



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED



รายงานประจำปี 2561

ANNUAL REPORT 2018

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Messages from the Chairman

In the year 2018, NFC Public Company Limited (the “Company”) has completed the qualification in compliance with the procedure and guidelines for removal from being delisted, and The Stock Exchange of Thailand (SET) has approved the Company removed cause of possible delisting and resumed the securities of the Company to trade on SET under Industrials Industry in Petrochemicals & Chemicals Sector from 15 June 2018 onwards, that followed the goals set by the Company and the intention of the management managed the capital structure, risk management in a comprehensive manner, conduct the business as plan, and preparation to take the organization to the goal that flourished in the future with the cooperation of the Board of Directors, managements and staff at all levels. As a result, the Company had overcome many obstacles and achieved satisfactory outcome. The Company has emphasis on the main business of Chemical distribution, Warehouse services, Logistics and Liquid storage service and Port services.

In 2019, The Company continues the policy and business plan and there are a long - term plans in the integrated logistics business to increase the value of the business to continue growth by emphasis is on improving existing assets to fully benefit, reducing unnecessary workload and investing in new projects to create a value for the organization emphasis on good corporate governance with efficient, transparent and auditable management systems in order to build confidence for shareholders, investors, stakeholders for the Company will grow stronger and more sustainable. Thus, the Company uses tools to evaluate the feasibility of various projects before investing, which will help control and limit the risk to an acceptable level.

Finally, I would like to thank all of our shareholders, investors, valued customers, financial institutions that have consistently supported the Company. The Board of Directors is committed to perform the duties with caution prudently dedicated talent to move the Company more growth, and hoping that all shareholders will move forward with the Company forever.

Gen.



Montree Sungkasap

Chairman

Audit Committee's Report

The Audit Committee of NFC Public Company Limited is comprised of 3 honorary independent directors who have the qualifications as specified in the Audit Committee Charter that complied with the Securities and Exchange Commission (SEC) regulation, including Assoc. Prof. Dr. Seri Wongmonta being as the Chairman of the Audit Committee, Mrs. Aree Termwattanakdee, and Mr. Sumit Petcharapiratch being as members of the Audit Committee.

The Audit Committee has performed its duties independently and uprightly in accordance with the scope of responsibilities assigned by the Board of Director and according to the charter of the Audit Committee in accordance with the regulations of the Stock Exchange of Thailand and review in accordance with the current situation approved by the Board of Directors every year which review the Company's good Corporate Governance, having accurate and reliable financial reports with the risk management system and the sufficient internal control system for the benefit of all shareholders and stakeholders.

In the year 2018, the Audit Committee attending the meeting to constitute a quorum every time which summarizes the significance of performing the duties of the Audit Committee for the year 2018 as follows:

1. **Review of the financial report:** The Audit Committee reviewed the accuracy, completeness and reliability of the financial statements and the consolidated financial statements of the Company and its subsidiaries audited by the auditor of the company for all the quarterly and the year 2018 by meeting with the management and auditors to review important issues, and the appropriateness of important accounting policies and various judgments in the preparation of financial statements and disclosure of information in the notes to the financial statements of the Company according to the law and accounting standards in accordance with generally accepted accounting principles with reliability, transparency and timeliness, as well as adequate information disclosure for the benefit of the financial statements users. Thus, the Audit Committee has a special meeting with the auditor only 1 time without the participation of the management to discuss the audit plan, independence in performing duties and the statement the auditor's opinion by giving importance to the presentation of information correctly, completely and sufficiently.
2. **Review of the related transactions or conflict of interest transactions:** The Audit Committee has reviewed, supervised and commented on related transactions or transactions that may cause conflicts of interest on a quarterly basis based on reasonableness, transparency, sufficient disclosure of information is normal in the business and the highest benefit of the Company, the Audit Committee agreed that the management has decided to make such transaction for the benefit of the Company as done with general outsiders in the normal trading conditions with a reasonable price and comparison with market price in such business, including the disclosure of information completely and adequately.
3. **Review of the risk management:** The Company's Directors, Risk Management Committee, and managements has focused on risk management, evaluating both internal and external factors the chance of impact and create a risk management plan in order to prevent or reduce the impact that may occur to the business operation at an acceptable level. Thus, the Audit Committee reviewed the effectiveness of the risk management from the Company's performance report. The reports of internal audit and the auditor of the Company which can be confident that the Company's Risk management is an acceptable level.

4. **Review of the internal control system and internal audit:** The Audit Committee has reviewed the internal control assessment results by using the internal control system adequacy assessment form according to the guidelines of the Securities and Exchange Commission and the audit results of the internal audit department and the auditor. There were no material issues that affected the Company, and the management had improved continuously the recommendations of the Audit Committee, the auditor and the internal audit department to ensure that the Company had sufficient internal control.
5. **Review of the good governance:** The Audit Committee has reviewed the compliance with the Corporate Governance policy and the Code of Conduct comply with the laws of the Stock Exchange of Thailand, the regulations both of the Securities and Exchange Commission and the Stock Exchange of Thailand and other laws related to the business of the Company, especially in related transactions to ensure that the Company operates in accordance with normal business conditions and the information is fully disclosed.
6. **Supervision of internal audit department:** The Audit Committee has reviewed the independent of an internal audit department and has a duty to report directly to the Audit Committee by reviewing the internal audit department's charter, consider and approve the internal audit plan, appropriateness of the expenditure budget including manpower annually and review the operation according to the approved plan, consider significant issues from the audit and provide useful suggestions for increasing the efficiency of the internal audit system and follow up the performance according to the quarterly accurate recommendation.
7. **Appointment of auditors for the year 2019:** The Audit Committee has considered to select, propose to appoint and propose the auditor's remuneration for the year 2019 based on qualifications of the auditor, skills, knowledge, ability and experience in auditing. The independence of the auditor according to the ethics of the accounting professional and the requirements of the Securities and Exchange Commission including the quality of the audit work in the past year and the appropriateness of the audit fee. Therefore, resolved to propose to the Board of Directors for approval from the shareholders' meeting to appoint an auditor from Karin Audit Company Limited as the auditor for the year 2019.

For the summary of year 2018, the Audit Committee performed duties and responsibilities in accordance with the Audit Committee Charter by using knowledge, caution, prudence and adequate independence to monitor the operations of the Company as well as giving opinions and suggestions creatively to be equally benefit for the stakeholders. The Audit Committee opinioned that the Company has properly and accurately reported financial information in accordance with generally accepted accounting standards, adequate disclosure, risk management at an acceptable level, adequate internal control systems including compliance with laws, rules and regulations relating to business operations in its entirety.



Assoc. Prof. Dr. Seri Wongmonta
Chairman of the Audit Committee

Board of Directors



Gen. Montree Sungkasap

Chairman / Director /
Chairman of the Risk Management Committee



Mr. Nuttaphob Ratanasuwanthawee

Vice Chairman / Chairman of the Executive Committee /
Chief Executive Officer



Mr. Suppakit Duyapich

Director / Risk Management Committee



Mr. Yongyos Palanitisena

Director / Executive Committee /
Risk Management Committee



Mrs. Sunee Sornchaitanasuk

Director / Risk Management Committee



Mr. Wiboon Rasmeepaisarn

Director / Risk Management Committee



Mrs. Bongkot Rungkornpaisarn

Director / Executive Committee /Chief Financial officer



Mr. Kijja Smunyahirun

Director / Executive Committee



Mr. Nataphong Ratanasuwanthawee

Director / Executive Committee



Assoc. Prof. Dr. Seri Wongmonta

Independent Director / Chairman of the Audit Committee



Mr. Sumit Petcharapirat

Independent Director / Audit Committee



Mrs. Aree Termwattanapakdee

Independent Director / Audit Committee

Biography and Experiences

1. Gen. Montree Sungkasap (Chairman / Director /Chairman of the Risk Management Committee)

Education

Master of Arts (Military) Year 1996.

Bachelor Degree, Chulachomklao Royal Military Academy, Class 20

Diploma

Command and General Staff College, Course Class 61

Royal Thai Army College, Class 39

National Defense College (England), year 1998

National Defense College, Class 44

Capital Market Academy Institute, Class 9

Thai Institute of Directors (IOD)

- Director Certification Program 261/2018
- Role of the Chairman Program 16/2007
- Advanced Audit Committee Program 30/2018

Current position

2018: Chairman of the Audit Committee of Star Flex Co., Ltd.

2017-Present: Chairman and Managing Director of NP Marine Co., Ltd.

2010-Present: Chairman Advisor of SC Group

2011-Present: Advisory Board of Broadcasting Committee
Television Business and the National Telecommunications
Commission (NBTC)

Experience

2013-2015: Independent director and Chairman of Begistics
Public Company Limited (Formerly Bangpakong Terminal
Public Company Limited)

2. Mr. Nuttaphob Ratanasuwanthawee (Vice Chairman / Chairman of the Executive Committee / Chief Executive Officer)

Education

Master Degree, Master of Arts-Political Science, Ramkamhaeng University

Bachelor Degree, Bachelor of Arts-Political Science, Ramkamhaeng University

Diploma

Thai Institute of Directors (IOD)

- Directors Accreditation Program 28/2004
- Directors Certification Program 53/2005
- Financial Statement for Directors 17/2005

Current position

2006-Present: Chief Executive Officer of NFC Public Company Limited

2006-Present: Chief Executive Officer of Rayong Bulk Terminal Co., Ltd.

1985-Present: Chairman and Managing Director of SC Group

- | | |
|--|-------------------------------|
| - SC Management Co., Ltd. | - Liquid Gas Supply Co., Ltd. |
| - SC Carrier Co., Ltd. | - SCENA Offshore Co., Ltd. |
| - SC Offshore Services Co., Ltd. | - SC Groups Co., Ltd. |
| - NP Marine Logistics Co., Ltd. | - SC Sirapat Co., Ltd. |
| - Strategic Port link Co., Ltd. | - SCG Logistics Co., Ltd. |
| - SC Auto Logistics Co., Ltd. | - SC Groups Holding Co., Ltd. |
| - PKR Logistics Co., Ltd. | - SC Corporation Co., Ltd. |
| - SC Offshore Services Co., Ltd. | |
| - Chemical and Aromatic (Thailand) Co., Ltd. | |
| - Thai International Dockyard Co., Ltd. | |

1999-Present: Director of Roong Natee Co., Ltd.

Experiences

2015-2017: Chairman and Managing Director of Thai Pipe Line
Network Co., Ltd

1995-2017: Chairman and Managing Director of NP Marine Co.,
Ltd.

2013-2016: Vice Chairman and Executive Committee of
Begistics Public Company Limited (Formerly Bangpakong
Terminal Public Company Limited)

2012-2017: Chairman and Managing Director of Neco-Trans Siam Co.,
Ltd. (Formerly AMT-SC (Thailand))

3. Mr. Suppakit Duyapich (Director / Risk Management Committee)

Education

Bachelor Degree / Bachelor of Accounting, Thammasat University

Bachelor Degree of Faculty of Law, Thammasat University

Current Position

Retired civil servant (Retirement on 1 October 2005)

Experience

2013-2015: Director and executive Committee of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)

4. Mr. Yongyos Palanitisena (Director / Executive Committee / Risk Management Committee)

Education

Master Degree of Business Administration, Central State University, Oklahoma USA

Bachelor Degree of Accounting, Chulalongkorn University

Diploma

Thai Institute of Directors (IOD)

-Directors Accreditation Program 42/2005

Current position

Present: Director Rayong Bulk Terminal Company Limited

Present: Adviser of Stake International Bangkok Company Limited

Present: Director and Chairman of the Audit Committee of Phatara House and Property Public Company Limited

Experiences

2012-2017: Advisor of the Board of Directors of Sahathai Terminal Company Limited

2013-2015: Director and executive Committee of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)

5. Mrs. Sunee Sornchaitanasuk (Director / Risk Management Committee)

Education

Doctor of Philosophy (Communication Management) Dissertation, Suan Dusit University

Master Degree (Industrial Business), King Mongkut's Institute of Technology

Bachelor Degree of Accounting, Thammasat University

Diploma

Thammasat Leadership Program (TLP) Class 1

Diploma, National Defense College, The Joint State - Private Sector Course Class 24, National Defense Study Institute Senior Executive Program of the Capital Market Academy (CMA) Class 11

Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 10 of King Prajadhipok's Institute

Thai Institute of Directors (IOD)

- Director Certification Program 53/2005, 66-67/2005
- Director Accreditation Program 28/2004
- Audit Committee Program 5/2005
- Director Diploma Examination 18/2005
- Monitoring the System of Internal Control and Risk
- Management Current Issue Seminar 1/2008
- Monitoring the Internal Audit Function 3/2008
- Role of the Chairman Program 18/2008
- Improving the Quality of Financial Report 5/2007

Current position

2017-Present: Independent director and Audit Committee of B Grimm Power Public Company Limited

2016-Present: Independent director and Chairman of the Audit Committee of Namyong Terminal Public Company Limited

2015-Present: Independent director and Chairman of the Audit Committee of Siam City Cement Public Company Limited

2013-Present: Chief Executive Officer of AMC Medical Center Company Limited

Experiences

2010-2013: Chief Executive Officer, Health Trading (Thailand) Company Limited

2007-2015: Chairman of Nomination and Remuneration Committee / Audit Committee, EMC Public Limited

2004-2013: Director/Managing Director, DMED hearing Center Company Limited

2004-2013: Director/Managing Director, Dusit Med Company Limited

6. Mr. Wiboon Rasmeepaisarn (Director / Risk Management Committee)

Education

Master Degree (Business Administration), Thammasat University (M.B.A.)

Bachelor Degree (Accounting), Chulalongkorn University (B.A., Accounting)

Diploma

Thai Institute of Directors (IOD)

- Directors Accreditation Program 28/2004
- Directors Certification Program 147/2011
- Role of the Compensation Committee 13/2011
- Monitoring Fraud Risk Management 8/2012
- Monitoring of the Quality of Financial Reporting 16/2012
- Monitoring the Internal Audit Function 13/2012
- Monitoring system of Internal Control and Risk Management 13/2012
- Audit Committee Program 41/2012
- Anti-Corruption for Executive Program 13/2014
- Role of the Chairman Program 35/2014

Current Position

2015-Present: Audit Committee Member / Risk Management

Committee Member of Nomination and Remuneration Committee

Member of Ananda Development Property Public Company Limited
2009-Present: Director and Managing Director of Warach Paisarn Company Limited

2009-Present: Director and Executive committee of Eltek Power (Thailand) Company Limited

Experience

2011-2015: Director of Thai Herb Recipe Company limited.

7. Mrs. Bongkot Rungkornpaisarn (Director and Executive Committee / Chief Financial Officer)

Education

Master Degree, Master of Business Administration, Chulalongkorn University

Bachelor Degree of Accounting, Chulalongkorn University

Diploma

Thai Institute of Directors (IOD)

- Directors Accreditation Program 28/2004
- Company Secretary Program 74/2016
- Director Certification Program 147/2011
- Role of the Compensation Committee 13/2011
- Advance Audit Committee Programs 12/2012
- Role of the Chairman Program 35/2014
- Audit Committee Program 41/2012
- Monitoring Fraud Risk Management 8/2012
- Monitoring the Quality of Financial Reporting 16/2012
- Monitoring the Internal Audit Function 13/2012
- Monitoring the System of Internal Control and Risk Management 13/2012
- Anti-Corruption for Executive Program 13/2014

Current Position

Present: Executive Vice President (Finance and Corporate Affairs) and Director of NFC Public Company Limited

2006-Present: Director of Rayong Bulk Terminal Company Limited

2009-Present: Director of Eltek Power (Thailand) Company Limited

2013-Present: Director of Technor Company Limited

2009-Present: Director and Managing Director of Warach Paisarn Company Limited

Present: Director and Executive Vice President (Corporate Affairs) of SC Group

Present: Director of Neco-Trans Siam Co., Ltd. (Formerly AMT-SC (Thailand))

Present: Director of NFCT Co., Ltd

Present: Director of NFCW Co., Ltd

Experiences

2013- 2016: Director of D Medical Instrument Co., Ltd.

2013 - 2015: Director, Executive Committee and Chief Executive Officer of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)

2013-2015: Director of Thai Herb Recipe Company limited

8. Mr. Kijja Smunyahirun (Director and Executive Committee)

Education

Bachelor Degree of Accounting, Bangkok University

Diploma

Thai Institute of Directors (IOD)

- Director Accreditation Program 112/2014
- Company Secretary Program 10/2005

Current Position

Senior Vice President (Corporate Affairs) of NFC Public Company Limited

Senior Vice President (Corporate Human Resource) of SC Group

Experience

2013-2015: Director and Executive director of Begistics Public Company Limited (Formerly Bangpakong Terminal Public Company Limited)

9. Mr. Nataphong Ratanasuwanthawee
(Director and Executive Committee)

Education

Bachelor Degree, Public Administration, Ramkhamhaeng University

Diploma

Directors Accreditation Program 132/2016

Current position

Present: Executive Vice President (Commercial and Operation) of NFC Public Company Limited

Present: Director and Managing Director of NFCT Co., Ltd

Present: Director of NFCW Co., Ltd

Present: Director of NFCW Co., Ltd

Present: Director of Neco-Trans Siam Co., Ltd. (Formerly AMT-SC (Thailand))

Present: Director and Executive Vice President - Business Development and Joint Venture of SC Group

- SC Carrier Company Limited
- SC Management Company Limited
- SC Group Company Limited
- SC Group Holding Company Limited
- SC Corporation Company Limited
- SCG Logistics Company Limited
- Chemical and Aromatic (Thailand) Company Limited
- SC Offshore Service Company Limited
- Thai International Dockyard Company Limited
- SC Auto Logistics Company Limited
- PKR Logistics Company Limited
- Strategic Port link Company Limited
- Liquid Gas Supply Company Limited
- SC Sirapat Co., Ltd.

2014-Present: Director of Thai Pipeline Co., Ltd.

