr. Sitthichai Hoorakij	13,400,016	0.26
10	Others	1,182,588,017	22.60
	<b>Total</b>	<b>5,232,291,928</b>	<b>100.00</b>

#### **Non-Thai Person Shareholders:**

As of 14 March 2019, the Company has the total number of shares held by non-Thai persons of 6 persons with 511,680 shares or 0.01% of Paid-up capital according to Article of Association Section 3 (Transfer of shares) Article 13. “The shares of the Company are transferrable without restriction and the total number of shares held by non-Thai persons at any time shall not exceed forty-nine (49) per cent of total shares sold. The Company may refuse to register any transfer of shares that shall cause the foreign shareholding of the Company to exceed the aforesaid proportion.”

#### **Board of Directors:**

As of 31 March 2019, the Board of Directors consist of;

Name - Surname	Positions	Appointed Date
1.Mr.Narong Thareratanavibool	Chairman / Chairman of Executive Directors Committee	4 October 2006



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Name - Surname	Positions	Appointed Date
2.Mr.Thanit Thareratanavibool	Vice Chairman / Executive Director	4 October 2006
3.Miss Pimwan Thareratanavibool	Director / Executive Director / Managing Director / Corporate Secretary	17 May 2017
4.Mr.Damrong Jungwong	Director	31 May 2013
5.Mr.Kaweephong Hirankasi (Phd.)	Chairman of Audit Committee / Independent Director	9 April 2013
6.Mr.Sampan Hunpayon	Audit Committee / Independent Director	9 April 2013
7.Mr.Choti Sontiwattananont	Audit Committee / Independent Director	31 May 2013

**Audit Committee:**

Name - Surname	Positions	Appointed Date
1. Mr.Kaweephong Hirankasi (Phd.)	Chairman of Audit Committee	9 April 2013
2. Mr.Sampan Hunpayon	Audit Committee	9 April 2013
3. Mr.Choti Sontiwattananont	Audit Committee	31 May 2013

**Remark:** - Audit Committee that has knowledge and experienced enough to perform a function of traceability to ensure the reliability of financial statements is Mr.Kaweephong Hirankasi (Phd.), who held the degree of Bachelor of Commerce (Accounting), Thammasart University.  
- Audit Committee's secretary is Miss Ratima Thareratanavibool

▪ **Authority and responsibilities of the Audit Committee**

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

1. Review and make sure that the company's financial report is accurate and sufficient.
2. Review and make sure that the company provides appropriate and effective internal control system and internal audit, and consider the independence of the internal audit unit, as well as approve the



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appointment, transfer, dismissal of the Head of the Internal Audit, or any other agencies that are responsible for internal audit.

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



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**Term of office**

- 1.1 Chairman of Audit Committee 3 years  
1.2 Audit Committee 3 years

**Condition:** - N/A -

**Silent Period:** - N/A -

**SET's Waiver:** - N/A -

**Other Information:** - N/A -

**Statistic:**

Year	Million Baht		Baht per Share			%
	Revenue from Sales & Service	Net Profit (Loss)	Net Profit (Loss)	Dividend	Book Value	Dividend to Profit (%)
2016	3,489.97	43.78	0.01	-	0.40	-
2017	2,461.06	(72.28)	(0.02)	-	0.38	-
2018	1,570.92	(72.32)	(0.015)	-	0.35	-
Q1/2019	424.76	(43.62)	(0.0083)	-	0.34	-



