



บริษัท เอเชียัน อินซูเลเตอร์ จำกัด (มหาชน)

Asian Insulators Public Company Limited

No. AI 515/2559

October 18, 2016

Subject Information Memorandum regarding the Disposition of the Company's subsidiaries' assets

To: The President  
The Stock Exchange of Thailand

Asian Insulators Public Company Limited (AI) would like to inform that the Board of Directors Meeting No. 3/2016 held on 18 October 2016 approved the disposition of assets of the AI Energy Public Company Limited (AIE)'s a subsidiaries ( AI has 59.59% shares in AIE), which assets worth 413,112,000 Baht. The details are as follows.

1. Approved AI Ports and Terminals Company Limited ("AIPT"), a subsidiary of AI Energy Public Company Limited, which holds 99.99 percent of the paid-up capital in AIPT, to dispose 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.
2. Approved AI Logistic Company Limited ("AIL"), a subsidiary of AI Energy Public Company Limited, which holds 99.99 percent of the paid-up capital in AIL, to dispose Thareratana 1; Vessel size ( Ship Tanker) 1,500 Tons Gross with value of sale of 23,112,000 Baht.

The transactions above are considered as a disposition of assets in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor.20/2551; Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET"); Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 dated 29 October 2004.



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According to the Notification of SET; Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 dated 29 October 2004 stated that the latest audited or reviewed financial statements by an external auditor are required in the size of the acquisition and disposition of assets' calculation. In this case, the Company complies to use the consolidated financial statement year 2015 ended 31 December 2015. However, since the Company's consolidated financial statement year 2015 ended 31 December 2015 with Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and with Qualified Opinion on Statement of Financial Position, therefore regarding to a conservative basic the Company will use the consolidated financial statements 9-months period ended 30 September 2014 with an Unqualified Opinion in the calculation as an alternative result. Then, the Company considers the highest value given, where the calculation result of the consolidated financial statements 9-months period ended 30 September 2014 with an Unqualified Opinion was 11.37 percent based on a total-value-of-consideration basis, and the consolidated financial statement year 2015 ended 31 December 2015 with Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and with Qualified Opinion on Statement of Financial Position was 10.79 percent based on a total-value-of-consideration basis. The transaction size is calculated based on the consolidated financial statement year 2015 ended 31 December 2015 higher than the size calculated from the consolidated financial statements 9-months period ended 30 September 2014. Thus, the Company considers to use the transaction size calculated based on the consolidated financial statement year 2015 ended 31 December 2015 and in the past 6 months the Company has no disposition of any other assets so the highest transaction size is equal to 11.37 percent based on a total-value-of-consideration basis. The transaction size is below 15 percent. The Company is not obliged to disclose such a transaction

The Company would like to notify the information on the disposition of assets as follows;

### 1. Date of entering into the transaction

AIPT	AIL
Within October 2016	Within November 2016



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**2. Related Contractual Parties and Relationship with the Company**

<b>1.1 AI Ports and Terminals Company Limited (“AIPT”)</b>	
Dispose some of its assets which are port, land, tanks farm (5 tanks with total storage capacity of 10,000,000 liters), ice factory, machineries, equipment, and building. The detail of contractual party as follows;	
Buyer	: Interpower 2016 Company Limited
Seller	: AI Ports and Terminals Company Limited (“AIPT”) (AIPT is a subsidiary of AIE holds 99.99 of AIPT’s paid-up capital)
Amount	: 390,000,000 Baht (Three Hundred Ninety Million Baht)
Contract Detail	: <ul style="list-style-type: none"><li>● The Purchase and Sale of Land, machineries, equipment, and Buildings Contract. The buyer already deposited the amount of 10,000,000 Baht in compliance with the agreement on the Purchase and Sale Memorandum of Understanding, which AIPT received on 13 July 2016. The buyer will pay another deposit with the amount of 30,000,000 Baht on the contract date. For the rest, the buyer agreed to be paid in monthly basis for 8 installments from the date of signing the contract.</li><li>● During the installments period the seller agreed to rent the property to the buyer with monthly rental fee. If the tenant is not in breach of contract or not in breach of contract of purchase and sale of the above. Seller shall transfer the asset to the Buyer according to the contract of purchase and sale.</li><li>● If the Buyer defaults on payments or is in breach of rental contract mentioned above, the Seller has rights to terminate the contract and forfeit all the money had been paid by the Buyer to the Seller.</li></ul>
Relationship between;	: There is no related parties relationship in accordance with
● Buyer and Seller	the Notification of the Securities and Capital Markets



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

- Buyer and the Company TorJor.21/2551; Guidelines on related transactions and the
- Buyer and Other companies Notification of the Stock Exchange of Thailand; Disclosure of Information and Other Acts of Listed Companies in Related Transactions B.E.2546 (2003).