Experience

2014-2017: Director of NP Marine Company Limited

10. Assoc. Prof. Dr. Seri Wongmonta (Independent
Director and Chairman of the Audit Committee)

Education

Doctorate, Journalism, Southern Illinois University, Carbondale, Illinois, USA

Master Degree, Master Science in Journalism, Northwestern University Evanston, USA

Master Degree, Master of Arts for Teachers (English), University of Washington, Seattle, USA

Bachelor Degree, Bachelor of Arts (Honor) English Literature and Foreign Language, Thammasat University

Current position

Present: Chairman of Good Communication Limited Partnership

Present: Instructor, College of Management, Phayao University Bangkok Campus

Experiences

2016-2018: Acting Dean of College of Management, Phayao University, Bangkok Campus

11. Mr. Sumit Petcharapirat

(Independent Director and Audit Committee)

Education

Master of Business Administration of National Institute of Development Administration

Bachelor of Engineering of Chiang Mai University

Current position

1988-Present: Managing Director of Chairatchakarn (Bangkok) Company Limited

1988-Present: Toyota Chairatchakarn Company Limited

2009-Present: Director of Center of Enhancing Competitiveness, National Institute of Development Administration

2009-Present: Honorary Board of Business Administration, National Institute of Development Administration

2011-Present: Director of Research Ethics, Huachiew Chalermprakiet University

2011-Present: Executive Committee of Business Administration Faculty, Rajamangala University of Technology Krungthep

2013-Present: President of Alumni Association, National Institute of Development Administration

2013-Present: Director of Right-Livelihoods Foundation

2014-Present: Conciliator of Provincial Court, Samutprakarn Province

2015- Present: Conciliator of National Institute of Development Administration

Experiences

2015: Custodial Director of National Institute of Development Administration

2015: Business Incubator Committee of National Institute of Development Administration

2015: Association President of Engineering Alumni Association, Chiang Mai University

2015: Director of Assumption Sriracha Alumni Association

2014: Director of Engineering Alumni Association, Chiang Mai University

12. Mrs. Aree Termwattanapakdee

(Independent Director and Audit Committee)

Education

Master Degree / Master of Business Administration of Chulalongkorn University

Bachelor Degree / Bachelor of Business Administration in Accounting of Ramkamhaeng University

Diploma

Director Accreditation Program 112/2014

Company Secretary Program 26/2008

Audit committee Program 22/2008

Board Reporting Program 4/2010

Effective Minute Taking 18/2010

Monitoring Fraud Risk Management 2/2010

Monitoring the system of Internal Control and Risk Management 8/2010

Laundrying office of Anti-Corruption: The Practical Guide 1/2012

Training the Trainer from Anti-Money Laundrying office

Senior Executive Program of the Capital Market Academy (CMA) Class 1

Current position

Chief of Compliance & Internal Audit Department and secretary of the Audit Committee and secretary of Audit Committee of KT ZMICO Securities Public Company Limited

Experiences

2014-2018: Independent Director and Audit Committee of Begistics Public Company Limited

(Formerly Bangpakong Terminal Public Company Limited)

General Information

Company's name	: NFC Public Company Limited
Abbreviation	: NFC
Registration number	: 0107538000495 (formerly, BorMorJor.572)
Listing Securities	: 1,087,833,056 of Common shares, Baht 0.75 par value
Capital registered	Baht 897,462,271.50
Paid up capital	: Baht 815,874,792.00
Type of business	: 1. Chemical products distribution 2. Services
Head Office Address at the present	: No. 88 SC Group building 3 th floor, The Park Land Road, (Bangna-Trad KM.5), Bangna Nuea Sub-District, Bangna District, Bangkok. Tel. (02) 348-0580-6 Fax. (02) 348-0578-9 Website: www.nfc.co.th
Factory and Warehouse address	: 1. No.2 MapTaPhut Industrial Estate, I-2 road, MapTaPhut Sub-District, Mueang Rayong District, Rayong Province 21150 2. No. 9/25 Mu 4, BuengYitho Sub-District, Thanyaburi District, Pathumthani 12130 3. No. 105/10 Mu 2, Surath-Phaknum, Bangkung Sub-District, Mueang Suraththani District, Suraththani 84000
Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek road, Dindaeng Sub-District and District, Bangkok 10400 Tel. (02) 009-9000 Fax. (02)009-9999

Policy and Overview of Business Operations

NFC Public Company Limited (“the Company”) has the main business for distribution of chemicals products such as Ammonium, Ammonium Hydroxide and Sulfuric acid and Services such as Warehouse services, Logistics and Liquid storage service and Port service in Map Ta Phut Industrial Estate, Rayong.

The Company was first established under the name of National Fertilizer Company Limited on 11 November 1982 (under a national fertilizer project of a government sector). It was a joint investment between the government sector and a private sector for manufacturing purpose of bulk blending fertilizers replacing chemical fertilizers imported from overseas. The Company is located at Map Ta Phut Industrial Estate, Rayong Province with initially registered capital in the amount of 50 million Baht and, consequently, has been promoted by the Board of Investment (BOI).

Latterly, in January 1993, the Company began to sell fertilizers to the market by import of prefabricated chemical fertilizers under the trademark of “National Fertilizer” in order to create a market base at the beginning before the Company was manufacturing and distributing the products made from the Company’s factory. The Company submitted the Ministry of Commerce to increase its registered capital from 2,250 million Baht to be 4,000 million Baht on October 13, 1995 and has been transformed into a public limited company under the name of National Fertilizer Public Company Limited then has been listed in the Stock Exchange of Thailand from 26 August 1996.

In 1997, the Company faced financial problem due to a lack of liquidity that resulted from the Baht devaluation of Thailand's currency and, in the meantime, depression did arise to all countries over the world since 1998 onwards. While, the Company had begun its factory’s construction in 1995 and such construction had a completion schedule in April 1997, but the Company’s contractor performed the construction in delay and was unable to deliver the work within the contractual deadline. Until the government announced the Baht devaluation which impacted the Company costs and expenses of the operating performance being continuously loss. Until the Company entered into the business rehabilitation proceedings of the Central Bankruptcy Court on 2003.

In 2004, The Company has restructured its capital structure and debt restructuring as set in the rehabilitation plan, which Mr. Nuttaphob Ratanasuwanthawee as a major shareholder of the Company at that time after the capital restructuring and debt restructuring, and the Company’s business rehabilitation achieved the plan on September 2004. In addition, the Company changed its name from National Fertilizer Public Company Limited to NFC Fertilizer Public Company Limited.

In 2005, the Company began face a problem of depreciated condition of the machinery, and the products made from the factory had no consistent quality, lack of working capital to invest for repair the major machinery. The company stopped producing chemical fertilizer from the main machinery temporarily in early 2006 as a result, the Company had a financial position in the 2007 which had been audited by the auditor stated the equity was lower than zero and the auditor did not express an opinion on the financial statements of the Company for the consecutive years from 2007 to 2014.

In 2008, the Company filed a petition for business rehabilitation with the Central Bankruptcy Court due to the problems of deteriorated factory condition, and a new property appraisal state that the net appraisal value was lower than book value. Therefore, the Company had to record impairment loss on assets as a result, the company had more debt than the properties, and in 2009, the Central Bankruptcy Court ordered to NFC Fertilizer Public Company Limited to be under the business

rehabilitation and appointed NFC Fertilizer Public Company Limited to be the Business Rehabilitation Planner. However, some creditors filed their objections to the Central Bankruptcy Court's order to the Supreme Court.

The company had carried out various activities for the delisting of the Company's securities from the SET and the Company is eligible for the delisting. In 2010, the Central Bankruptcy Court ordered to approve the said business rehabilitation plan and appointed the Company to be the Plan Administrator which the Company has restructured its capital by reducing the par value from Baht 1 per share to Baht 0.16 per share and repayment by debt to equity conversion with creditors as set out in the plan.

In 2015, the Supreme Court ordered the Company's rehabilitation petition, as some creditors have filed their objection to the Supreme Court. Thus, the judgment revoking the request for rehabilitation would not affect with the action by the Official receiver or the Company as the plan administrator had done before the Supreme Court has the order. Subsequently, the Company sold 2,125 million shares to private placement, at the offering price of Baht 0.16 per share, the total offering price of the Company's shares was Baht 340 million to Inter Spec Global Company Limited and Mr. Pittayakorn Naothaworn who was the private placement made the Company's paid-up capital changed to Baht 1,076.89 million. The Company raised the proceeds from the sale of such newly issued shares to repay the debt to the creditors in a one-time repayment plan to the creditors with the condition to rest of the remaining debts amounted to approximately Baht 190.18 million.

In 2016, the Company had expanded the import business of Ammonia distribution to provide fully integrated end user services by the acquisition and partial transfer of some business from Chemical and Aromatics (Thailand) Co., Ltd. ("C&A"). The Company had issued the new shares to private placement for paying the acquisition and partial transfer of some business to C&A and to register the change of paid-up capital Baht 282.90 million, resulting in paid-up capital changed to Baht 1,359.79 million. At present, C&A does not have any business and in process of other business practices study that are not related to the distribution of Ammonia chemicals, and Ammonium Hydroxide or approach to liquidation.

In addition, the Company had registered to change the par value of shares and the number of shares from Baht 0.16 per share to Baht 0.50 per share by adjusting the number of registered and paid-up shares from 8,498.70 million shares to 2,719.58 million shares.

In 2017, the Company changed of par value and the number of shares from Baht 0.50 per share to Baht 1.25 per share, the Company changed the registered and paid-up shares from 2,719.58 million shares to 1,087.83 million shares. Subsequently, the Company decreased its registered and paid-up capital by Baht 543.92 million from the registered capital and the registered and paid-up capital of the Company of Baht 1,359.79 million to the registered and paid-up capital of Baht 815.87 million from Baht 1.25 per share to Baht 0.75 per share to compensate for the Company's deficit, which the Company still had 1,087.83 million registered and paid-up shares.

Moreover, the Company had changed its name from NFC Fertilizer Public Company Limited to NFC Public Company Limited, and also change the seal of the company to be consistent with the current business.

In 2018, The Stock Exchange of Thailand (SET) has approved the Company removed cause of possible delisting and resumed the securities of NFC to trade on SET (Resume Trading) under Industrials Industry in Petrochemicals & Chemicals Sector from 15 June 2018 onwards and 1 of NFC's a strategic shareholder, holding NFC's ordinary share including the amount of capital increase shares of the shareholders totaling 598.31 million shares or 55% of the paid-up capital in that period would be

prohibited on silent period for 1 year from the first trading date of the Company and would be allowed to trade 25% of all shares that are subject to the prohibition of sale after 6 months.

In August 2018, The Company has established 2 subsidiaries, namely, NFCT Co., Ltd, operating a liquid warehouse service, and NFCW Co., Ltd, operating a warehouse and yard service which NFC Public Company Limited has share holder in both of 99.97 % and registered capital Bath 1,000,000 per company.

In addition, the Company increased the registered capital by Baht 81,587,479.50 from the existing registered capital of Baht 815,874,792 to the new registered capital of Baht 897,462,271.50 by issuing 108,783,306 newly issued ordinary shares at the par value of Baht 0.75 per share to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) on December 2018 of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10 :1 with the term for 3 years from the issuance date of the Warrant.

Vision, objectives, goals or strategies of the Company's operations

NFC Public Company Limited (“the Company”) is the distributor of chemicals products such as Ammonia, Ammonium Hydroxide and Sulfuric acid by importing chemicals from abroad to sell to domestic customers, and also provide Warehouse services, Logistics and Liquid storage service including Port service in Map Ta Phut Industrial Estate, Rayong

The Company has strategies for business plan operations as follows:

Chemical products distribution

1. Sale of chemicals such as Ammonia, Ammonium dioxide and Sulfuric acid.

Services

1. Warehouse services.
2. Logistics and Liquid Tank farm services
3. Port services

Major changes and developments

Over the past 5 years, the company has the significant changes and developments related to the Shareholding Structure, Management and business operations as follows:

- March 12, 2013 the Stock Exchange of Thailand (SET) announced the NFC as a non-performing group (NPG) second phase 3, which expired by March 12, 2014, and the Company requested for an extension of the resolution period for a further one year in accordance with the criteria of the Stock Exchange of Thailand.
- On November 1, 2013, the Industrial Estate Authority of Thailand (IEAT) extended the term of service to customers of Rayong Bulk Terminal Co., Ltd. for a one-year temporary berth to solve the problem of cargo traffic congestion at Map Ta Phut Port, and date ended on November 1, 2014.
- On January 29, 2014, the Stock Exchange of Thailand would like to notify the Stock Exchange of Thailand of the resolutions of the SET and the listed companies whose operations or financial status may be withdrawn for the third phase and informed the Company to submit resume trade letter or request for extension of the rehabilitation period to rectify the cause of the delisting, along with submitted the Financial Statement for the year 2013 which had already

audited from certified auditor including notification or supported information for consideration of the request of the Company for the Stock Exchange to consider the request by March 31, 2014.

- On March 27, 2014, the Company sent a letter requesting an extension of the rehabilitation period to resolve the issue may be revoked and submit the report of the Auditor and the financial statements of the Company and its subsidiaries for the year ended December 31, 2013 and the rehabilitation plan of the company to inform that the Company had not been able to qualify for the delisting according to the SET's rules within March 31, 2014. However, the Company has qualified in accordance with the criteria for extension of business rehabilitation.
- April 4, 2014, The Stock Exchange of Thailand sent a letter notifying the non-extension of business rehabilitation and delisting of the Company's and ordinary shares of the Company would be revoke from SET, and gave the opinion that the consolidated financial statements for the year 2013 ended March 31, 2013, which have been audited by the auditor, also reported that the shareholders' equity was lower than zero and net loss from operation. The Company also did not offer a clear solution for the revocation. Therefore, it does not fully meet the criteria for extending the time for resolving the cause of the delisting. Therefore, it is necessary to propose to the Securities and Exchange Commission to consider the delisting of the Company's ordinary shares from the Stock Exchange of Thailand. If the Company has any additional facts or documents that may affect the SET's consideration, by clarify the facts and submit the evidence to the SET for new consideration.
- On April 22, 2014, the Company requested the extension of business rehabilitation to rectify the situation may be revoked again by explaining more information about the causes that could not be fulfilled to qualify for the delisting from the SET. However, the Company has made full efforts to rectify the grounds for delisting according to the SET's criteria, but there were other external factors as mentioned above. The company could not control as a result, the operating loss and shareholders' equity of the consolidated financial statements for the year ended December 31, 2013 were lower than zero, however expectation to be able to proceed with the sale of leasehold rights to certain projects and profit from debt restructuring under rehabilitation plan. This will result in a positive portion of shareholders in the consolidated financial statements for the third quarter of 2014. Therefore, the Stock Exchange of Thailand It also approved the extension of the rehabilitation period to 1 year to rectify the situation.
- June 6, 2014, the Stock Exchange of Thailand has issued a letter to inform about the delisting of the Company's ordinary shares from the SET, by the company had the guidelines and progress in resolving the cause of the withdrawal clearly. It also intends and tried to resolve the cause of revocation continuously, therefore, it was advisable to provide time to rectify the cause of the delisting until March 31, 2015. The Company must prepare and submit the progress report to rectify the cause of the delisting and submit the financial statements to the SET on a quarterly basis. File an application for the revocation and submission of the audited financial statements for the year 2014, including statements or supporting documentation which benefits for consideration within March 31, 2015.
- On June 19, 2014, the Company had a letter to the Stock Exchange of Thailand acknowledging the time to rectify the cause of delisting of the Company's ordinary shares from the Stock Exchange of Thailand.
- On October 15, 2014, the Industrial Estate Authority of Thailand (IEAT) extended its customer service to Rayong Bulk Terminal Co., Ltd. for a one-year temporary berth to solve the problem of cargo traffic at MapTaPhut Port, dated Ended September 30, 2015.

- On January 22, 2015, the SET has a letter informing the SET of its actions to the listed companies whose operations or financial positions may be withdrawn and the time for resolving the delisting. It is stated that the deadline for resolving the revocation has been reached. Requesting for an expiration of the reason for revocation, stating the reasons or supporting information showing that the financial position and performance of the Company have been withdrawn, and submit the audited financial statements for the year 2014 to the SET for consideration within March 31, 2015.
- On February 18, 2015, the Company filed for additional business in the Tank Farm with the Industrial Estate Authority of Thailand.
- On February 23, 2015, NFC applied for the Module Assembly Yard business with the Industrial Estate Authority of Thailand
- On March 23 and 30, 2015, the Company requested for an extension of the resolution period for a further one year because the Company was in the process of filing an extension of the rehabilitation request with the Central Bankruptcy Court for another year. Time for the company to rectify the withdrawal for a further one year until March 31, 2019, in order to comply with the business rehabilitation plan and business plan of the company.
- On April 8, 2015, the SET has a letter informing the SET of its actions to listed companies whose operations or financial positions are subject to possible delisting and the time for resolving the delisting. The information provided by the company on March 23 and March 30 is unclear to illustrate the Company's approach to resolving the delisting. The Board of Directors of the Stock Exchange of Thailand is required to consider the delisting of the Company's ordinary shares. If there is any fact or additional evidence that may affect the SET's operation, the Company shall clarify the facts and submit the documents to SET within April 29, 2015.
- On April 29, 2015, the Company has requested to extend the resolution period for the revocation of not less than 1 year to clarify the issues. Progress in the court process and timing of the business plan execution, and period for revocation of auditor did not express an opinion on the Company's financial statements from 2007 to 2014 and the Company's plan to proceed. The Company was fully qualified and able to withdraw from the revocation and return to normal trading within March 31, 2016, as requested by the Company.
- On May 27, 2015, the Company submitted additional information to the Stock Exchange of Thailand to present progress in various areas, and the way to resolve the shareholders' equity was positive and the operating results are consistently profitable.
- On June 22, 2015, the Stock Exchange of Thailand requested the company to clarify the fact of the delisting of the Company's ordinary shares from the Stock Exchange of Thailand and submit relevant documents again by July 7, 2015.
- On June 23, 2015, the Industrial Estate Authority of Thailand (IEAT) allowed the Company to use the land in accordance with the land lease agreement for additional industrial business as the Company filed a petition for its operation other than the production and distribution of chemical fertilizer for its intended original purpose.
- On July 7, 2015, the Company has clarified the fact that the Company was delisted from the Stock Exchange of Thailand and submitted the relevant documents to the Stock Exchange of Thailand as well as reports on the progress of the business rehabilitation of the company.