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Financial Statements	Consolidated (Reviewed)		Consolidated (Audited)		Consolidated (Audited)		Consolidated (Audited)	
	31 Mar 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>								
Cash and cash equivalent	29.95	1.53	54.53	2.76	59.67	3.26	227.10	10.91
Temporary investment	64.82	3.31	124.33	6.30	170.42	9.31	0.44	0.02
Trade receivables and other receivables	132.31	6.77	97.78	4.95	110.81	6.05	142.09	6.82
Current portion of receivables under finance lease contracts	0.00	0.00	0.00	0.00	8.62	0.47	9.48	0.46
Inventory	183.20	9.37	217.58	11.02	152.58	8.33	307.89	14.79
Other current assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fuel equipment inventory	1.86	0.10	1.57	0.08	1.98	0.11	2.29	0.11
Non-current Assets Held for sales	0.00	0.00	0.00	0.00	0.00	0.00	218.92	10.51
<b>Total current assets</b>	<b>412.14</b>	<b>21.08</b>	<b>495.79</b>	<b>25.11</b>	<b>504.08</b>	<b>27.53</b>	<b>908.21</b>	<b>43.62</b>
Bank deposit with guarantee liabilities	24.02	1.23	24.02	1.22	23.02	1.26	6.87	0.33
Receivables under finance lease contracts - net	0.00	0.00	0.00	0.00	0.00	0.00	8.62	0.41
Land Building Vessel and Equipment	1,497.06	76.55	1,435.47	72.70	1,263.19	68.99	1,136.42	54.58
Intangible assets	0.31	0.02	0.29	0.01	0.24	0.00	0.19	0.01
Deferred income taxes	1.92	0.10	1.94	0.10	5.63	0.31	8.06	0.39
Deposit for purchase of property	8.28	0.42	5.14	0.26	21.53	1.18	0.00	0.00
Other non-current assets	11.81	0.60	11.81	0.60	13.33	0.73	13.74	0.66
<b>Total non-current assets</b>	<b>1,543.40</b>	<b>78.92</b>	<b>1,478.67</b>	<b>74.89</b>	<b>1,326.94</b>	<b>72.47</b>	<b>1,173.90</b>	<b>56.38</b>
<b>Total assets</b>	<b>1,955.54</b>	<b>100.00</b>	<b>1,974.46</b>	<b>100.00</b>	<b>1,831.02</b>	<b>100.00</b>	<b>2,082.11</b>	<b>100.00</b>
<b>Liabilities</b>								
Bank overdraft and short-term loans	0.31	0.02	0.00	0.00	0.00	0.00	128.00	6.15



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Financial Statements	Consolidated (Reviewed)		Consolidated (Audited)		Consolidated (Audited)		Consolidated (Audited)	
	31 Mar 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
from financial institutes								
Trade payables and other payables	150.33	7.69	126.40	6.40	80.36	4.39	57.67	2.77
Cash advance receive from disposal of asset	0.00	0.00	0.00	0.00	0.00	0.00	80.00	3.84
Short-term loans from relevant businesses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current portion of long-term loans from financial institutions	0.00	0.00	0.00	0.00	8.21	0.45	2.93	0.14
<b>Total current liabilities</b>	<b>150.64</b>	<b>7.70</b>	<b>126.40</b>	<b>6.40</b>	<b>88.57</b>	<b>4.84</b>	<b>268.60</b>	<b>12.90</b>
Long-term loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term Employee's reserve benefits	8.73	0.45	8.27	0.42	10.22	0.56	9.01	0.43
<b>Total non-current liabilities</b>	<b>8.73</b>	<b>0.45</b>	<b>8.27</b>	<b>0.42</b>	<b>10.22</b>	<b>0.56</b>	<b>9.01</b>	<b>0.43</b>
<b>Total liabilities</b>	<b>159.37</b>	<b>8.15</b>	<b>134.67</b>	<b>6.82</b>	<b>98.79</b>	<b>5.40</b>	<b>277.61</b>	<b>13.33</b>
<b>Shareholders' Equity</b>								
Registered Capital	1,356.00	69.34	1,356.00	68.68	1,356.00	74.06	1,356.00	65.13
Registered and Paid-up capital	1,308.07	66.89	1,308.07	66.25	1,130.00	61.71	1,130.00	54.27
Non-controlling interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Premium on common stocks	605.11	30.94	605.11	30.65	605.11	33.05	605.11	29.06
Retain Earning	(114.67)	(5.86)	(71.06)	(3.60)	1.27	0.07	73.54	3.54
Other components of shareholders' equity	(2.34)	(0.12)	(2.34)	(0.12)	(4.15)	(0.23)	(4.15)	(0.20)
<b>Total shareholders' equity</b>	<b>1,796.17</b>	<b>91.85</b>	<b>1,839.79</b>	<b>93.18</b>	<b>1,732.23</b>	<b>94.60</b>	<b>1,804.50</b>	<b>86.67</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,955.54</b>	<b>100.00</b>	<b>1,974.46</b>	<b>100.00</b>	<b>1,831.02</b>	<b>100.00</b>	<b>2,082.11</b>	<b>100.00</b>