Note: AIPT remaining port, terminal and tanks farm in Chumphon province which can serve the port and tanks farm storage service as usual.

### Details of Interpower 2016 Company Limited

Interpower 2016 Company Limited was established on 4 March 2016 with registered capital of 10,000,000 Baht and Paid-up capital of 2,500,00 Baht, consist of ordinary shares 100,000 shares with 100 Baht per share. Its' headquarter locates on 52 Ta Kham Road, Samae Dam, Bang Khun Tean District, Bangkok. The purpose of operating business is Fuel trading.

#### List of Directors as of 13 October 2016

No.	Directors	Authorized Directors
1.	Mr.Paibool Kengkriengkrai	Two directors with company seal
2.	Mr.Thanom Sangthong	

#### List of Interpower 2016 Company Limited's shareholders as of 13 October 2016

No.	List of Shareholders	Amount (Shares)	%
1.	Mr.Paibool Kengkriengkrai	50,000	50.00%
2.	Mr.Thanom Sangthong	30,000	30.00%
3.	Miss Supaporn Piewrikaew	20,000	20.00%
<b>Total</b>		<b>100,000</b>	<b>100.00%</b>

### 1.2 AI Logistic (“AIL”)

Dispose Thararatana 1 vessel size 1,500 tons gross. The detail of contractual party as follows;

Buyer : P.S.V Supply Company Limited

Seller : AI Logistic (“AIL”)

(AIL is a subsidiary of AIE holds 99.99 of AIL's paid-up capital)



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1.2 AI Logistic (“AIL”)	
Amount	: 23,112,000 Baht (Twenty-Three Million One Hundred and Twelve Thousand Baht)
Contract Detail	: Hire-Purchase Agreement. Monthly pay for 24 installments from the date of signing the contract.
Relationship between;	: There is no related parties relationship in accordance with
<ul style="list-style-type: none"> <li>● Buyer and Seller</li> <li>● Buyer and the Company</li> <li>● Buyer and Other companies related to the Company</li> </ul>	the Notification of the Securities and Capital Markets TorJor.21/2551; Guidelines on related transactions and the Notification of the Stock Exchange of Thailand; Disclosure of Information and Other Acts of Listed Companies in Related Transactions B.E.2546 (2003).

Note: AIL remaining Thareratana 3 vessel ship size 2,500-ton gross which operating vessel transportation services for palm oil product internationally as usual

### **Details of P.S.V Supply Company Limited**

P.S.V Supply Company Limited was established on 24 April 1991 with registered and Paid-up capital of 6,000,000 Baht, consist 60,000 ordinary shares 100 Baht per share. Its' headquarter locates on 932 Rama 3 Road, Bang Pong Pang, Yannawa District, Bangkok. The purpose of operating business is Sea Freight service.

### **List of Directors as of 13 October 2016**

No.	Directors	Authorized Directors
1.	Mr.Chaiya Paisuwat	One directors with company seal
2.	Mr.Polthep Paisuwat	



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**List of P.S.V Supply Company Limited's shareholders as of 13 October 2016**

No.	List of Shareholders	Amount (Shares)	%
1.	Mr.Chaiya Paisuwat	24,000	40.00%
2.	Mrs.Chanthra Sangarun	12,000	20.00%
3.	Mr.Yutachai Paisuwat	9,000	15.00%
4.	Mr.Kiat Paisuwat	6,000	10.00%
5.	Mr.Kwanchai Paisuwat	3,000	5.00%
6.	Mr.Suthichai Paisuwat	3,000	5.00%
7.	Miss Pornpen Wongsongja	3,000	5.00%
<b>Total</b>		<b>60,000</b>	<b>100.00%</b>

**3. General characteristics, type, and size of asset disposition transaction**

**3.1 General characteristics of the transaction**

The Board of Directors Meeting No. 3/2016 held on 18 October 2016 approved the disposition of assets of the Company's subsidiaries for the value of 413,112,000 Baht. Details are as follows;

3.1.1 AIPT disposes 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

**Note** : - The buyer already deposited the amount of 10,000,000 Baht in compliance with the

agreement on the Purchase and Sale Memorandum of Understanding, which AIPT received on 13 July 2016.

- The buyer will pay another deposit with the amount of 30,000,000 Baht on the contract date. For the rest, the buyer agreed to be paid in monthly basis for 8 installments from the date of signing the contract.