- August 3, 2015 SET urged the Company to expedite the qualification for the delisting of the Company within the time prescribed by the SET. The Company is required to submit a request for the delisting and submission of the audited financial statements for the fiscal year 2015 Including statements or supporting documents that are beneficial for the consideration of the request of the Company to be used as the information for the consideration of the application by March 31, 2019 and request the Company to acknowledge and agree to comply with the conditions. Give more time to rectify the cause of the delisting. And return to the stock market by August 17, 2015.
- On November 3, 2015, the Supreme Court ordered the company's rehabilitation. This is due to the fact that some creditors have lodged a petition against the bankruptcy court order to the Supreme Court since 2009.
- On December 21, 2015, the Extraordinary General Meeting of the Shareholders passed a resolution approving the Company to increase its registered capital to Private Placement amounting to Baht 340 million, by issued 2,125 million shares at a par value of Baht 0.16 per share, and approved the allotment of 2 new shares to the investors, with the terms of the capital increase being Inter Inter Spec Global Co., Ltd. amount of 1.37 shares at a price of 0.16 Baht and Mr. Pittayakorn Naothaworn amount of 750 million shares at Baht 0.16 per share.
- On December 25, 2015, the Company received Baht 340 million from the capital increase.
- On 28 December 2015, the Company registered the increase of paid-up registered capital of Baht 1,076.89 million divided into 6,730.59 shares at Baht 0.16 per share.
- On December 28, 2015 and December 30, 2015, the Company has made repayment under the rehabilitation plan to creditors Group 1, Group 2, Group 4, Group 5, Group 7 and Group 3 of creditors were in the process of coordinating with government agencies. In addition, after debt repayment, the Company still had some outstanding debts which the Company had agreed with the creditor that the Company will repay the debt by the way of delivery of goods and / or services until the completion of the debt.
- On April 29, 2016, the Ordinary General Meeting of Shareholders resolved to approve the Company to proceed as follows:
 - Increased capital to Private Placement of Baht 282.90 million by issuing ordinary shares, approximately 1,768,106,235 shares at a par value of Baht 0.16 per share, and the share allotment will be approved to Chemical and Aromatics (Thailand) Co., Ltd. ("C&A") for the distribution of acquisition and partial transfer from C&A on business of ammonia and ammonium hydroxide.
 - Change in par value from Baht 0.16 per share to Baht 0.50.
- On June 1, 2019, the Company purchased and accepted the partial business transfer from the business related to the distribution of ammonia and ammonium hydroxide from C&A.
- On June 2, 2016, the Company had allocated 1,768.11 million new ordinary shares at a par value of Baht 0.16 per share, totaling Baht 282.90 million, and registered the paid-up capital of Baht 1,359.79 million divided into 8,498.70 million shares at par value of Baht 0.16 baht.
- On June 10, 2016, the Company changed the par value from Baht 0.16 per share to Baht 0.50 per share, resulting in a change in share capital from Baht 0.16 per share 8,498.70 million shares to 2,719.58 million shares
- On 29 July 2016, Tender Offer of Mr. Nuttaphob Ratanasuwanthawee and C&A, as a related party had ended. The purchased securities totally 2.73 million shares.

- On 28 June 2017, the Company had changed its name from NFC Fertilizer Public Company Limited to NFC Public Company Limited, and also change the seal of the company to be consistent with the current business. The Company registered the change in par value and number of shares from Baht 0.50 per share to Baht 1.25 per share.
- On 6 September 2017, Then, the Company had decreased its registered and paid-up capital of the Company amount of Baht 543.92 million from its registered and paid-up capital of Baht 1,359.79 million to the new registered and paid-up capital of Baht 815.87 million by reducing the value of shares from Baht 1.25 per share to Baht 0.75 per share to compensate for the Company's deficit.
- On 29 March 2018, the Company submitted a letter requesting the Company's securities to enter the period of procedure for qualification to resume stage with the Stock Exchange of Thailand.
- On 31 May 2018, the Company submitted a letter requesting to remove cause of possible delisting and resumed the securities of NFC to trade (Resume Trading) in the Stock Exchange of Thailand
- On 8 June 2018, The Stock Exchange of Thailand (SET) has approved the Company removed cause of possible delisting and resumed the securities of NFC to trade on SET (Resume Trading) under Industrials Industry in Petrochemicals & Chemicals Sector from 15 June 2018 onwards and 1 of NFC's a strategic shareholder, holding NFC's ordinary share including the amount of capital increase shares of the shareholders totaling 598.31 million shares or 55% of the paid-up capital in that period would be prohibited on silent period for 1 year from the first trading date of the Company and would be allowed to trade 25% of all shares that are subject to the prohibition of sale after 6 months.
- On 2 August 2018, the Company has established 2 subsidiaries, namely, NFCT Co., Ltd, operating a liquid warehouse service, and NFCW Co., Ltd, operating a warehouse and yard service which NFC Public Company Limited has share holder in both of 99.97 % and registered capital Bath 1,000,000 per company.
- On 6 December 2018, the Company increased the registered capital by Baht 81,587,479.50 from the existing registered capital of Baht 815,874,792 to the new registered capital of Baht 897,462,271.50 by issuing 108,783,306 newly issued ordinary shares at the par value of Baht 0.75 per share to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) on December 2018 of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10 :1 with the term for 3 years by exercising twice a year at the exercise price of Baht 6.50, resulting in a shareholding structure after the capital increase as follows:

NFC Public Company Limited

Share's Holder structure

Unit : share / Baht

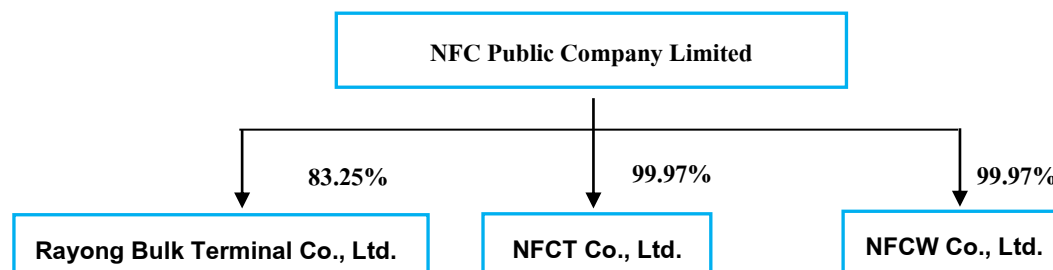
Name of Share Holder	Change of Par value As at Jun. 28, 2017 (Par 1.25 Baht)		Reduction of registered capital As at Sep. 6, 2017 (Par 0.75 Baht)		After Change As at Mar. 6, 2018 (Par 0.75 Baht)		As at Nov. 29, 2018 (Par 0.75 Baht)	
	Amount of Share	%	Amount of Share	%	Amount of Share	%	Amount of Share	%
1 Total of Mr. Nutaphob Ratanasuwantawee's Group	607,414,964	55.84	607,414,964	55.84	607,414,964	55.84	694,071,296	63.80
1.1 Mr. Nutaphob Ratanasuwantawee	607,414,962		607,414,962		607,414,962		690,329,994	
1.2 Mr. Nutapong Ratanasuwantawee	2		2		2		3,741,302	
2 Inter Spec Global Company Limited	176,000,000	12.94	176,000,000	16.18	176,000,000	16.18	176,000,000	16.18
3 Benayga Holdings Ltd.	-	-	-	-	-	-	86,000,000	7.91
4 Mr. Asia Phukhananun	-	-	-	-	28,160,000	2.59	28,160,000	2.59
5 Mr. Prayit Somnaksakulchai	-	-	-	-	24,160,000	2.22	23,880,800	2.20
6 Total of Aungsummai family	24,154,081	1.78	24,153,081	2.22	16,658,081	1.53	10,863,661	1.00
6.1 Mr. Saiton Aungsummai	10,932,661		10,931,661		5,868,661		5,810,561	
6.2 Mr. Archavoo Aungsummai	7,679,020		7,679,020		5,247,020		4,743,900	
6.3 Mr. Anun Aungsummai	4,770,400		4,770,400		4,770,400		239,200	
6.4 Mrs. Supadec Aungsummai	772,000		772,000		772,000		70,000	
7 Miss Rapurpom Trongwongsa	10,240,000	0.75	10,240,000	0.94	11,520,000	1.06	933,500	0.09
8 Mr. Teerawat Wongcharoensin	-	-	-	-	86,000,000	7.91	-	-
9 Mr. Wichai Thongang	25,600,000	1.88	25,600,000	2.35	25,600,000	2.35	-	-
10 Total of Chaipimolkul Family	31,125,332	2.29	31,143,332	2.86	31,125,332	2.86	-	-
10.1 Mr. Dirak Chaipimolkul	13,312,000		13,312,000		13,312,000		-	-
10.2 Mr. Somkiet Chaipimolkul	6,400,000		6,400,000		6,400,000		-	-
10.3 Mr. Somchai Chaipimolkul	6,400,000		6,400,000		6,400,000		-	-
10.4 Ms. Apinya Chaipimolkul	5,013,332		5,013,332		5,013,332		-	-
11 Total of Chaikolyhamdee Family	15,360,000	1.13	15,360,000	1.41	15,360,000	1.41	-	-
11.1 Mr. Tani Chaikolyhamdee	10,752,000		10,752,000		10,752,000		-	-
11.2 Mr. Wichai Chaikolyhamdee	2,560,000		2,560,000		2,560,000		-	-
11.3 Mrs. Tapana Chaikolyhamdee	2,048,000		2,048,000		2,048,000		-	-
12 Mr. Pitayakorn Naothaworn	96,000,000	7.06	96,000,000	8.82	12,560,000	1.15	-	-
Other Minor shareholders	373,896,945	27.50	101,921,681	9.37	53,274,681	4.90	67,923,799	6.23
Total Shareholders	1,359,791,322	111.17	1,087,833,058	100.00	1,087,833,056	100.00	1,087,833,056	100.00

Shareholding Structure of the Group

The Company has 3 subsidiary companies as follows:

1. Rayong Bulk Terminal Company Limited, which is operated in the business of pier area and warehouses.
2. NFCT Company Limited, which is operated in business of a liquid warehouse service.
3. NFCW Company Limited, which is operated in business of a warehouse and yard service.

with shareholding ratio as follows:



Relationship with the major shareholder's business.

The Company's major shareholder is Mr. Nuttaphob Ratanasuwanthawee, the major shareholders of the SC Group which, the Company relies on and operates a business related to its major shareholders, due to Financial Statement as of December 31, 2018 as follows:

Company	Type of Business	Relationship
Rayong Bulk Terminal Co., Ltd	Provide wharf frontage services and warehouse services	Subsidiary company and co-directors/co-management team
NFCT Co., Ltd.	Liquid warehouse services business	Subsidiary company and co-directors/co-management team
NFCW Co., Ltd.	Warehouse and Yard services business.	Subsidiary company and co-directors/co-management team
SC Management Co., Ltd.	Water carriage	Co-shareholders and directors/co-management team
SC Carrier Co., Ltd.	Land carriage	Directors and co-management team
Chemicals and Aromatics (Thailand) Co., Ltd.	Distribution of chemicals	Directors and co-management team
Strategic Port Link Co., Ltd.	Land carriage	Co-shareholders and directors/co-management team
SCG Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/co-management team
SC Offshore Services Co., Ltd.	Offshore marine services	Co-shareholders and directors/co-management team
NP Marine Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/co-management team
SCENA Offshore Co., Ltd.	Offshore marine services	Co-shareholders and directors/co-management team
Thai International Dockyard Co., Ltd.	Operated shipyards, repair and maintenance for all types of boat engines.	Co-shareholders and directors/co-management team
N Holding Co., Ltd.	Provide office space rental service and facilities to use the office space.	Co-shareholders and directors/co-management team
PKR Logistics Co., Ltd.	Land carriage	Co-shareholders and directors
Necotrans Siam Co., Ltd.	Logistics services	Co-shareholders and directors
SC Auto Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors
SC Corporation Co., Ltd.	Provide liquid petroleum warehouse services	Co-shareholders and directors
NP Marine Co., Ltd.	Provide wharf frontage services, warehouse services and water carriage	Co-shareholders and directors
Inter Spec Global Co., Ltd.	Import and export products	The Company's shareholders

Nature of Business Operations

Revenue's Structure

Unit: Million Baht	For the year ended		For the year ended		For the year ended	
	December 31, 2016		December 31, 2017		December 31, 2018	
	Amount	%	Amount	%	Amount	%
Revenue from Sale chemical products	867.50	84.72	990.67	89.98	1,085.92	92.03
Ammonia	593.55	68.42	574.56	58.00	565.60	52.08
Ammonium Hydroxide	20.70	2.39	22.69	2.29	21.46	1.98
Sulfuric acid	253.25	29.19	393.42	39.71	498.86	45.94
Revenue from Services	156.51	15.28	110.34	10.02	94.07	7.97
Warehouse services	18.55	11.85	12.23	11.09	29.96	31.85
Logistics and Liquid storage service	60.46	38.63	55.34	50.15	55.04	58.51
Port service	77.50	49.52	42.77	38.76	9.07	9.64
Total revenue	1,024.01	100.00	1,101.01	100.00	1,179.99	100.00
Others income						
Gypsum revenues net of related expenses	1.13	0.39	14.04	50.63	5.70	37.65
Reversal of allowance for doubtful accounts	24.90	8.49	6.87	24.77	2.18	14.40
Gain from sale of fixed assets	0.06	0.02	3.69	13.31	0.60	3.96
Reversal of allowance for impairment on assets	244.23	83.27	0.00	0.00	0.00	0.00
Debt forgiveness from legal claim	18.54	6.32	0.00	0.00	0.00	0.00
Gain from Exchange rate	2.90	0.99	0.73	2.63	1.71	11.29
Income from Bank interest	0.19	0.06	1.59	5.73	4.13	27.28
Gain from claim	0.04	0.01	0.04	0.15	0.15	0.99
Income from sales of materials and equipment	0.09	0.03	0.00	0.00	0.00	0.00
Reversal of allowance for inventories obsolete and defective	0.50	0.17	0.43	1.55	0.67	4.43
Others (i.e. sale of scrap materials)	0.72	0.25	0.34	1.23	0.00	0.00
Total Others income	293.30	100.00	27.73	100.00	15.14	100.00

Types of Products and Services**Economic and industrial conditions affecting operations**

- **Ammonia**

Thailand cannot produce Ammonia, therefore it must be imported from abroad. The importer must import the goods by vessels and have invested in preparing a storage tank including having their own product delivery system or having a contract to rent the storage for store of products, especially in industries that use Ammonia as the main raw material, such as the production of Caprolactam which computed to 84 % of the total Ammonia import volume. However, the amount of imports will increase or decrease depending on the situation of the price and demand of Caprolactam in the world market.

The remaining import quantity is imported for distribution in various manufacturing industries, such as Monosodium glutamate production, Latex and Refrigerant industry that has the same amount of Ammonia requirement and in the future, such various industries are the plans to improve the production system that has a tendency to use Ammonia decreases and the competition begins to change from the former to a semi-monopoly market, becoming a more free market causing customers to have more negotiation power because there are importers and distributors and there is increased price competition. As a result, the trend of import and distribution of Ammonia products may be reduced from both the market share and the selling price.

- **Ammonia Hydroxide**

At present, the amount of demand for Ammonium hydroxide in the country is constant. The market will consider the product price as the main factor in the purchase. As a result, the Company uses pricing strategies to maintain the customer base and market share. In the future, there may be more demand if customers have established a new factory.

- **Sulfuric acid**

Thailand imports and distributes Sulfuric acid both in the country and abroad for use in the chemical fertilizer industry, Dye and pigment, Car battery. In the past year, the amount of demand for Sulfuric acid in the country was unchanged, but the export to Lao PDR. has decreased due to the Se-pian dam cracking problem causing the transportation route to be damaged and unable to travel and the mid of 2018, the amount of Sulfuric acid in the world market was scarce due to the problem of Sulfuric acid production in India and annual repairs of other Sulfuric acid plants causing the Sulfuric acid prices in the market to rise significantly. It is expected that such problems will affect until the first quarter of 2019, but the growth trend is likely to be higher in accordance with the industrial development process in the country because Sulfuric acid is a basic chemical.

Distribution of chemicals.

The company is the importer and distributor of chemicals stored in the liquid storage of the Company in Map Ta Phut Industrial Estate to sale and distribute products to domestic customers. At present, the main chemicals the company distributes are Ammonia, Ammonia Hydroxide, and Sulfuric acid.

- **Ammonia** the Company imports Ammonia from Malaysia and Indonesia to sell to domestic customers for Monosodium glutamate industry, Latex industry, Refrigerant industry and Chemical industry, by distribution through customer group of Trader and distributed directly to End User.

- **Ammonia Hydroxide** the factory is located in Pathumthani province to sell to domestic customers for Power plants/Gas separation plants, Pollution Control industry, Rubber industry, Textile industry and Rubber planters, by distribution through customer group of Trader and distributed directly to End User.
- **Sulfuric acid** the Company imported Sulfuric acid from Switzerland, Korea and Japan to sell to the customer group of Trader in the country.

Services

- **Warehouse services** The Company has the available space in the warehouse building to serve customers who need to store that space for materials and finished goods such as Plastic beads and Silica etc., for import/export and distribution, with the warehouse space of approximately 90,000 square meters, including provide an Open Yard, such as machinery and equipment etc.
- **Logistics and Liquid storage service** The Company also provide Logistics and Liquid storage to store Ammonia and Sulfuric acid to customers who need liquid storage and also provide inventory management services to meet the needs of our customers, including liquid cargo services for transportation by vehicles. At present, the Company has a total of 56,835 tons of liquid storage services, divided into storage for Ammonia and Sulfuric acid with capacity of 21,835 tons and 35,000 tons, respectively.
- **Port services** the Company provide the dedicated port service for the products of Company including services to customers in the Map Ta Phut Industrial Estate due to bulk cargo and liquid cargo that can accommodate 60,000 DWT cargo vessels but port must be approved by the Industrial Estate Authority of Thailand ("IEAT") from time to time, such as Cold rolled coils, Hot Rolled Coil, Structural steel, Coal, Gypsum, etc., as well as jetty and utilities services provided.