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Statement of Comprehensive Income	Consolidated (Reviewed)		Consolidated (Audited)		Consolidated (Audited)		Consolidated (Audited)	
	31 Mar 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total revenue</b>	<b>424.02</b>	<b>100.00</b>	<b>1,562.80</b>	<b>100.00</b>	<b>2,461.06</b>	<b>100.00</b>	<b>3,489.97</b>	<b>100.00</b>
Revenues from sale of goods	412.51	97.12	1,459.23	92.89	2,176.30	88.43	3,416.58	97.90
Revenues from production service	5.07	1.19	49.46	3.15	77.03	3.13	32.58	0.93
Revenues from vessel operating	6.44	1.52	54.11	3.44	32.92	1.34	29.94	0.86
<b>Cost of Sales and Services</b>	<b>448.36</b>	<b>105.74</b>	<b>1,534.44</b>	<b>98.19</b>	<b>2,399.58</b>	<b>95.82</b>	<b>3,323.36</b>	<b>95.23</b>
Cost of sales	436.78	105.88	1,444.40	98.98	2,295.83	91.68	3,267.53	93.63
Cost of production service	3.72	73.37	36.37	73.53	62.98	2.52	26.85	0.77
Cost of vessel operating	7.86	122.02	53.67	99.19	40.77	1.63	28.98	0.83
<b>Gross profit (Loss)</b>	<b>(24.34)</b>	<b>(5.74)</b>	<b>28.36</b>	<b>1.81</b>	<b>(113.33)</b>	<b>(4.96)</b>	<b>155.74</b>	<b>4.48</b>
Other revenues	0.74	0.17	8.12	0.52	174.81	7.10	10.87	0.31
<b>Profit (Loss) before expenses</b>	<b>(23.60)</b>	<b>(5.57)</b>	<b>36.48</b>	<b>2.33</b>	<b>61.48</b>	<b>2.50</b>	<b>166.61</b>	<b>4.77</b>
Selling expenses	4.43	1.05	8.33	0.53	11.95	0.48	32.32	0.93
Administrative Expenses	15.57	3.67	79.87	5.11	90.95	3.63	81.64	2.34
Loss on impairment of property, plant and equipment	0.00	0.00	17.40	1.11	0.00	0.00	0.00	0.00
<b>Profit (Loss) before financial cost and taxes</b>	<b>(43.60)</b>	<b>(10.28)</b>	<b>(69.12)</b>	<b>(4.43)</b>	<b>(41.42)</b>	<b>(1.68)</b>	<b>52.65</b>	<b>1.51</b>
Financial cost	0.00	0.00	0.00	0.00	1.72	0.07	8.01	0.23
<b>Profit (Loss) before income taxes</b>	<b>(43.60)</b>	<b>(10.28)</b>	<b>(69.12)</b>	<b>(4.43)</b>	<b>(43.15)</b>	<b>(1.75)</b>	<b>44.64</b>	<b>1.28</b>
Income tax	(0.02)	(0.00)	(3.20)	(0.20)	(29.13)	(1.18)	(1.93)	0.06
Employee benefit actuarial gains	0.00	0.00	2.29	0.15	0.00	0.00	1.38	0.04
Income tax on other comprehensive income	0.00	0.00	(0.49)	(0.03)	0.00	0.00	(0.30)	(0.01)



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Statement of Comprehensive Income	Consolidated (Reviewed)		Consolidated (Audited)		Consolidated (Audited)		Consolidated (Audited)	
	31 Mar 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Profit (Loss) for the period</b>	<b>(43.62)</b>	<b>(10.28)</b>	<b>(70.52)</b>	<b>(4.49)</b>	<b>(72.28)</b>	<b>(2.94)</b>	<b>43.78</b>	<b>1.25</b>
<u>Loss attributable to:</u>								
Equity holders of the parent	(43.62)	(10.28)	(72.32)	(4.60)	(72.28)	(2.94)	43.78	1.25
Non-controlling interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit (Loss) for the period</b>	<b>(43.62)</b>	<b>(10.28)</b>	<b>(72.32)</b>	<b>(4.60)</b>	<b>(72.28)</b>	<b>(2.94)</b>	<b>43.78</b>	<b>1.25</b>
Profit (Loss) per share (Baht/share)	(0.0083)		(0.015)		(0.016)		0.01	
Par value (Baht/share)	0.25		0.25		0.25		1.00	
Book value	0.34		0.35		0.38		0.40	
Number of common stocks (Million stocks)	5,232.29		5,232.29		4,520.00		4,520.00	



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Statement of Cash Flow (Unit: Million Baht)	Consolidated (Reviewed)	Consolidated (Audited)	Consolidated (Audited)	Consolidated (Audited)
	Q1/2019	2018	2017	2016
Net cash provided by operating activities	(50.75)	19.35	24.09	296.05
Net cash provided by investing activities	25.87	(202.57)	(61.94)	17.63
Net cash provided by financing activities	0.31	0.00	178.07	(129.58)
Net increase (decrease) in cash and cash equivalents	(24.58)	(5.15)	(167.43)	(109.61)
Cash and cash equivalents at beginning of the year	54.53	59.67	227.10	117.49
Cash and cash equivalents at end of the year	29.95	54.53	59.67	227.10

Prepared by: AI Energy Public Company Limited


Certify the accuracy of the information.

Yours Sincerely,

AI Energy Public Company Limited

(Company Seal)



  
(Mr. Narong Thareratanavibool)

Director

  
(Miss Pimwan Thareratanavibool)

Director