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- During the installments period the seller agreed to rent the property to the buyer with monthly rental fee. If the tenant is not in breach of contract or not in breach of contract of purchase and sale of the above. Seller shall transfer the asset to the Buyer according to the contract of purchase and sale.
- If the Buyer defaults on payments or is in breach of rental contract mentioned above, the Seller has rights to terminate the contract and forfeit all the money had been paid by the Buyer to the Seller.
- All duty fees and all other expenses associated with the transfer of assets that occurred in case of land (if any), the Seller is responsible.

3.1.2 AIL dispose Thareratana 1; Vessel size (Tanker) 1,500 Tons Gross with value of sale of 23,112,000 Baht.

- Note** :
- Hire-Purchase Agreement. Monthly pay for 24 installments from the date of signing the contract.
  - All duty fees and all other expenses associated with the transfer of assets that occurred (if any), the Buyer is responsible.

### 3.2 The Size of Transaction

#### 3.2.1 Calculation for the Size of Transaction

The Calculation for the Transaction's size total amount of 413,112,000 Baht by using the Company's consolidated financial statements 9-months period ended 30 September 2014 and the consolidated financial statement year 2015 ended 31 December 2015 which were reviewed and audited by the external auditor, respectively in the calculation of the Transaction's size in order to propose to the Company's Board of Directors to considers each method as follows.



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Unit (Million Baht)	Consolidated Financial Statement ended 30 September 2014 (9 months) <sup>1</sup>	Consolidated Financial Statement ended 31 December 2015 <sup>2</sup>
Total Assets	3,826.99	3,632.72
Intangible Assets	5.53	4.01
Total Liabilities	994.47	558.67
Shareholder's Equity	1,297.98	888.90
Net Tangible Assets	1,529.01	2,181.14
Net Profit (Losses)	31.98	183.74

Note: <sup>1</sup> The Consolidated Financial Statements 9-months period ended 30 September 2014 with an Unqualified Opinion

<sup>2</sup> The Consolidated Financial Statement year 2015 ended 31 December 2015 with Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and with Qualified Opinion on Statement of Financial Position.

#### Calculation for the Size of Transaction

Methods	Calculation	Consolidated FS ended 30 September 2014 (9 months)	Consolidated FS ended 31 December 2015
1. Assets Value	$\frac{\% \text{ of NTA in the disposition proportion} \times 100}{\text{NTA of the Company}}$	n/a <sup>1/</sup>	n/a <sup>1/</sup>
2. Net Profit	$\frac{(\text{Net Profit of the Company} \times \text{the disposition proportion}) \times 100}{\text{Net Profit of the Company}}$	n/a <sup>1/</sup>	n/a <sup>1/</sup>
3. Total Value of Consideration	$\frac{\text{Value of consideration received} \times 100}{\text{Total Assets of the Company}}$	10.79%	11.37%
4. Equity Share	$\frac{\text{Number of shares issued as consideration} \times 100}{\text{Total Assets of the Company}}$	n/a <sup>2/</sup>	n/a <sup>2/</sup>





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Methods	Calculation	Consolidated FS ended 30 September 2014 (9 months)	Consolidated FS ended 31 December 2015
Value	Total number of issued and paid-up shares of the Company		

**Note:** 1/-No calculation since the compensation of assets disposition is in cash.



2/-No calculation since there was no new shares issued to pay for assets.

From the transaction size's calculation, the highest value based on the consolidated financial statements 9-months period ended 30 September 2014 with an Unqualified Opinion was 16.03 percent based on a total-value-of-consideration basis, and the highest value based on the consolidated financial statement year 2015 ended 31 December 2015 with Disclaimer of Opinion on Statement of Comprehensive Income, the Statement of Changes in Shareholder Equity, Statement of Cash Flow and with Qualified Opinion on Statement of Financial Position was 11.37 percent based on a total-value-of-consideration basis. Thus, the transaction size is calculated based on the consolidated financial statement year 2015 ended 31 December 2015 higher than the size calculated from the consolidated financial statements 9-months period ended 30 September 2014. Therefore, the Company considers to use the transaction size calculated based on the consolidated financial statement year 2015 ended 31 December 2015 and in the past 6 months the Company has no disposition of any other assets so the highest transaction size is equal to 11.37 percent based on a total-value-of-consideration basis.