Marketing and Competition

A. Target customers

Distribution of chemicals

Currently, the Company sells 3 chemicals, namely Ammonia, Ammonia Hydroxide and Sulfuric acid which the 55 customers base divided into the following groups:

- Ammonia

In 2018, Ammonia revenue was Baht 565.50 million, or 52.08% of total sales of chemicals revenue. There are 37 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Monosodium glutamate	388.71	68.73
2. Latex	139.98	24.75
3. Refrigerant	23.57	4.17
4. Chemicals	11.89	2.10
5. Others	1.45	0.25
Total	565.60	100.00

The major customers are Thai-MC Co., Ltd., representing 58.34% of the income from Ammonia sales.

- Ammonia Hydroxide

In 2018, Ammonia Hydroxide revenue was Baht 21.46 million, or 1.98 % of total sales of chemicals revenue. There are 10 customers, including Trader and End User, which can be divided into industry segments as follows:

Industry group	Amount (Million Baht)	%
1. Power plants/Gas separation plants	10.40	48.44
2. Pollution Control	10.01	46.63
3. Rubber	0.79	3.68
4. Rubber planters	0.20	0.93
5. Others	0.06	0.32
Total	21.46	100.00

The major customers are Asian Scientific Co., Ltd., representing 47.96% of the income from Ammonia Hydride sales.

- Sulfuric acid

In 2018, Sulfuric acid revenue was Baht 498.86 million, or 45.94% of total sales of chemicals revenue. There are 2 customers of Trader, which can be divided into industry segments as follows:

Customer	Amount (Million Baht)	%
1. Saksri Industry Co.,Ltd	395.83	79.35
2. Sumitomo Corporation Thailand Co., Ltd.	103.03	20.65
Total	498.86	100.00

Services

In 2018, the Company provides the following services to the customers:

1) Target customer of warehouse services

In 2018, the revenue from warehouse services was Baht 29.96 million, representing 31.86% of total service revenue. There are 14 customers who are customers in Map Ta Phut Industrial Estate. The major customers are PTT Polymer Logistics Co., Ltd., computing to 64.99 % of total revenue from warehouse services.

2) Target customer of Logistics and Liquid storage service

In 2018, the revenues from Logistics and Liquid storage service was Baht 55.04 million, representing 58.51% of total service revenue. There are 2 customers who are the customers of Sulfuric acid. The major customers are Saksri Industry Co., Ltd computing to 81.76% of total revenue from Logistics and Liquid storage service.

3) Target customer of Port services

In 2018, the revenues from Port service was Baht 9.07 million, representing 9.64% of total service revenue. There are 67 customers who are customers in Map Ta Phut Industrial Estate. The major customers are SC Management Co., Ltd computing to 61.14% of total revenue from Port service.

B. Distribution**Distribution of chemicals**

- **Ammonia**

In the year 2018, there are 37 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	413.63	73.13
2. End User	151.97	26.87
Total	565.60	100.00

The distribution was made through the 7 Trader segment, representing 73.13% of the total revenue from sales of Ammonia. The Company and Suppliers plan together to forecast the amount of using Ammonia annually and monthly delivery plan. The disposal of 30 end users, computing to 26.87% of the revenues from the sale of Ammonia. The Company sells the Ammonia to various customers and delivery according to customer's requirement. The Company has facilitated the supply and installation of storage tanks for customers which can make a good relationship for customer loyalty. At present, the company has the storage tank inventories ready for installation service of new customers group to meet the needs of customers.

- **Ammonia Hydroxide**

In the year 2018, there are 10 customers were sold through the Trader and End User segments, which were classified as follows.

Customer segment	Amount (Million Baht)	%
1. Trader	11.82	55.10
2. End User	9.64	44.90
Total	21.46	100.00

The Company sells Ammonium Hydroxide to meet the needs of their customers under the customer's packaging for the sale to End User, the Company performs bidding on the contract period of each customer on average 1-2 years.

- **Sulfuric acid**

The Company sells to 2 Trader customers in the country with yearly contracts.

Services

Warehouse Services and Logistics and Liquid storage service had a period contract which agreed with the customer. In the Port services, the Company provides services to customers located in Map Ta Phut Industrial Estate which is the type of bulk cargo such as Cold rolled coils, Hot Rolled Coil, Structural steel, Coal, Gypsum, etc., that the Company have a team of experienced and proficient in providing business services on berths.

C. Distribution**Distribution of chemicals****● Ammonia**

The Ammonia market in Thailand is a niche market with low growth rates, and it is not worth investing in an ammonia production facility in the country so all Ammonia must be imported from abroad.

In the years 2016 - 2018, Thailand imported 429,115 tones, 481,642 tones and 481,642 tones of Ammonia, respectively, mainly from Malaysia, Indonesia, Australia and Saudi Arabia (Source: www.customs.go.th). Most Ammonia is imported by operators using Ammonia in their own production process. In 2018, there were imported for the production of Caprolactam Acrylonitrile and Methyl methacrylate, representing 84% of total import volume. The rest are imported Ammonia for sale to other industrial operators such as Monosodium glutamate industry and Latex industry. Thus, the Company imported Ammonia for sale in 2018, representing 41% of the volume of imports for sale.

Currently, there are only 3 major importers of Ammonia. The company has a market share approximately 40% of total market value because the company has a large liquid storage of Ammonia at Map Ta Phut Industrial Estate with a total volume of 21,570 tons and a ready availability of berths with facilities for importing such goods including most of our clients are customers who have a relationship for more than 10 years.

● Ammonia Hydroxide

Ammonium Hydroxide or Water Ammonia is the main raw material for production to react with water, the concentration of Ammonium Hydroxide depends on the proportion of Ammonia mixed. Ammonium Hydroxide is used in the Textile industry, Pharmaceuticals, Rubber, Detergents, Gas separation plants, Power plants, Dyes and cleaning agents, etc. Ammonium Hydroxide used in Thailand, mostly produced locally from imported Ammonia. For direct import of ammonium Hydroxide in 2016 - 2018, Thailand imported 474 tons of 455 tons and 289 tons of Ammonium Hydroxide, respectively, mainly imported from China approximately 80% of total import volume (Source: www.customs.go.th).

The Company has imported Ammonia to sell and have the raw materials used for the production of Ammonium Hydroxide, and also can produce Ammonium Hydroxide with the concentration that customers required as a result, the Company has expanded its customer base. In 2018, the Company sold 3,516 tons of Ammonium Hydroxide.

● Sulfuric acid

Sulfuric acid is the basic raw material for many basic industries such as Fertilizers, Batteries, Textiles, Pulp, Tissue, Alum, Rubber, etc. In Thailand, Sulfuric acid is not sufficient to meet domestic demand that depends on imported Sulfuric acid from abroad.

For Sulfuric acid used in Thailand, production in country and importation from abroad in 2016 - 2018, Thailand imported Sulfuric acid of 626,047 tons, 822,640 tons and 790,735 tons, respectively, mainly imported from Japan. South Korea and the Philippines (Source: www.customs.go.th).

In 2018, Sulfuric acid was imported into the country and exported to neighboring countries approximately 73% of total import volume. (The Company imported Sulfuric acid for sale, representing 53% of Sulfuric acid for sale.) The rest of 20% of total import volume was imported by operators for the production of Caprolactam, Acrylonitrile and Methyl methacrylate.

Currently, there are 4 major suppliers of Sulfuric acid and the Company has a 50% of total market share value because the Company has a large liquid storage at Map Ta Phut Industrial Estate with a total capacity of 35,000 tons, as well as a wharf that accommodates large vessels with any facilities for importing such goods including the Company's customers are customers who have relationships for more than 10 years.

Services

- Warehouse services

At present, over 95% of the warehouse business in Thailand is a traditional warehouse that focuses on renting warehouse space and providing utilities/facilities such as electricity, water, telephone, security, etc. At present, partially business had transformed the traditional warehouse into a modern warehouse designed to Completed logistics system and modern technology is used to improve the efficiency of warehouse management. The factor of customer service selection is based on location factors and other. The selection of the right warehouse will allow the user to produce and/or ship quickly for reduce costs of distances, transit time and transportation expenses that increase efficiency and competitiveness.

General warehouse services in the next 1-3 years are still stable and demand will continue to grow as a result of Investments in industry industry that are likely to grow from government and Business and service sector in the country has continued to grow resulting from Thai export sector has improved, but the expansion of warehouse space in some areas continued which this may result in excess inventory and may be a limitation on rental rate increase. Meanwhile, the recovery of the manufacturing industry concentrated in the Eastern Economic Corridor (EEC), which is reflected in the continued expansion of investment promotion (year 2019 is likely to expand by 6.6 (% YOY) with a value of approximately Baht 3.3 million). The warehouse business in this area will continue to grow in the future.

Growth prospects for warehousing business in the Eastern Seaboard and the support from the EEC project, as well as the improvement of the Thai export sector. The Company's location makes it possible to develop a logistics distribution center for both sea, road and rail transport, thus enabling the Company to become a hub for distribution and logistics in the Map Ta Phut Industrial Estate to the ASEAN region in the future.

- Logistics and Liquid storage service and Port services

IEAT is the management and operator of the 12 East Coast Terminal in the Map Ta Phut Industrial Estate, which is the main port for providing cargo handling services for both raw materials and finished goods to the factories in Map Ta Phut Industrial Estate and other industrial areas nearby. By dividing the management of 12 docks into 2 types as follows.

1. Public Terminal (PT), which is an unlimited number of customers for berths. IEAT invested in the construction of basic facilities for both berths, warehouses, port areas and facilities as follows:
 - 1.1 General Cargo Berth: Thai Prosperity Terminal Co., Ltd. (TPT) has the right to manage the berth.
 - 1.2 Liquid Cargo Berth: Thai Tank Terminal Ltd. (TTT) has the right to manage the berth.
 - 1.3 Map Ta Phut Industrial Terminal or second General cargo Berth operated by IEAT.
2. Dedicated Terminal (DT) which is a port that invested and built by business and limited access to the service, and provide only a group of operators. However, the port operator may request to provide services to others from time to time, with the approval of IEAT that are 9 dock (Company's port included).

The location of the company has strategic advantages in the Map Ta Phut Industrial Estate that is the production base of the major petrochemical and chemical industries. The company also has a large berth (Panamax) and there is space behind the docks ready to develop to support and enhance service to customers. It has a competitive advantage in offering services such as logistics services to meet the needs of customers especially customer for import and export. There are also railroads attached to the area of the Company that will be able to develop the main rail connection. (Map Ta Phut Station), which will enhance the competitiveness in the future.

2.3 Products and Services Supply

Distribution of chemicals

- **Ammonia**

The Company imported Ammonia from 2 foreign sellers, Petronas Group, Malaysia and Mitsui, Japan which imported from Malaysia computing to 77.47 % of the total import volume. The Company has a license to import Ammonia hazardous substances from various sources of reserves totally 12 sources and manufacturing plant licenses to operate Ammonia filling business including a business license that is harmful to health.

- **Ammonia Hydroxide**

The Company produces Ammonium Hydroxide at Rangsit factory, Pathumthani province with the license to operate Ammonia filling business. Production of Ammonium Hydroxide 27% and 25% by weight, including health hazard license, etc., which the Company will produce according to the customer's requirements under customer's packaging.

- **Sulfuric acid**

The Company importer Sulfuric acid from three overseas suppliers such as Switzerland, Korea, and Japan which most of them are yearly contract. Imported from Switzerland representing 58.30% of total import volume. The Company has a license to import hazardous materials, Sulfuric acid from 13 different reserved sources.

Services

- For Warehouse Services, Logistics and Liquid storage service and Port services are located on the area of 541 Rai 1 Ngan 76.66 Square wah of land lease agreement for industry, Map Ta Phut Industrial Estate. The lease agreement will be expired in 2022, but the contract states a promise that if the company wishes to lease land will be written in writing to the IEAT, and IEAT will consider renting for the next 20 years, according to the rental rates and conditions that notified by IEAT. The Company has also entered into a Joint Operation Agreement for the construction of a Port with IEAT where the terminal area is approximately 265 meters in length for a period of 30 years, by ending in 2026 and before the expiry date less than 1 year, the Company has the right to apply to IEAT to ask IEAT consider expansion the duration of use in the development area and such port. The Company and IEAT will agree on the details of the period and such benefits to be received in the next order.

Future investment plans

The Company has two projects in the future:

1. Renovation the existing warehouse project of the Company in 2018, which passed from the working capital source in the business. The Company has completed the warehouse renovation and currently has opened the service for customers with an opportunity to see business growth and together with the expansion of the industrial sector in the area. The Company is studying the feasibility of expanding the full-service warehouse service and distribution center with the attention to providing storage and container yard services for continuity from the current warehouse service business.
2. At present, the additional of Liquid Tank Warehouse Development Project, the Company is in the process of front- end engineering design (FEED) and study to prepare environmental impact analysis report. (EIA), as well as requesting permission to use the area to develop liquid warehouses from the Industrial Estate Authority of Thailand (IEAT). It is expected that there will be clarity within the second quarter of 2019 and the development of such projects will help support future growth of the Company.

Expansion of investment is still based on stable and sustainable growth principles. Therefore, the Company assigned the management to study the details of the economic condition, industry, laws and regulations. Business and the potential risks in order to maximize the investment return on an acceptable risk basis by considering to be in accordance with the risk management principles.

If there is any progress, the Company will inform the SET in the later.

Risk Factors**Risk from limitation of long-term land lease agreement**

The Company has leased the land in Map Ta Phut Industrial Estate from Industrial Estate Authority of Thailand (“IEAT”) to engage its production of Bulk Blending Fertilizer distribution that no chemical process of Ammonium Hydroxide or and trading all types of Chemical fertilizers, Gypsum, Ammonia, Ammonium Hydroxide and Sulfuric acid or other business with the consent of IEAT and the lease agreement will be expired in 2022, but in the long-term land lease agreement details have clearly indicate that Company have a right to extend the long-term land lease agreement period more 20 years with the rental rates and conditions notified by IEAT. The Company still take only risk from new lease agreement rate which impacted cost and expense after the year 2022 onward.

Risk from important raw materials and chemicals are variable price according to the selling price of the world’s market

The Company operates the business of import of chemicals to sell major customer who are manufacturers and distributors in the country and the raw materials or chemicals are commodity good which price are fluctuations in world market prices at different period that the risk factors are affect the performance of the company. At present, the selling price of important raw material and chemical in the world also are fluctuations and fast moving. The Company had manage the risks by set up structure of pricing for selling from cost in each period including management of appropriated minimum stock for customer needs in each period to reduce the price fluctuation risk.

Risk from depending on a major customer and a few customers

The Company has two major customers, Thai-MC Co., Ltd., which is a customer of Ammonia representing 27.97% of revenue from sales and services and Saksri Industry Co., Ltd., which is the customer from the sale of Sulfuric acid and use the Liquid storage representing 37.36% of revenues from sales and services. Both customers have a good relationship with the company over 10 years. The Company has received the confidence and trust from customers. For managing the supply chain from the stage of procurement, Inventory Management, and goods delivery to customers comply with the customer requirements. The company also provide delivery services to customers in urgent cases, and provide the maintenance section for additional installation services and help customers in case of equipment related to the delivery system fail. However, the major customer also has their own risk management policies, with no single supplier policy to prevent production disruptions due to raw material shortages. So, it is quite possible for the company to lose such customers.

Risks of dependence Major Distributor (Vendor)

The Company reduces the risk of dependency Major Distributor (Vendor) by purchasing Ammonia and Sulfuric acid from more than 1 supplier. In addition, the Company currently has a license to import dangerous substances, Ammonia from various production sources, reserved for 12 sources of production and importing hazardous substances, Sulfuric acid from 13 different sources, ready to be imported from vendors in the Company's Vendor list.

Risk of new entrants.

Currently, there are a few Ammonia and Sulfuric acid importers because the importer must be ready for storage, Chemical tank and liquid cargo port, which requires a high capital investment and the chemical market is a semi-monopoly market of less users. So, it does not motivate the arrival of new entrants with ready in the investment of Funding, Chemical tank and transportation systems meet the safety standards required by law. In addition, the Company manages the risk by developing services and building good relationships with customers including the tracking of market movement to adjust marketing strategy.

Risk of Transportation for Ammonia and Sulfuric acid

A) Sea transportation

The company has a Sea transport using a liquid cargo ships as transportation vehicles by storage of Ammonia and Sulfuric acid from the supplier into the storage tank at Map Ta Phut Industrial Estate, Rayong, which has complied with the safety standards of the port. The Company has a policy to select cargo ships that are safe and suitable for transport of liquid cargo including the Company also provides marine products insurance during shipping to reduce the risk to the company.

B) Land transportation

The Company has a policy to engage Ammonia transportation companies which must be a shipping company licensed to transport an Ammonia carrier from the Department of Industrial Works by Ammonia transport vehicles are licensed and regularly inspected by the Department of Land Transport and regularly inspects by the department of land transport and meet the standards law including the drivers must have the license required by law to ensure the safety of life and property in land transport. In addition, the Company has a team to monitor the operation to meet the requirements of the Company. If during an unexpected incident would result in a loss and could affect the reputation and conduct of the Company, the Company can claim damages as it is incurred by such shipping company.

For Sulfuric acid transportation, the Company does not engage business in Sulfuric acid transportation services due to the current Sulfuric acid trading conditions, the customers themselves are required to supply Sulfuric acid transport vehicles at warehouse at Map Ta Phut Industrial Estate, Rayong. So, there is no risk of transporting Sulfuric acid by land. However, the Company has a policy to supervise the loading and unloading of goods at the point of collection in accordance with the company's safety policy.

Risks of government policy

The Company has a Port, Warehouse and Liquid storage located in Map Ta Phut Industrial Estate, which there is no pollution from Company business. However, the Company plans to expand the business that may cause air pollution and may be affected by air pollution control measures in Map Ta Phut Industrial Estate area. Unless investment to buy a quota of emission. The area of Map Ta Phut Industrial Estate. In addition, the policy on the development of the Eastern Special Economic Corridor (EEC) including Port improvement of Map Ta Phut Industrial Estate project, Double track railway project, Infrastructure development of public sector to increase the competitiveness and incentives for entrepreneurs to invest in the East. The government may consider taking more measures to reduce air pollution control in Map Ta Phut that make the Company enable to develop more projects in the Map Ta Phut area.

Risk of environment

The Company conducts business activities that may cause harm to health and the environment. If the accident or error in the operation, it may be affected the stakeholders, the Company's business development plans including the Company image on the both short and long term are significant.

However, the Company has set the operating procedures and strictly implemented including education and development in the formulation of occupational health policy, Safety and Environment, Activities focused on a culture of safety, Protection and Reduction of environmental impacts on stakeholders with communication to the concerned thoroughly to understand the management of risk management and preventive measures to control the process.

Financial Risks

1) Risk from Currency Exchange

The Company is exposed to foreign exchange risk which is caused by the importation of products that the seller determines the purchase price is mainly in USD, when there is a fluctuation from the exchange rate, it may affect the cost of imported products, not in accordance with the selling price. The Company therefore has a policy to reduce the risk from exchange rates by clearly determining the exchange rate in THB per USD in the purchase of products for sale or making a contract to buy foreign exchange in advance with the bank during the THB weakening trend in order to reduce the risk from such exchange rate including making a contract to buy exchange rates in advance in accordance with the conditions of payment for goods.

In the year 2018, the Company had a obligation to pay US dollars to foreign sellers amount of approximately USD 16 million, of which 92 % of the such amount, the Company has managed the risk by preparing a contract to buy the exchange rate in advance in accordance with the payment conditions for the product. The remaining 8%, the Company uses Spot Rate exchange rates.

2) Risk from Credit

At the end of 2018, the Company had allowance for doubtful accounts amounting to Baht 40.12 million, representing 30.95% of total trade accounts receivable. The litigation debt generated by the chemical fertilizer business before the year 2006 was Baht 12.82 million. In the year 2018, the Company has reversed the allowance for doubtful accounts in the amount of Baht 0.28 million due to receiving payment from debtors. However, the sale of goods and services to credit customers must be approved by the credit committee of the Company resulting for the risk of such loans is low. In addition, the Company manages the risk by providing short-term loans or charge for goods and services in advance from customers resulting for credit risk decreased.

Legal risks including the renewing of any license related to the Conduct of Business.

The conduct of business by the company requires license from governmental sector or other related responsible authorities, such as The Department of Agriculture, The Marine Department, The Industrial Estate Authority of Thailand, The Department of Industrial Works, The Customs Department, etc., which the Company has strictly complied with all governmental regulations assuring the company's executive to believe that there shall be no obstacle regarding the renewing of such license.

Securities Details and Shareholders

Number of registered capital and paid up capital

As of December 31, 2018, the Company registered capital was Baht 897.46 million, and paid up capital was Baht 815.87 million divided to ordinary shares amount of 1,087.83 million shares with a par value of 0.75 Baht per share and name used for trading is “NFC”.

Shareholders’ structure

List of major shareholders of the Company as of November 29, 2018:

<u>Name - Surname</u>	<u>Number of shares</u>		<u>% of paid up capital</u>
1. Total of Mr. Nuttaphob Ratanasuwanthawee group		694,071,296	63.80
Mr. Nuttaphob Ratanasuwanthawee	690,329,994		
Mr. Nataphong Ratanasuwanthawee	3,741,302		
2. Inter Spec Global Company Limited		176,000,000	16.18
3. Bentayga Holdings Ltd		86,000,000	7.91
4. Mr. Asia Phukhunanun		28,160,000	2.59
5. Mr. Praty Sermuksakulchai		23,880,000	2.20
6. Total of Aungsatumrat family		10,863,661	1.00
8.1 Mr. Satimon Aungsatumrat	5,810,561		
8.2 Mr. Archavee Aungsatumrat	4,743,900		
8.3 Mr. Anun Aungsatumrat	239,200		
8.4 Mrs. Supadee Aungsatumrat	70,000		
Other minor shareholders		68,858,099	6.33
Total Shareholders		1,087,833,056	100.00

Note: The company has no agreement of major shareholders.

On 6 December 2018, the Company increased the registered capital by Baht 81,587,479.50 from the existing registered capital of Baht 815,874,792 to the new registered capital of Baht 897,462,271.50 by issuing 108,783,306 newly issued ordinary shares at the par value of Baht 0.75 per share to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) on December 2018 of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10 :1 with the term for 3 years by exercising twice a year at the exercise price of Baht 6.50.

Dividend Policy

The Company has a policy to pay dividends and define to pay not less than 50% of its net profit after deduction of all taxes and reserves as prescribed by law and the Company, according to the Company's financial statement. Such dividend payment will depend on the investment plan, necessity and other appropriateness in the future that the Company may require that the dividend payment be less than the above. If the Company has any other necessity, such net profit shall be used to expand the Company's operations.

Management Structure and Management

Board of Directors

The Board of Directors of NFC Public Company Limited comprises of the Board of Directors, Executive Committee, Risk Management Committee and the Audit Committee as follows:

Board of Directors

Item	Name - Surname	Position	Meeting (Jan. 1, 2018-Dec. 31, 2018)	
			Number of Meetings	Number of Attendances
1	Mr. Wisanu Niwesmarintra ²	Chairman / Independent Director / Chairman of Risk management Committee	8	2
2	Gen. Montree Sungkasap ²	Chairman / / Chairman of Risk management Committee	8	1
3	Mr. Nuttaphob Ratanasuwanthawee	Vice Chairman / Chairman of Executive Committee	8	8
4	Mr. Suppakit Duyapich	Director / Risk management Committee	8	8
5	Mr. Yongyos Palanitisena	Director / Executive Committee / Risk management Committee	8	5
6	Dr. Sunee Sornchaitanasuk ¹	Director / Risk management Committee	8	6
7	Mr. Wiboon Rasmeepaisarn	Director / Risk management Committee	8	8
8	Mrs. Bongkot Rungkornpaisarn	Director / Executive Committee	8	8
9	Mr. Kijja Smunyahirun	Director / Executive Committee	8	8
10	Mr. Nataphong Ratanasuwanthawee ¹	Director / Executive Committee	8	7
11	Assoc.Prof.Dr. Seri Wongmonta	Independent Director / Chairman of Audit Committee	8	5
12	Mr. Sumit Petcharapirat ¹	Independent Director / Audit Committee	8	6
13	Mrs. Aree Termwattanapakdee ¹	Independent Director / Audit Committee	8	8

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

² Mr. Wisanu Niwesmarintra has resigned from Director of the Company effective on 1 July 2018 by the resolution of the Board of Directors meeting No. 6/2561, on 2 October 2018, approved the appointment of General Montree Sungkasap to replace the resigned director including being the Chairman of the Board of Directors

As of December 31, 2018, authorized signatory directors are: Mr. Nuttaphob Ratanasuwanthawee, Mr. Yongyos Palanitisena, Mrs. Bongkot Rungkornpaisarn, Mr. Kijja Smunyahirun and Mr. Nataphong Ratanasuwanthawee by 2 out of five directors signed with the Company's seal affixed.

Executive Committee

Item	Name - Surname	Position	Meeting	
			Number of Meetings	Number of Attendances
1	Mr. Nuttaphob Ratanasuwanthawee	Chairman of Executive Committee	6	5
2	Mr. Suppakit Duyapich ²	Executive Committee	6	2
3	Mr. Yongyos Palanitisena	Executive Committee	6	5
4	Mrs. Bongkot Rungkornpaisarn	Executive Committee	6	6
5	Mr. Kijja Smunyahirun	Executive Committee	6	6
6	Mr. Nataphong Ratanasuwanthawee ¹	Executive Committee	6	6

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

² Resigned from the position of Executive director only on 1 August 2018.

Audit Committee

Item	Name - Surname	Position	Meeting	
			Number of Meetings	Number of Attendances
1	Assoc. Prof. Dr. Seri Wongmonta	Chairman of Audit Committee	6	6
2	Mrs. Aree Termwattanapakdee ^{*1}	Audit Committee	6	6
3	Mr. Sumit Petcharapiratch ¹	Audit Committee	6	4

Remarks:

* The Audit Committee has sufficient knowledge and experience to review the reliability of the financial statements.

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

Risk Management Committee

Item	Name - Surname	Position	Meeting	
			Number of Meetings	Number of Attendances
1	Mr. Wisanu Niwesmarintra ²	Chairman of Risk Management Committee	2	-
2	Gen. Montree Sungkasap ²	Risk management Committee	2	-
3	Mr. Suppakit Duyapich	Risk management Committee	2	2
4	Mr. Yongyos Palanitisena	Risk management Committee	2	2
5	Dr. Sunee Sornchaitanasuk ¹	Risk management Committee	2	2
6	Mr. Wiboon Rasmeepaisarn	Risk management Committee	2	2

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

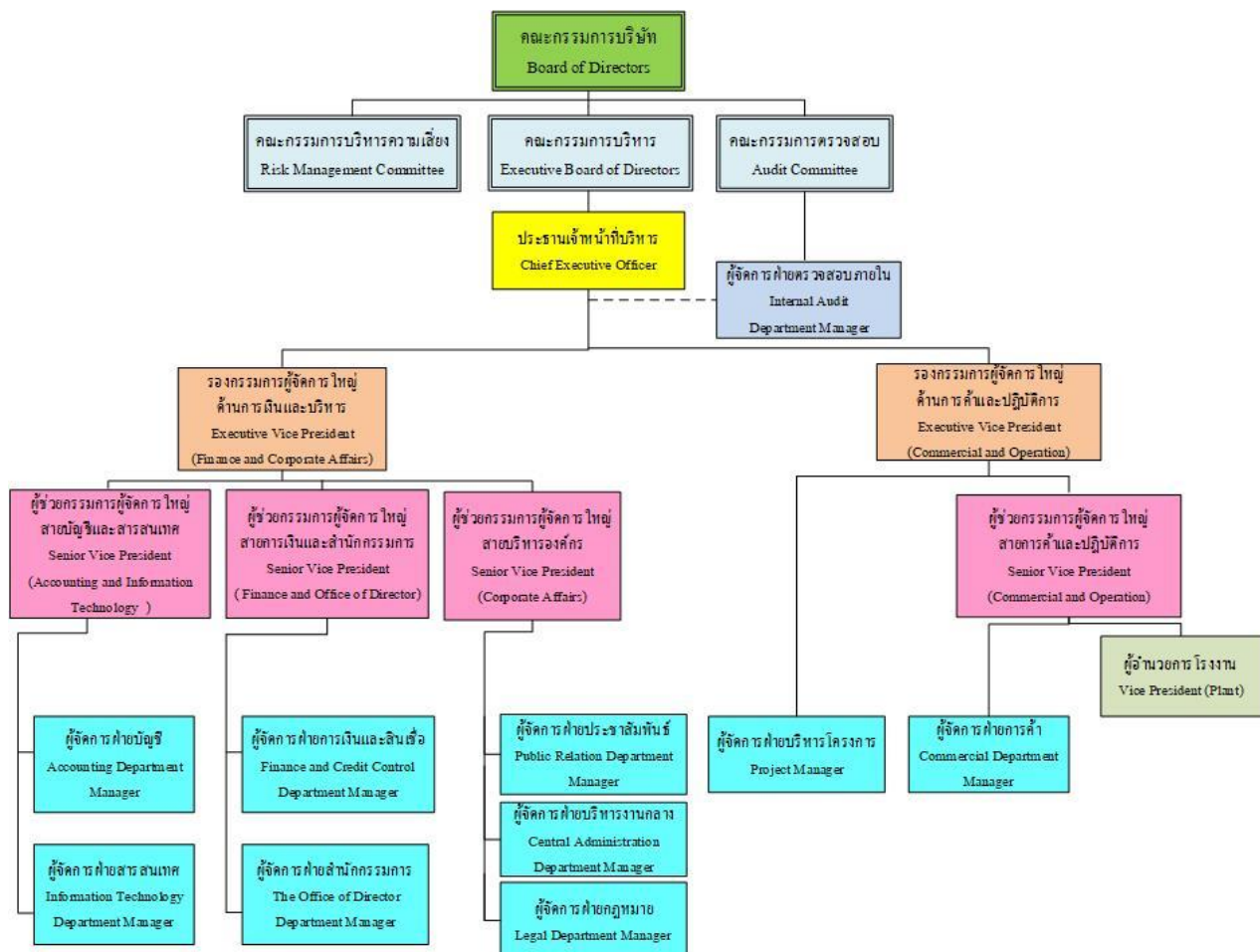
² Mr. Wisanu Niwesmarintra has resigned from Director of the Company effective on 1 July 2018 by the resolution of the Board of Directors meeting No. 6/2561, on 2 October 2018, approved the appointment of General Montree Sungkasap to replace the resigned director including being the Chairman of Risk Management Committee.

Management

As of December 31, 2018, the Company's management consists of 6 members as follows:

Item	Name - Surname		Position
1	Mr. Nuttaphob	Ratanasuwanthawee	Chief Executive Officer
2	Mrs. Bongkot	Rungkornpaisam	Executive Vice President (Finance and Corporate Affairs)
3	Mr. Nataphong	Ratanasuwanthawee	Executive Vice President (Commercial and Operation)
4	Mr. Kijja	Smunyahirun	Senior Vice President (Corporate Affairs)
5	Mrs. Sarinthip	Kittiwongsophon	Senior Vice President (Finance and Office of Director)
6	Miss Dudduen	Boonsue	Senior Vice President (Accounting and Information Technology)

Company's Internal Management Structure Diagram



Company Secretary

Mrs. Sarinthip Kittiwongsophon has been appointed to be the Company Secretary by a resolution of the Board of Directors, effective from 25 November 2015 onwards. Qualifications of the Company Secretary as per attached document 1.

Remuneration for Directors and Executives

- **Remuneration for Directors:** The Company sets clear and transparent policy on remuneration for directors at the same level with the same industry and the same rate of the past year as approved by the Shareholders.

Remuneration for Directors during January to December 2018**(unit: Baht)**

Name's List		Board of Director	Executive Committee	Audit Committee	Risk Management Committee	Total
Mr. Wisanu	Niwesmarin ¹	96,000	-	-	-	96,000
Gen. Montree	Sungkasap ¹	48,000	-	-	-	48,000
Mr. Nuttaphob	Ratanasuwanthawee	156,000	192,000	-	-	348,000
Assoc. Prof. Dr. Seri	Wongmonta	120,000	-	72,000	-	192,000
Mr. Sumit	Petcharapiratch	120,000	-	40,000	-	160,000
Mrs. Aree	Termwattanapakdee	120,000	-	60,000	-	180,000
Mr. Suppakit	Duyapich	120,000	70,000	-	20,000	210,000
Mr. Yongyos	Palanitisena	120,000	120,000	-	10,000	260,000
Dr. Sunee	Sornchaitanasuk	120,000	-	-	20,000	140,000
Mr. Wiboon	Rasmeepaisarn	120,000	-	-	20,000	140,000
Mrs. Bongkot	Rungkornpaisarn	120,000	120,000	-	-	240,000
Mr. Kijja	Smunyahirun	120,000	120,000	-	-	240,000
Mr. Nataphong	Ratanasuwanthawee	120,000	120,000	-	-	240,000
Total		1,548,000	742,000	172,000	80,000	2,494,000

Remark:

¹ Mr. Wisanu Niwesmarintra has resigned from Director of the Company effective on 1 July 2018 by the resolution of the Board of Directors meeting No. 6/2561, on 2 October 2018, approved the appointment of General Montree Sungkasap to replace the resigned director including being the Chairman of Risk Management Committee.

- **Remuneration for Executives:** will be subject to the criteria and policy specified by the Board of Directors, connecting with the Company's operating performance and work performance of each executives.

Remuneration for Executives in 2018

In 2018, the Company paid remuneration for 7 executives as follows:

	2017		2018	
	Number (persons)	Amount (million Baht)	Number (persons)	Amount (million Baht)
Salary	7	22.94	7	22.18
Provident Fund		1.07		1.17
Once paid income		1.04		0.00
Other income		0.00		0.00
Compensation under the labor law (retirement)		0.00		2.20
Total		25.05		25.55

- *Remark:* 1 executive has resigned from the Company effective since 1 July 2018.

Personnel

During January 1, 2018 to December 31, 2018, the Company paid remuneration to employee total amount 117 employees (entering and leaving during a year included), totaling Baht 72,741,284.53 comprising of salary, shift wage, provident fund, allowances for working in up-country, accommodations, living expenses, annual leave pay, severance pay under labor law.