“The transaction size is below 15 percent. The Company is not obliged to disclose such a transaction



**4. Details of Disposed Assets**

AIPT	AIL
<ul style="list-style-type: none"> <li>Land, Port, tanks farm (5 tanks with total storage capacity of 10,000,000 liters), ice factory 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</li> </ul>	<ul style="list-style-type: none"> <li>Thareratana 1; Vessel size (Tanker) 1,500 Tons Gross with value of sale of 23,112,000 Baht.</li> </ul>
	

**5. Total Value of Consideration and Other Conditions**

AIPT	AIL
<ul style="list-style-type: none"> <li>Total value of consideration that receives from dispose of land, Port, tanks farm, ice factory, machineries, equipment and building located on land deeds No. 108147 and 13397 with total area of 7 Rai 49.1 Wah is 390,000,000 Baht. <sup>/1, /2, /3</sup></li> </ul>	<ul style="list-style-type: none"> <li>The total value of consideration that receives from dispose Thareratana 1 Vessel ship; Vessel size (Tanker) 1,500 Tons Gross is 23,112,000 Baht. <sup>/4, /5</sup></li> </ul>



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- Note:
- <sup>/1</sup> All duty fees and all other expenses associated with the transfer of assets that occurred in case of land (if any), the Seller is responsible.
  - <sup>/2</sup> The buyer already deposited the amount of 10,000,000 Baht in compliance with the agreement on the Purchase and Sale Memorandum of Understanding, which AIPT received on 13 July 2016. The buyer will pay another deposit with the amount of 30,000,000 Baht on the contract date. For the rest, the buyer agreed to be paid in monthly basis for 8 installments from the date of signing the contract.
  - <sup>/3</sup> During the installments period the seller agreed to rent the property to the buyer with monthly rental fee. If the tenant is not in breach of contract or not in breach of contract of purchase and sale of the above. Seller shall transfer the asset to the Buyer according to the contract of purchase and sale.
  - <sup>/4</sup> Hire-Purchase Agreement. Monthly pay for 24 installments from the date of signing the contract.
  - <sup>/5</sup> All duty fees and all other expenses associated with the transfer of assets that occurred (if any), the Buyer is responsible.

## 6. Value of Disposed Assets

AIPT	AIL
<ul style="list-style-type: none"><li>● The value of disposed assets of 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 is 390,000,000 Baht.</li></ul>	<ul style="list-style-type: none"><li>● The value of disposed assets of Thareratana 1 vessel ship; Vessel size (Tanker) 1,500 Tons Gross is 23,112,000 Baht.</li></ul>



**7. Criteria for determination of consideration value**

AIPT	AIL
<ul style="list-style-type: none"><li>Determined selling price by based on book value of 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, and negotiated price with the Buyer at 390,000,000 Baht, which higher than the Buyer's offered price and book value.</li></ul>	<ul style="list-style-type: none"><li>Determined selling price by based on book value of Thareratana 1 vessel ship, appraised price from and independent appraiser, and negotiated price with the Buyer at 23,112,000 Baht, which higher than the Buyer's offered price and book value and the appraised price from the independent appraiser.<sup>1</sup></li></ul>

**8. Expected Benefits from the Transaction**

AIPT	AIL
<ul style="list-style-type: none"><li>To offset the accumulated loss and use the rest as working capital and operating expenses in AIPT.</li><li>The disposition of the assets of AIPT make a profit from the sale of assets was 59.99%.</li></ul>	<ul style="list-style-type: none"><li>To use as working capital and operating expenses in AIL.</li><li>The disposition of the assets of AIL make a profit from the sale of assets was 59.99%.</li></ul>

**9. Plan for money received from the disposition of assets**

AIPT	AIL
<ul style="list-style-type: none"><li>To offset the accumulated loss and use the rest as working capital and operating expenses in AIPT.</li></ul>	<ul style="list-style-type: none"><li>To use as working capital and operating expenses in AIL.</li></ul>

**AIPT are more liquid and allow AI to profit from the sale of assets equal to 59.99 %**

<sup>1</sup> AIL has hired American Appraisal (Thailand) Ltd., who has been approved by the SEC to evaluate property. Using the market approach.



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**10. Conditions for Executing Transaction**

- N/A

**11. Opinion of the Board of Directors on the Transaction**

The Company's Board of Directors approved AI Energy Public Company Limited to entering into the transaction of disposition of their assets since AIE has canceled its raw material storage at AIPT, and also canceled sea freight service to transfer raw materials between AIPT-Chumphon and AIPT-Samut Sakhon which operated by AIL. Moreover, the Buyers have contacted and offered higher prices than book values so the Board foresees that it is a great opportunity to dispose the subsidiaries' assets this time and utilize the compensation as their working capital.

**12. Opinions of Audit Committee and/or Company's Director that Deviate from Opinions of the Board of Directors**

- N/A

Please be inform accordingly,

Yours faithfully,

Asian Insulators Public Company Limited



(Mr. Thanit Thareratanavibool)

Chief Executive Officer

Company Secretary

Tel. 0-2517-1451 Fax. 0-2517-1465

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