Number of employees: As of December 31, 2018

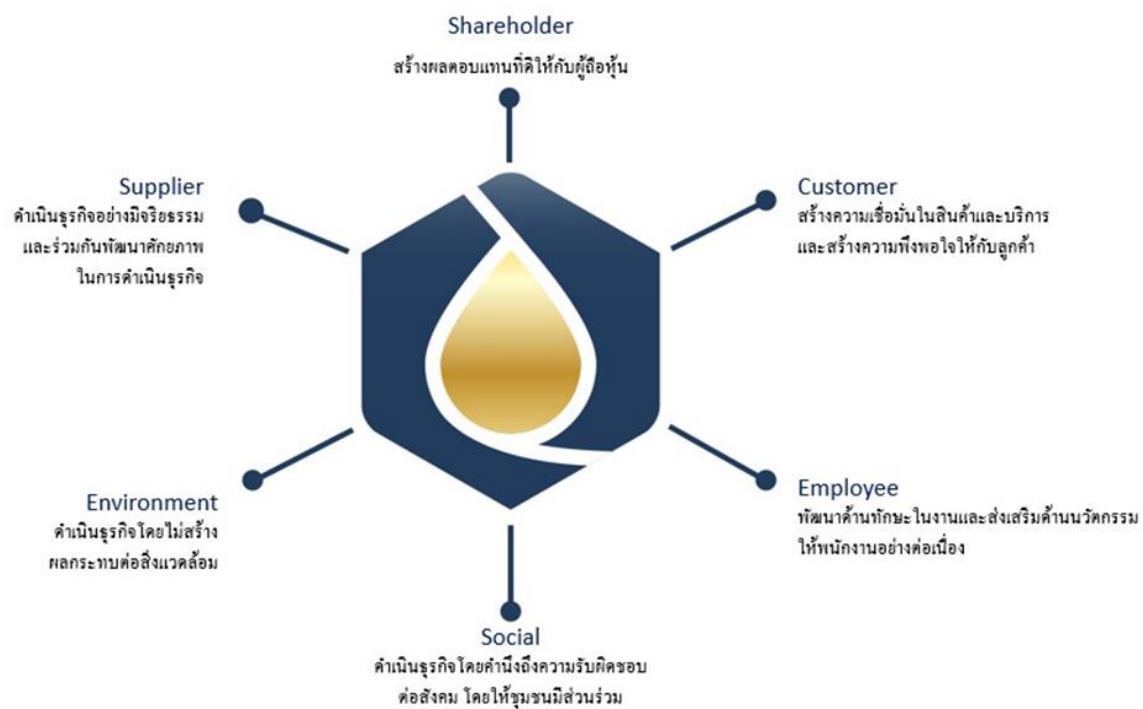
Item	Office	Number (persons)		
		Male	Female	Total
1	Bangkok	13	32	45
2	Map Ta Phut Factory, Rayong Province	37	12	49
3	Rangsit Factory, Pathum Thani Province	8	0	8
Total		58	44	102

For the past three years, the Company has one labor dispute, as Mr. Nuttaphob Rattanasuwanthawee has been sued by Mr. Krit Vimtrimate for calling the compensation payment in case of the Company's lay off since 2004, which the court had previously dismissed, subsequently, Mr. Krit Vimtrimate filed a new lawsuit in 2016, and the Central Labor Court dismissed the plaintiff. Later on, December 3, 2018, the labor court read the petition requesting permission to file the petition of the plaintiff. By the Supreme Court has not ordered the plaintiff to submit the petition and the case has been finalized)

Policy on Employee Development

The Company has realized that the employees are valuable resource of the Company. They are a starting point of responsibilities in vision and mission of the organization. The Company, therefore, has a policy to emphasize the development of its management and employees to be talented and good under the same roof of the corporate culture. The Company has prioritized the management and development of personnel to obtain knowledge, expertise, profession including being happy at work and having awareness of social responsibilities through modern management system. Effective, and transparency is the basis of good governance.

The Company has provided trainings in the organization and delivered employees to be trained outside the organization consistently in both safety, enhancement of proficiency, professional skill, knowledge ability of the employees, a happy living in Zen way, etc. In addition, the Company has provided systems of communications and entertaining activities in the organization implementing a good relationship between the employees and the management. Furthermore, the Company has taken care of the employees in equality, given appropriate and fair remuneration and welfares in order to persuade and keep them to work for the Company in the long run based on the company's vision as this picture



Good Governance

Good Governance Policy

The Board of Directors of NFC Public Company Limited aims to promote operational efficiency, good Corporate Governance and excellent management among the Company. This is to ensure that the company's businesses are conducted responsibly, ethically, fairly, transparently and accountably, with a clear focus on the creation of utmost benefits for the shareholders and stakeholders, towards mutual trust and sustainable growth and reflect with best company's image.

The Board of Directors has established the good Corporate Governance policy for all Directors, Executives and Employees of the Company to observe in their discharge of duties as follows:

- (1) The Board of Directors shall observe the international guidelines and consistently improve on the good Corporate Governance in accordance with these international standards in matters relating to consideration of the rights of shareholders, the equitable treatment of shareholders, the recognition of the responsibilities of Company to stakeholders, the information disclosure and transparency, and, the roles and responsibilities of the Board of Directors.
- (2) The Board of Directors, the management and all employees shall to be determined in their observance of the core of the good Corporate Governance principle. Additionally, they need to ensure strict compliance with the laws and relevant regulations in all countries in which the company invests.
- (3) The Board of Directors shall arrange for an administrative structure with fair relationship between the board of directors, the management and the shareholders. They shall play a vital role in the determination of visions, strategies, policies and key plans. They shall ensure that a performance monitoring and evaluation system is in place, that risks are efficiently managed, that they are independent, and, that they are responsible for their discharge of duties in accordance with the good Corporate Governance principle.

Treatment to Concerned persons

1. Policy and Treatment to Shareholders

The Company realizes that shareholders are the owner of business and the Company has the responsibility to make value added to shareholders in long term. Therefore, directors, executives, and employees are required to comply with the following guidelines:

- Perform their duty honestly and with good faith and make decision for any matter with clear mind, carefulness, and justice for the maximum benefit of shareholders, as a whole.
- Regularly present Company's status operation result, financial status and other report with accurate and true information.
- Inform all shareholders equally the Company's future trend of the organization in both positive and negative side which is based on possibility, with supported information, and logic.
- Prohibited for using any Company's information to seek for their own benefit or any person's benefit which such information has not yet been disclosed to public,
- Prohibited to proceed with any matter in the manner which may lead to conflict of interest with the Company.

2. Policy and Treatment to Employees

The Company realizes that employee is the valuable factor to reach the Company's success target. Therefore, it is the policy of the Company to provide fair treatment in respect of opportunity, remuneration, position and the development of capacity to be in line with such policy, Company follows these guidelines.

- Fair remuneration to employee.
- Regularly preserve working environment to be safe for employee's life and property.
- Provide personnel management system for appointing and moving including reward system, and clear employee punishment to be treated with integrity and based on the knowledge, ability and suitability of the employees. Do not discriminate on the basis of race, religion, gender, marital status, or physical inactivity.
- Concentrates on the importance of knowledge development and employee's ability by giving opportunity thoroughly and regularly.
- Listens to employee's opinion and suggestion on the basis of employee's professional knowledge.
- Strictly comply with laws and any regulations related to the employee.
- Manage by avoiding any action which might affect the stability in the employee's job or threaten and create more pressure into the employee's mind.
- Treat the employee with politeness, respect with individual and human dignity.
- Create the comprehension roles and ethics to which employees can do to encourage behavior that is in the framework of the code of conduct until cover the entire organization.
- Open the opportunities and channels for employees to make illegal the Organization's Board of Directors.
- The employee is allowed to complain to the Company if the employee is treated unfairly under the specified system and procedure.

3. Policy and Treatment to Customers

The Company realizes the importance of customers' satisfaction in which leads to the Company's business success. Therefore, the Company has intention to always seek for the effective and efficient way to respond to the need of the customer which can be indicated as follows:

- Operate its business in honesty, justice, and provide accurate and timely enough customers.
- Goods production and service with the highest quality as per the expectation of customers at the fair price and Aims to raise the standards continuously.
- Define the acceptable quality level of products and services.
- Accurate, adequate and updated information about goods and services to the customers without exaggeration to cause the customers to misunderstand about quality, quantity, and conditions of goods or services.
- Provide system and procedure for customers to complain about quality, quantity, safety of goods and services including the rapidity for response or delivery, and proceed to the utmost with fast response for the customers.
- Contact with customer politely, efficiently and trustfully
- Give advice about use methods of goods and services to be and for the maximum benefit to the customers.

- Strictly maintain the business confidentiality of customer, including the customer information which will not disclosed without any permission of the customer, or the authorized representative of the company, unless the information must be disclosed to a third party, the relevant articles of the law, including usage information for the benefit of themselves and people involved in.
- Find a way to reduce production costs by maintaining the standard of quality of goods and services to be added to customers continuously.
- Strictly comply with all condition with customers. If the Company cannot comply with any condition, the customers must be informed immediately in order to find the solution together.
- Not pay any benefits that are being hijacked or customers by using dis-honest methods.

4. Policy and Treatment to Business Partner and/or Creditors

The Company has the policy to provide equal and fair treatment to business partners, and/or creditors by considering on the maximum benefit of the Company and on the basis of getting fair return to both parties. In addition, the Company shall avoid the situation leading to conflict of interest to commitment, gives true information and accurate report. Negotiation for problem resolution shall be on business relationship basis, as follows:

- Not ask for or receive any benefit which is dishonest from the business partners and/or creditors.
- If company have an information that there has been a call or receiving or paying any dis-honesty occurred. To disclose details to the partners and/or creditors and shared resolve, justice, and quickly.
- Strictly comply with agreed conditions. In case the company cannot comply with any conditions, the creditor must be informed immediately in order to find the solution together.

5. Policy and Treatment to Business Competitors

The Company has the policy to treat business competitors in accordance with international principle within the frame work of the laws in relation to principle of trade competition, not violating confidential information or getting business competitor's confidential information by fraud. The treatments are indicated as follows:

- Conduct under rules for good business competition.
- Not seek for confidential information of business competitors by dishonest or inappropriate way.
- Not destroy the business competitors' reputation by making defamation accusation.

6. Occupational Safety, Health and Environment

The company is committed to conducting business on the basis of safety. Occupational safety, health and the environment by doing the following:

- The company will comply with laws and regulations. Occupational Safety, Health and environment of the country in which the company into action.
- The company will maintain a work environment in that is safe for the life and property of the staff always.
- Executives and Employees Staff must be heeded seriously all activities that will enhance the quality. Occupational Health and Environment.
- The company will disclose information honestly, about the relationship of a company's operations with Occupational Safety, Health and Environment issues.

7. Responsibility to Society and Public

The Company has policy to operate business for the benefit of the economy and society. The Company also gives the importance of preservation of local tradition where company's business unit is located. In addition, it is also the policy of the Company to be a good citizen and to fully comply with laws and relevant regulations. To support the policy as mentioned above, the Company shall regularly proceed with activities that will create contribution to society and also implant consciousness to all levels of the employees in order for them to have serious and continued responsibility to society in order to be always sustained as a good organization culture.

- No any action which it will be affected with natural resources and the environmental damaging.
- Support the activity of the beneficial and creative social stakeholders regularly.
- Create a sense of social responsibility among employees at all levels in the Organization, the continuous and serious.
- Controls ensure compliance with strictly in accordance with the intent of laws and regulations issued by the compliance regulatory authorities.
- No any help or support to avoid compliance with laws or regulations.
- Cooperate with the compliance regulatory authorities and report the information about the violation or non-compliance with laws or regulations per unit.
- No any acted or involved in bribery or corruption or the use of their authority to seek personal benefits.

Principle for conducting business

In order to achieve the highest benefit from business operation for shareholders, the Board of Directors has the policy to give importance equally and alongside with the achievement as per the target and the using method to reach such success.

The Board of Directors has specified the target and method in order to achieve the targeted success, as indicated in Visions, Commitment and, Organization Culture. The Company has specified the requirements in this Business Ethic Manual to provide the clarity and convenience to directors, executives, and employees to be aware of the compliance standard expected by the Company, and to use as the guideline for work which has included the treatment to employees, shareholders, customers, business partners, business competitors, and public society as a whole.

Vision and Mission

- Vision
Being a leader of business integration in the production, sale and purchase, the chemical storage service provider in Thailand and Southeast Asia regions with sustainable profits.
- Mission
 - i. Continuous growth with stability and sustainable way in order to achieve the vision.
 - ii. Transparent business management with the successful investment will favor long-term growth and achieve the target.
 - iii. Focus on the importance of Human Resource Development to increase their potential and work effectiveness keep up with ASEAN.
 - iv. entrepreneurship in pursuance of corporate social responsibility

▪ Organization Culture

Manage company business to achieve the vision and mission on the attainment of a basic customer satisfaction and the highest beneficially of our stakeholders with operations.

- i. Providing with steadily short-and long-term goals firmly.
- ii. By supporting with the moral and professional ethical standards.
- iii. By supporting with the challenge creativity thinking and final decision making. Working as a team
- iv. By supporting with the human resource capability and full of potential.
- v. By supporting with generosity towards employees and society.

Conflict of Interest

The Company deems it as an important policy to not allow directors, executives, and employees to use their position for their own benefit. Therefore, the Company has indicated the requirements to comply by the Board of Directors, Executives, and Employees as follows:

1. Avoid doing related to the self that may pose a conflict of interest with the company, except in cases where the transaction is required for the benefit of the company, made the list, as do the items to third parties (Arm's Length Basis). The Board of Directors, Executives or Employees. Key stakeholders in the list. It must not be considered approved.
2. In the event the directors, executives, employees, or any family member are involved or become shareholder in the business that competes with the business of the Company or any business which may create conflict of interest with the Company, such must be informed to the Chairman of the Board in writing.
3. In the event directors, executives, employees are director, partner or consultant in other company or business organization, of the holding of such position shall not be against the Company's interest and the performance in the Company.
4. In the event of entering into the connected transaction under the announcement of The Stock Exchange of Thailand, the criteria, methods and disclosure of connected transaction information to the listed company shall be strictly complied with.
5. The connected transactions must be reviewed or approved by the Audit Committee and the Board of Directors of the company, respectively. The case with the Audit Committee or any Director of the company. Stakeholders in regard The Audit Committee or the Director shall not have taken part in the consideration of related it.

For the group of Mr. Nuttaphob Ratanasuwanthawee as a major shareholder of the Company. ("Nuttaphob's group") which at present the main business of the company for Mr. Nuttaphob's main business would like to clarify as follows.

Main business of the Company	Main business of Mr. Nuttaphob's group
(1) Chemical distributions: Ammonia, Ammonium hydroxide and Sulfuric acid.	(1) Business of logistics services that is the product transportation both land and marine.
(2) Services: Warehouse services, Logistics and Liquid storage services and Port services	(2) Business of vessels and tug boats rental services and (3) Business of port services

The first 2 businesses of the group of Mr. Nuttaphob are (1) Business of logistics services that is the product transportation both land and marine (2) Business of vessels and tug boats rental services are not the businesses compete to the Company's core businesses, which absolutely would cause conflict of interest with the Company in accordance with the rules in the Notification of the Capital Market Supervisory Board.

For the business of port services, the Company's port services located at Map Ta Phut Industrial Estate, Rayong. The Company's port is the dedicated port for the Company's business only or the case for necessity of bringing the goods of others through the port and be approved by IEAT. The Company's port is also a Deep Sea Port capable of accommodating a large vessel up to 60,000 tons (DWT), but the business operation for port services of the Nuttaphob's group that operated by NP Marine Co., Ltd. is a container shipping services and operates container shipping business located in Surat Thani as the type of coastal port with cannot accommodate a large vessels due to geographical conditions and accommodating not more than 3,000 Tons (DWT). In addition, most of the customers of NP Marine Co., Ltd. are the transportation vessel for the type of container and vehicles, and there are routes between Surat Thani and Laem Chabang including port management services.

For other companies in the Nuttaphob's group has the objectives to operate the services of the port. Currently, there are no business activities, and no revenue from core business with the purpose to provide services for coastal vessels and to serve only target customers in the port area only that located outside the Map Ta Phut Industrial Port and absolutely does not intend to compete with the company's port service business.

At present, the Company operates the dedicated port in the lease area of the Company at Map Ta Phut Industrial Estate, Rayong. On 12 April 2018, Mr. Nuttaphob has a letter of Non-competition Undertaking written to the Company to commit the Company about in the future, if the company plans to expand the port service business beyond the current lease area or Mr. Nuttaphob or the company in the Nuttaphob's group plans to expand the port service business beyond the area of Mr. Nuttaphob or businesses in the Nuttaphob's group in the future or If the company in the Nuttaphob's group has not started commercial operation will start the commercial operation for the port services, Mr. Nuttaphob will provide the first right to operate the terminal services with the Company to prevent the conflict of interest. If the Company not intends to operate the port service business in such area, Mr. Nuttaphob, or the Nuttaphob's group, will be engaged in the service of port in that area. The letter is effective from the date of this letter until the date on which Mr. Nuttaphob shall hold the Company's shares in ration below 10% of total issued shares or 10% of the total voting rights of the Company.

Thus, the businesses of port services of the Nuttaphob's group are not the businesses compete to the Company's core businesses, which absolutely would cause conflict of interest with the Company in accordance with the rules in the Notification of the Capital Market Supervisory Board.

Port services business Company in the Nuttaphob's group are as follows:

#	Company	Major business purpose	Registered capital (Baht)	Shareholding Ratio of Mr. Nuttaphob Ratanasuwanthawee	Business operation
1. The company that started the commercial operations.					
(1)	NP Marine Co., Ltd.	Port services Tug boats or rental of shipping vessels	300,000,000	98.33%	Port services for container and shipping containers services and the container vessels at Surat Thani Province and Coastal port services including port operator services.
2. The company that is not started the commercial operations.					
(1)	NP Songkhla Port Co., Ltd.	Port services Logistics Transportation and Loading and unloading	1,000,000	99.96%	Currently not operation and no revenue because currently is in process of EIA report that provided a port service at Songkhla Province to accommodate cargo ships and crew between on shore and oil rig.
(2)	NP Samui Port Co., Ltd.	Port services Logistics Transportation and Loading and unloading	1,200,000,000 ⁽¹⁾	100.00% ⁽²⁾	Currently not operation and no revenue from core business and in progress of Feasibility study to develop as terminal to accommodate Cruise ship at Samui, Surat Thani Province.
(3)	Port Operation and Services Co., Ltd.	Port services Transportation and Loading and unloading	1,000,000 ⁽³⁾	99.98%	The company established for purpose of managing the port. Currently not operation and no revenue from business.

Remarks:

(1) Registered capital Baht 1,200,000,000, Paid up capital Baht 1,176,020,000.

(2) Direct shareholder 0.08% and indirect shareholder through SC Management Co., Ltd. 99.92%

(3) Registered capital Baht 1,000,000, Paid up capital Baht 250,000.

Business Ethics

The Company issued regulations regarding ethics and those prohibited acts against the management and employees to be adhered by the management and employees as practice guideline in honesty and good faith to all groups of stakeholders, public and society. All management and employees signed, acknowledged and agreed to adhere therewith, effective from April 1, 2002 and the Company has followed up their performance under the said practice guideline constantly and has set disciplinary punishment as well.

All this, the Company has improved its Code of Conduct for the management and employees to be adhered with as it is a practice guideline with honesty and good faith to all groups of stakeholders, public, and social. The Company's Code of Conduct for employees (revised edition) 2016 has been established and announced to be effective from January 1, 2016 onwards.

Checks and Balances of Non-Executive Directors

The Board of Directors has 12 members, comprising of:

- | | |
|---|------------|
| - Executive Directors | 4 members; |
| - Non-Executive Directors | 5 members; |
| - Independent Director being as Audit Committee | 3 members. |

Therefore, the Company's Independent Directors are 3 members (Independent Director being as Audit Committee), equivalent to 25% of all directors.

Centralization or Separation of Position

The Chairman is not the same person of Chief Executive Officer from clearly separating power and duties in order to prevent from a situation where any person having unlimited power and there are Non-executive Directors, equivalent to 41.67% of all directors, establishing the checks and balances and review of the management.

Board of Directors' Meeting

1. At a meeting of the Board of Directors, at least one half of the total number of directors shall be present to form a quorum. In case the Chairman of the Board of Directors is not present at the meeting or is not able to perform the duty and if there is a Vice Chairman of the Board of Directors, the Vice Chairman of the Board of Directors present at the meeting shall chair the meeting. If there is no Vice Chairman of the Board of Directors or there is a Vice Chairman of the Board of Directors, but he/she is not present at the meeting or is not able to perform the duty, the directors present at the meeting shall elect one of the directors to chair the meeting.

Decisions at the meeting shall be made by majority vote.

Each director is entitled to one vote, but a director with a vested interest in a matter is not entitled to vote on that matter. In case of a tie vote, the Chair shall have a casting vote.

2. The Board of Directors shall hold meetings at least three times per year in a local area of corporate headquarters or branch office or any other place as the Board of Directors shall determine, with the meeting dates being fixed in advance annually and additional meetings held as necessary. The Chairman of the Board of Directors and the Chairman of the Executive Board shall determine and approve agenda items.
3. The Company Secretary shall serve meeting notices with agenda items and supporting documents to the directors at least 7 days prior to the meeting date to allow time for the directors to study before the meeting.
4. The Chairman of the Board of Directors shall serve as the Chair of the meeting, with a duty to allocate adequate time in each agenda item for the directors to freely discuss important matters, taking into consideration the fair benefits of the shareholders and related parties.

5. The Company Secretary shall take and prepare the minutes of a meeting within 14 days of the meeting, keep the minutes and supporting documents, and provide support to ensure that the

Board of Directors can perform duties in compliance with laws, the Company's Articles of Association, shareholder meeting's resolutions, including coordination with related parties.

The Board of Directors has several meetings during a year. Agendas are expressly specified and there are agendas for following up the operating performance periodically as appropriate and the invitation notices with the meeting's agendas and documents shall be delivered to all directors at least 7 days before the meeting date. In 2018, the Board of Directors as the Plan Administrator had 8 meetings, taking 2-4 hours each. The record of each meeting's conduct was made in form of a minutes presented to the Board of Directors for approval and was kept with concerned persons in order to be checkable.

Report of the Board of Directors

The Board of Directors shall be responsible for consolidated financial statements of the Company and its subsidiary company and financial information as shown in the annual report. The said financial statement shall be prepared in accordance with generally accepted standards in Thailand by selecting appropriate policy to be adhered consistently. The Board of Directors shall use careful discretion and the best estimation to prepare and shall disclose sufficiently significant information in the notes to financial statement

The Board of Directors shall provide and maintain efficiently internal control system to reasonably ensure that such accounting information has been recorded accurately, completely and sufficiently to keep the assets and to know weak points in order to prevent from corruption or significant misconduct. All this, the Board of Directors has appointed the Audit Committee comprising of non-executive directors to oversee the quality of such financial report and internal control system and the Audit Committee has also given its opinion in the Board of Directors' meeting.

Investor Relations

The Board of Directors has placed importance to accurate, complete, an updated disclosure of financial report and general information thoroughly including significant information which has affected to the price of the Company's securities by disseminating the said information to investors and concerned persons through the Stock Exchange of Thailand's communication channel.

Sub-Committee

Board of Directors of NFC Public Company Limited is comprised of the Board of Directors, the Executive Committee, the Risk Management Committee and the Audit Committee as follows:

Board of Directors

Item	Name - Surname		Position
1	Gen. Montree	Sungkasap ²	Chairman of the Board of Directors
2	Mr. Nuttaphob	Ratanasuwanthawee	Vice Chairman of the Board of Directors
3	Mr. Suppakit	Duyapich	Director
4	Mr. Yongyos	Palanitisena	Director
5	Dr. Sunee	Sornchaitanasuk ¹	Director
6	Mr. Wiboon	Rasmeepaisarn	Director
7	Mrs. Bongkot	Rungkornpaisarn	Director
8	Mr. Kijja	Smunyahirun	Director
9	Mr. Nataphong	Ratanasuwanthawee ¹	Director
10	Assoc. Prof. Dr. Seri	Wongmonta	Independent Director
11	Mr. Sumit	Petcharapirat ¹	Independent Director
12	Mrs. Aree	Termwattanapakde ¹	Independent Director

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

² The resolution of the Board of Directors meeting No. 6/2561, on 2 October 2018, approved the appointment of General Montree Sungkasap to replace the resigned director.

Duties and Responsibilities of the Board of Directors

1. To oversee the Corporate Governance with ethic for example making Code of Business Conduct for Directors, Management and employees of the Company as well as acknowledge rules and follow up on the implementation.
2. To consider approval of the business policies, targets, operation plans, business strategies and annual budgets of the Company.
3. To consider appointment of a person who possesses qualifications and does not possess any characteristics prohibited under the Public Company Act B.E. 2535 (1992) and the laws governing securities and exchange and any relevant rules, regulations and/or notifications to be Director in case there is a vacancy due to a cause other than retirement by rotation.
4. To consider appointment of Independent Directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchanges, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and/or notifications of the Capital Market Supervisory Board, SET or propose to a shareholders' meeting for such appointment.
5. To consider appointment of Audit Committee members who have qualifications under the laws governing securities and exchange notifications of the Capital Market Supervisory Board, including rules, regulations and/or notifications of the SET.
6. To consider appointment of Executive Directors from among the directors or the management of the Company and prescribe their roles, powers, duties and responsibilities.
7. To consider appointment of sub-committee to assist in the operation according to the Board of Director's responsibilities
8. To appoint and change the names of Directors who can have the power to sign to bind the Company.

9. To nominate other person to manage the operations of the Company under the control of the Board or authorize the person to have power for the time period, as the Board deems appropriate. The Board may remove or change the power of the person.
10. To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval by a shareholders' meeting. Such approval must be in compliance with the notifications of the Capital Market Supervisory Board, and/or SET's relevant rules, regulations and/or notifications.
11. To consider approval of connected transactions, except where such transactions require approval from a shareholders' meeting. Such approval must be in compliance with the Capital Market Supervisory Board and/ or SET's relevant rules, regulations and/or notifications.
12. To consider approval for interim dividend payment when it considers that the Company has sufficiently profits to do so and to report such payment to the following shareholders' meeting. The Board of Directors shall elect a Director to be the Chairman. If it is deemed appropriate, the Board of Directors may consider electing one or many directors to be Vice Chairman, who shall be assigned by the Chairman to perform duties to conduct the Company's business according to the Articles of Association. The Board of Directors shall meet at least once every three months.
13. To perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets pursuant to the regulations of the SET or those prescribed by other government authorities.
14. To perform duties with responsibility and caution, like a person with common sense, it will conduct business under the same situation.
15. To perform duties with honesty, the highest beneficially of the company. The aim are appropriate and it will not conduct conflicts with the benefit of the company significantly.
16. To provide with the Company's Secretary which he/she will response on behalf of the company or the Board of Directors in regard to the registration committee, the notice of meeting, the meeting report of the Board of Directors and/or Shareholders of including with the annual report.
17. To determine the Company's visions, missions, directions and strategy by fully express opinions and share information that is beneficial for the determination of the company's direction.
18. To review and approve the company's key strategies, policies, objectives, plans, and financial goals as well as oversee and monitor the management team to consistently follow the set out plans to ensure effective and efficient implementation of visions, direction, and strategies.
19. To oversee that the company has credible accounting system, financial statements and audit system as well as efficient and effective internal auditing process
20. To consider key risk factors and determine comprehensive risk management strategy as well as oversee that the management team work under efficient risk management system and predict possible risks from new business opportunities.

21. To established guidelines for the careful consideration of transactions involving possible conflicts of interest for the company and its shareholders, whereby anyone having an interest in any agenda item must disclose such interest to the meeting, and foregoes the right to take part in deciding on that item.
22. To provide each group of shareholders with communication channels as well as monitor that the company has accurate, transparent, and credible information disclosure with high standard.

Executive Committee

Item	Name - Surname		Position
1	Mr. Nuttaphob	Ratanasuwanthawee	Chairman of the Executive Committee
2	Mr. Yongyos	Palanitisena	Executive Committee
3	Mrs. Bongkot	Rungkornpaisarn	Executive Committee
4	Mr. Kijja	Smunyahirun	Executive Committee
5	Mr. Nataphong	Ratanasuwanthawee ¹	Executive Committee

Remark:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

Duties and Responsibilities of Executive Committee

1. To consider an annual budget allocation as proposed by the management before presenting it to the Board of Directors for approval including to consider and approve a change and addition to the annual budget allocation during the period of which no meeting of the Board of Directors and then present it to the Board of Directors for information in next meeting.
2. To approve Capital Expenditure in urgent case which if not to do so, it will cause damage to the Company. Such Capital Expenditure will be presented to the Board of Directors to rectify in next meeting.
3. To approve issues regarding improvement, change, reduction or expansion of the factory beyond the Business Plan and such issues will be presented to the Board of Directors to rectify in next meeting.
4. To approve new investments including joint ventures with other entrepreneurs in urgent case and such investment will be presented to the Board of Directors to rectify in next meeting.
5. To supervise and monitor and to be an advisor for the management regarding policies on finance, marketing, personnel administration and operations.
6. To perform other act as assigned by the Board of Directors.

Audit Committee

Item	Name - Surname		Position
1	Assoc. Prof. Dr. Seri	Wongmonta	Independent Director and Chairman of Audit Committee
2	Mr. Sumit	Petcharapirat ¹	Independent Director and Audit Committee
3	Mrs. Aree	Termwattanapakdee ^{*1}	Independent Director and Audit Committee

Remarks:

^{*} The Audit Committee has sufficient knowledge and experience to review the reliability of the financial statements.

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

Duties and Responsibilities of the Audit Committee

1. To review the Company's financial report to ensure that it is accurate and adequate in accordance with generally accepted accounting principles and it is a sufficient disclosure.
2. To review the Company's internal control (Internal Control) system and Internal Audit to ensure that they are appropriate and proficient.
3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's Auditor, and to propose such person's remuneration, propose to the Board of Directors Consider and approve for approval at the shareholders' meeting as well as to attend a non-management meeting with the Auditor at least once a year.
5. To consider the independency of the internal audit department, approve the audit plan, budget and manpower of the Internal Audit Department as well as to approve, appoint, transfer, dismiss the chief of internal audit department.
6. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the company.
7. Prepare the report of the Audit Committee and signed by the Chairman of the Audit Committee and disclosed in the annual report of the Company according to the SET regulation and consist of at least the following information:
 - an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - an opinion on the adequacy of the Company's internal control system,
 - an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business,
 - an opinion on the suitability of the Auditor,
 - an opinion on the transactions that may lead to conflicts of interests,
 - the number of the Audit Committee's meetings, and the attendance of such meetings by each committee member,
 - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors; and
8. To engage an advisor or specialist to give opinion or consultation as necessary. The Company is responsible for expenses according to the regulations of the Company.
9. To invite the management or any relevant person of the Company attending in meetings or giving additionally related information.
10. To review the Audit Committee's charter at least once a year as necessary to be up-to-date and suitable for the environment of the organization and present to the Board of Directors for approval in the event where there is any change thereof or present the Board of Directors for information in the event of no change.
11. To perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee.

Risk Management Committee

Item	Name - Surname	Position
1	Gen. Montree Sungkasap ²	Chairman of Risk Management Committee
2	Mr. Suppakit Duyapich	Risk Management Committee
3	Mr. Yongyos Palanitisena	Risk Management Committee
4	Dr. Sunee Sornchaitanasuk ¹	Risk Management Committee
5	Mr. Wiboon Rasmeepaisarn	Risk Management Committee

Remarks:

¹ Director has been appointed in the Annual General Shareholders for the year 2018 on 25 April 2018.

² The resolution of the Board of Directors meeting No. 6/2561, on 2 October 2018, approved the appointment of General Montree Sungkasap to replace the resigned director.

Duties and Responsibilities of Executive Committee

1. Determine the guidelines, advice on policies and guidelines relating to the management of risks relating to the Company's business operations in an appropriate and effective manner to the Board of Directors.
2. Define risk management plan and risk management process throughout the organization.
3. Monitor and evaluate the implementation of the risk management framework throughout the organization.
4. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Risk Management Committee.

Recruitment and appointment of Director and Executive ManagementRecruitment of the independent Director

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the company.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the company or its subsidiary company.
4. Neither having nor used to have a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years.

The term business relationship under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commence.

5. Neither being nor used to be an auditor of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years.
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years.
7. Not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to major shareholder;
8. Not undertaking any business in the same nature and in competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the company or its subsidiary company;
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the company's business operations.

Recruitment of the Director and Executive Management

The Company allows directors and shareholders to participate in the nomination of qualified directors. The Company submits the names of qualified nominees to the meeting of the Board of Directors and the chairman of the meeting for voting on such persons.

Director

1. The Board of Directors comprising not less than 5 directors, and not less than one half of the total number of directors must have a residence in the Kingdom. Directors may be the Company's shareholders or not.
2. The Board of Directors shall be voted by the meeting of shareholders under the following criteria and procedure:
 - 2.1 Each shareholder shall have one vote per share.

- 2.2 Each shareholder shall exercise all votes applicable under 2.1 appointing one or more person to be a director, provided that any of the votes shall not be divisible.
- 2.3 The candidates receiving the highest votes in respective sequence equal to the number of directors which should be elected at such time shall be elected directors, the chairman shall have a casting vote.
3. At every Annual General Meeting, one-third (1/3) of the directors, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office.
- The directors who retire in the first and second years after the registration of the Company shall be determined by drawing lots. In every subsequent year, the directors who have been longest in office shall retire
4. In addition to the retirement by rotation, the directors shall retire upon:
- 4.1 death
 - 4.2 resignation
 - 4.3 disqualification or being of the forbidden by law
 - 4.4 retirement by a resolution of a meeting of shareholders
 - 4.5 retirement by the court's order.
5. A director who resign shall tender the resignation letter to the Company, and this resignation will be effective from the date on which the resignation is delivered to the Company. The director who resigns under the first paragraph may also notify the registrar.
6. In the case of a director is vacated otherwise than by rotation, the Board of Directors may elect a person, who is qualified and is not of the forbidden nature under the law, to replace such director at the following meeting of the Board of Directors unless the remaining tenure of the director is less than two (2) months.
- The person who is as elected as the new director shall retain the position during such period only as the vacating director was entitled to retain the same.
- The resolution of the Board must be as specified in the first paragraph above and shall consist of votes of not less than three-fourths of the remaining directors.
7. A meeting of shareholders may pass a resolution retiring any director before the time of his retirement by rotation by a vote of not less than three-fourths (3/4) of the number of the shareholders present and entitled to vote and having shares in the aggregate not less than one half of the number of shares held by the shareholders present and entitled to vote.

Executive Management

Due to the Company has not yet appointed the Recruitment and Remuneration Committee. Therefore, in recruiting the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other Chiefs included executive management of the Company and subsidiaries. The Executive Committee will consider the initial refinement the qualified persons have the knowledge, skills, and experience that are beneficial to the Company's operation and understand the business of the company as well and able to manage to achieve the objectives that the Board of Directors assigned and Executive Committee shall propose to the Board of Directors for approval.

Monitoring and Supervising the Operations of the Subsidiary Company and Associate Companies

In the past, the Company has and appoints persons to be the subsidiary company's director and management to control, supervise and manage the operations of the subsidiaries in order to maintain the benefits of the Company's investments (Currently, Rayong Bulk Terminal Company Limited is in the process of being secured. The authority to supervise the assets of the subsidiary belonging to the official receiver.)

Qualifications of the Chief Financial Officer and Accountant Supervisor

Since the Company listed on the SET prior to 1 January 2018, the qualification criteria for the Chief Financial Officer and Accountant Supervisor who will be effective and applicable to the Company from 1 January 2019 are as follows:

1. The Chief Financial Officer has the required qualifications due to passing and continuously undertaking the training course on accounting, in accordance with the conditions and criteria prescribed by the SEC.
2. The Accountant Supervisor is the accountant as stipulated by the Notification of the Department of Business Development, and has continuously passed and undertaken the training course on accounting, in accordance with the conditions and criteria prescribed by the SEC.

At present, the Company's Chief Financial Officer and Accountant Supervisor is Mrs. Bongkot Rungkornpaisarn, graduated a Master degree, Master of Business Administration and take a position of Executive Vice President (Finance and Corporate Affairs) of the Company over 10 years with experiences in accounting and finance not less than 3 years in the last 5 years and passed the training courses regards to accounting not less than 6 hours per calendar year.

Moreover, the Company's Accountant Supervisor is Miss Dudduen Boonsue, graduated Bachelor Degree in Accounting and Master's Degree Master of Information Technology works as Senior Vice President (Accounting and Information Technology) of the Company on January 2017 to present with experiences in accounting and finance not less than 3 years in the last 5 years and passed the training courses regards to accounting not less than 6 hours per calendar year.

Supervision of Internal Information Use

NFC Public Company Limited is the company which registered in Securities and Exchange of Thailand. The Company has essential policy to manage and proceed for equity and justice to all shareholders. Therefore, internal information or substantial data regarding variation of securities price which has not disclosed to public, it shall be deemed as internal information for engage of business and confidential of the Company. In the event that aforesaid internal information to be disclosed to public, it will impact share value of the Company which be sale and purchase in Securities and Exchange. Hence, director, executive and every rank of personnel must keep internal information as confidential and not to disclose internal information to the third person or exploitation from sale and purchase of securities in bad faith or detriment of Company whether direct or indirect and not disclose confidential information of the Company to business competitor, even though director, executive and personnel will no longer be a director, an executive and personnel of the Company. The Company has a policy to prevent of taking internal information of the Company for exploitation as follows:

1. To inform director and executive to understand duties and obligations of report of Company's securities held by themselves, couple and children below legal age including report of Company's securities transfer according to Section 59 and the penalty of Section 275 subject to the Securities and Exchange Act 1992.

2. To limit of access of internal information. Only director, executive, personnel or concerned person as necessary and stipulate authorization of personnel who has authority to disclose information of the Company.
3. To submit a circular informing blackout period of Company's securities and prohibit to disclose internal information, balance sheet information within 1 month prior disclose information to public and within 24 hours after disclose aforesaid information to director, executive including concerned person (couple and children below legal age of director and executive) and any management to perform terms in such period.
4. To stipulate a director, executive including concerned person (couple and children below legal age of director or executive) to declare to board of director of the Company or designated person regarding sale within 3 days after trading.
5. To keep confidential information of the Company and prevent confidential document or data of the company to not disclose or expose to unconcerned person which might create a detriment to the Company.
6. To stipulate rules and regulations regarding strictly security of computer and information technology of the Company.

Audit Fee

Audit Fee

The Annual General Shareholders Meeting 2018 has approved the Company's Auditor remuneration for the year 2018 in the amount of Baht 1,180,000.

Non-Audit Fee

- None -

Corporate Social Responsibility

Corporate Social Responsibility - CSR is one of principles NFC Fertilizer Public Company Limited has placed importance for its business operations. The Company realizes that the organization's sustainable growth must depend on vision, ability with moral and ethics for business operation with the principal of Good Governance and community and social responsibilities as well.

CSR in process

The Company has focused for performing the work in accordance with the principles, policies and operational directions as specified by the Board of Directors in transparency, good governance, and, taking into account of interest of all groups of stakeholders under the law and business ethics.

The Company has given importance to the rights of all groups of stakeholders, by fairly treating them whether they are employees, debtors under the business rehabilitation plan, trade account payables during the time of performing under the business rehabilitation plan, customers, and shareholders as well as communities and the environment surrounding the factory. In the past, the Company placed importance to the environment and safety by operating the factory to be in accordance with the rules and regulations of Map Ta Phut Industrial Estate strictly.

All this, the Company has well realized that the employees are invaluable resource of the Company as a starting point of responsibilities in vision and mission of the organization. The Company, therefore, has emphasized to develop its management and employees to be talented and good under the same roof of the corporate culture. The Company has prioritized the management and development of personnel to obtain knowledge, expertise, profession including being happy at work and having awareness of social responsibilities. In addition, the Company has placed the employees in equality, given appropriate and fair remuneration and welfares and has provided systems of communications and entertaining activities in the organization implementing a good relationship between the employees and the management. Furthermore, the Company has provided them personal protective equipment as necessary according to the nature of work and has strict rules and procedures on working at the Company's factory and pier area.

In addition, the Company aims for providing goods and service users the highest benefit of quality and fair price by

- Yearly customer visit will be participated by the Company's top management to build trustiness, good relationship and gathering suggestion from the customer.
- Quarterly preventive maintenance the Company's tank and equipment which located at the customer's plant will be done by the professional teams.
- Providing operation procedure and safety standard seminar to customers as per their requested.
- Providing communication or complaint system in case of having the poor quality of goods and services. Referred from Zero Complaint Policy.

Besides, the Company considers that occupational health, safety and environment management as an integral part of engaging the main business for distribution of chemicals products such as Ammonium, Ammonium Hydroxide and Sulfuric acid and Services such as Warehouse services, Logistics and Liquid storage service. Therefore, all activities must comply with the law and international standards. The Company has fostered and created the awareness of the priority of keeping the quality of occupational health, safety and environment, and the implementation of social responsibility to employees and concern

persons in order to prevent from causing an impact to the quality of life of the communities surrounding the Company, society and environment.

CSR after process

The Company has coordinated and supported activities of communities and government agencies regularly and continuously. In 2015, the Company has supported and arranged a social activity of Industrial Estate Authority of Thailand, the Marine Department, local police station and government agencies and has participated in support of projects relating to education, religion and traditions in the communities surrounding the factory as same as over past year.

Anti-Corruption

The Company has communicated all level of director, management and employees by specifying that all process of operations will be in compliance with the scope of law strictly or if any fault arising in the process of operations due to negligence, will be punished by the government without finding ways to avoid such offence.

Internal Control and Risk management

In the Board of Directors' meeting no. 1/2018 on January 16, 2019 with 3 Audit Committees had a meeting considered the adequacy of the Company's internal control system based on the assessment by the Office of the Securities and Exchange Commission (SEC) as proposed by the management to ensure that the Company has adequate internal control system and conclude the evaluated the Internal Control system of the Company in 5 compositions as Organizational internal control, Risk evaluation, Operational control, Information technology and communications system, and Follow-up system. The Audit Committee had an opinion that the Company's Internal Control system is appropriate and adequately which the Company had provided sufficient personnel to perform the work in accordance with the system proficiently including the system of Follow up, Control and operation of the Company and Subsidiary and preventing the assets of the Company and its subsidiaries from being misused by the directors or executives without sufficient authority in adequate for internal control.

In the year 2018, there were no material issues relating to conflicts of interests, fraud, or irregularities or defects in the internal control system. Violation of the Securities and Exchange Act of the Stock Exchange of Thailand or any law concerned to the business of the Company.

The Audit Committee has assigned the Internal Audit Department which is an internal control system auditor who is knowledgeable and capable the Company's internal control system. The results of the internal control audit were reported to the Audit Committee. In summary, the components of internal control are as follows.

1. Control Environment

The company has an organizational structure that is divided into functional departments according to job functions. However, the reporting department directly reports to the President and Chief Executive Officer.

- Due to Regulatory Compliance, the Company has prepared The "Ethics and Code of Conduct for business" was approved by the Board of Directors on 25 February 2016, covering the policy of good corporate governance, Code of Conduct, Principles qualifications of the Board of director and appointment, Principles Code of Conduct for business. In addition, the Company has developed a Code of Conduct for Employees to set up the guidelines for the conduct of duties and tasks that all employees should be entrusted with honesty, transparency, morality and ethics. The manual has been approved by Chief Executive Officer and announced on January 1, 2016.
- The Company has set a yearly budget for 2018, which covers revenue forecasting for each product and service revenue and estimated the expenses, funding of investment for purpose of business planning with the Corporate KPIs and the KPIs are used to measure the performance of each business department.
- The Company provides job descriptions covering all job positions that identify the basic responsibilities of employees and identified the position responsibility, qualifications of the position, training programs, performance indicators, and the chain of command that consist with the current organizational structure.
- The Company has a policy for succession plan which has been approved by Chief Executive Officer and announced on February 29, 2016 and revised on July 25, 2016, the Company set the policy of succession plan for management comply with the human resource development policy by developing management and employees under the same corporate culture to prepare personnel for capacity and The rate is right to rotate the vacancies with the Company's growth plan.

2. Risk Assessment

The Company recognized the importance of risk management under the changes that affect the business both from internal and external factors. Risk management policies and risk assessment guides have been prepared and approved by the Board of Directors' meeting on February 25, 2016, and in the year 2017, the policy and guidelines were reviewed by the Risk Management Committee to Covers responsibilities, Risk Assessment Procedure, Criteria used in risk assessment and consideration the response to risk, identify and evaluate the key of risks and risk management measures. The Risk Management Committee is responsible for overall risk management that is the responsibility of all units to manage and control the risk to an acceptable level.

3. Control Activities

- The Company has documented the power of action to set the authority and the approval process for important business transactions such as Organization Management, Investment Management, Human Resources Management, Accounting, Finance and Credit and procurement presented to the Board of Directors and approved at the Board of Directors' Meeting on March 24, 2016.
- The Company has established policies, guidelines and important operating manuals in writing, sales, procurement, finance and accounting and human resources.
- The Company has issued power of attorney to conduct financial transactions with financial institutions. The Company and the management of the Company Is the authority in the transaction. The power of attorney was approved at the Board of Directors' meeting on 25 February 2016.
- To maintain the fixed assets of the company requires that each department has the responsible for maintaining the fixed assets under the responsibility of that department that the Company has fixed asset counts on a yearly basis.
- The Company has set up a framework for the directors, executives and employees in the conflict of interest. This is part of the Ethics and Code of Conduct Handbook and the transaction manual. The guide covers the following key areas:
 - Avoid making transactions that are related to yourself that may cause conflict of interest with the Company. Except in cases where it is necessary to do so for the benefit of the Company, such transaction is the same as the transaction with third parties (Arm's Length Basis). The directors, executives or employees of the stakeholders related to transaction must have no authority in the approval.
 - In case of the directors, executives, employees or family members engaging in direct or indirect participation in transactions that may cause conflict of interest or a shareholder in a business that competes with the business of the Company, must notify in writing to the Chief Executive Officer and the Chairman of the Board in writing.
 - In case of the director, executive or employee is a partner, or an advisor in a company or other business organization. The position will not be contrary to the interests of the company and direct duties in the Company.
 - In the case of the transaction is a related transaction according to the requirements of the Corporate Governance must comply with the rules, procedures and disclosure strictly.
 - Related transactions must be reviewed or consideration from the Audit Committee and the Board of Directors, respectively. In case of any Audit Committees or Directors have a stake in the related transaction, the Audit Committee or Director of the Company must be no consideration in such related transaction.

- The Company monitors the operation of subsidiaries by appointing the Company's employee to be the Board of Directors and Executives in the subsidiary and Management of the Company's subsidiaries who the Company assigned must communicate the Company policy to the subsidiary and monitors the operation of the subsidiary (currently Rayong Bulk Terminal Co., Ltd. that is the company in the process of being secured. The authority to supervise the assets of the subsidiary. It is the official receiver.

4. Information and Communication

- The Company provides executives management meetings on a monthly basis to provide each section with a report on the performance, problems, obstacles and plans of the Company to the meeting. Senior Executive Vice President of Finance and Administration is a Chairman of the meeting and is a meeting Secretary and executives management from department manager level up to attend the meeting.
- The Company pays attention to safety in information technology and electronic data storage. The policy is established an information security policy which is reviewed and approved by Executive Vice President of Accounting and Information Technology and announcement on August 1, 2018, by the Information Department, who made Back up tape a daily, weekly, monthly and annual backup keep in bank safe with perform a data recovery test. (Restoration)
- The Company appoints the Vice President of Finance and Administration to be responsible for communicating the Company's information to third parties such as information about the Company, Products & Services, Investor Relations and Corporate Governance.
- The Company has set up a channel for complaints about Corporate Governance and Business ethics and assigned the office of Directors department to be the receivers of complaints or suggestions. The directors, executives and employees, as well as all stakeholders can send the complaints be made through verbal, telephone, facsimile, email and correspondence. The Company will keep the information confidential. The policy has been announced to staff through the company's public relations.

5. Monitoring

- Supervisors monitor whether the work meets the set goals or not. If there is a defect or failure to meet the plan, it has been resolved immediately and report directly to management. The management has evaluated that the outcome base on the policy and the company's plans effective and efficient or not. The findings from the follow up evaluation, the Audit Committee and the executive management paid an attention to the improvement and continuously follow up and evaluate and report to the Board of Directors for acknowledgment.
- Internal Audit Department is an independent department and report directly to the Audit Committee acting for confident and counseling to make the process work within the organization, Corporate Governance, Risk management and Good internal control. The Internal Audit Department has monitored the activities follow an annual audit plan approved by the Audit Committee by preparing a monitoring plan based on the Company's strategic direction and the major risks that affect the operation. Covering all aspects of the company's business process every 2 years, with regularly follow-up on recommendations from audit and communicate to management for corrective action. The audited outcome si reported to The Audit Committee on a quarterly basis.
- The Company recognizes the importance of internal control and appointed the external auditor to evaluate the internal control system of the company every 5 years.

Head of Internal Audit department and Head of Compliance department of the Company

Head of Internal Audit department

At the Board of Directors' Meeting No. 3/2058 held on December 21, 2015, the Board of Directors approved the appointment of Ms. Waraporn Itthitumrong to be the Internal Audit Manager and Secretary to the Audit Committee, because of her experiences as an Internal Audit Manager and Secretary of the Audit Committee during the period of 2002-2005 (4 years) and also attended training courses related to internal audit work. How does the Internal Audit Training course help the Audit Committee", organized by the Federation of Accounting Professions. Ms. Waraporn Itthitumrong also has an understanding of the company's activities and operations. It is considered appropriate to perform such duties appropriately.

The consideration and approval of the appointment, dismissal, transfer of the position of Internal Audit Manager and the Secretary of the Audit Committee must be approved or approved by the Audit Committee.

Head of Compliance department

The Company assigned Mr. Kwanchai Apayatham, the office of Directors department Manager to be the head of compliance section to supervise the compliance with the regulations of government or others according to the Company business.

Duties:

The supervisor is responsible for overseeing the company's business operations. The Company and its subsidiaries comply with the laws, rules, regulations, policies and regulations of related government agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand or other related. In order to comply with the Compliance Policy. The Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Executives, departments or sections and employees throughout the organization must comply with the law. Employees should be aware that all employees have the duty and responsibility to study and understand the relevant laws include relevant regulations in responsible work and correctly follow the rules strictly.

Related Transactions

Related transactions arising among the Company and its subsidiary company and those who may be in conflict for the year ended December 31, 2018 as indicated in the notes to financial statement No. 9 are important items as shown in the table below. The Audit Committee has considered the reasonableness of the transaction as follows:

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2018	2017
SC Carrier Company Limited	<ul style="list-style-type: none"> jointly directors are: Mr. Nuttaphob Ratanasuwanthawee and Mr. Nataphong Ratanasuwanthawee jointly executives are: Mr. Nuttaphob Ratanasuwanthawee 	Revenue from Warehouse services	1.04	1.04
		Revenue from Sale of assets	-	0.07
		Ammonia transportation fee	55.94	49.48
		Rental and services, Office building	1.92	2.40
		Expense of repairing equipment, Storage and storage of Ammonia	1.55	1.21
		Land rental with warehouse building at Surat Thani	0.36	0.72
		Electricity and water supply, office building	0.26	0.40
		Others Expenses	0.06	0.08
		Trade Account Receivable and Other Accounts Receivable	0.19	0.22
		Trade Account Payable and Other Accounts Payable	8.39	10.11
		Deposits	-	0.50
SC Management Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.35% shares Mr. Nataphong Ratanasuwanthawee of 0.65% shares Mrs. Bongkot Rungkornpaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executives are: Mr. Nuttaphob Ratanasuwanthawee 	Revenue from Port services	5.59	9.13
		Revenue from Warehouse services	1.23	1.63
		Revenue from Sale of assets	0.60	0.02
		Land rental with warehouse building, Rungsit warehouse	1.08	1.08
		Employee transportation fee	0.97	0.22
		Maintenance expenses	0.22	0.30
		Purchase of computer	0.02	0.03
		Trade Account Receivable and Other Accounts Receivable	0.87	1.46
		Trade Account Payable and Other Accounts Payable	7.34	7.27

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2018	2017
NP Marine Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 98.33% shares Mr. Nataphong Ratanasuwanthawee of 1.67% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share 	Revenue from Warehouse services	3.82	3.84
		Land rental with warehouse building, Surat Thani warehouse	0.36	0.00
		Electricity and water supply at Surat Thani warehouse	0.06	0.05
		Ammonia Truck Weighing Service fee	0.03	0.03
	<ul style="list-style-type: none"> jointly executive is: General Montree Sungkasap 	Trade Account Receivable and Other Accounts Receivable	0.68	0.68
		Trade Account Payable and Other Accounts Payable	0.08	0.02
SCG Logistics Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.86% shares Mr. Nataphong Ratanasuwanthawee of 0.14% shares Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share 	Revenue from Warehouse services	0.60	0.89
		Revenue from Port services	0.00	0.06
		Revenue from Sale of Assets	0.01	0.00
		Trade Account Receivable and Other Accounts Receivable	0.06	0.21
	<ul style="list-style-type: none"> jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 			
SC Offshore Service Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 97.67% shares Mr. Nataphong Ratanasuwanthawee of 2.33% shares 	Revenue from Port services	0.02	3.83
		Others Expenses	0.03	0.00
		Trade account Payable and Other Accounts Payable	0.03	0.00
	<ul style="list-style-type: none"> jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee 			
	<ul style="list-style-type: none"> jointly executive is: 			

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2018	2017
	Mr. Nuttaphob Ratanasuwanthawee			
SCENA Offshore Company Limited	<ul style="list-style-type: none"> ■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 30.00% shares Mrs. Bongkot Rungkornpaisarn of 1 share ■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee ■ jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Revenue from Port services	0.00	1.63
Thai International Dockyard Company Limited	<ul style="list-style-type: none"> ■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 1 share and Mr. Nataphong Ratanasuwanthawee of 1 share ■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee 	Service income-Fender	0.00	2.04
SC Auto Logistics Company Limited	<ul style="list-style-type: none"> ■ jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 85.33% shares and Mr. Nataphong Ratanasuwanthawee of 6.04% shares ■ jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and ■ Mr. Nataphong Ratanasuwanthawee 	Revenue from Sale of assets	0.04	0.00
Chemicals and Aromatics (Thailand) Company Limited	<ul style="list-style-type: none"> ■ jointly shareholders are: Mrs. Bongkot Rungkornpaisarn of 1 share Mr. Wiboon Rasmeepaisarn of 1 share Mr. Nuttaphob Ratanasuwanthawee of 8.33% share 	Purchase of assets Trade account Payable and Other Accounts Payable	0.08 4.79	0.00 4.71

Company name	Nature of relationship	Related transaction	Amount (Million baht)	
			2018	2017
	<ul style="list-style-type: none"> jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mr. Nataphong Ratanasuwanthawee 			
N Holding Company Limited	<ul style="list-style-type: none"> jointly shareholders are: Mr. Nuttaphob Ratanasuwanthawee of 99.99% share and Mr. Nataphong Ratanasuwanthawee of 1 share Mrs. Bongkot Rungkornpaisarn of 1 share jointly directors are: Mr. Nuttaphob Ratanasuwanthawee Mrs. Bongkot Rungkornpaisarn and Mr. Nataphong Ratanasuwanthawee jointly executive is: Mr. Nuttaphob Ratanasuwanthawee 	Rental and services, Office building	1.92	0.00
		Electricity and water supply, office building	0.27	0.00
		Trade account Payable and Other Accounts Payable	0.42	0.00
		Deposits	0.96	0.00

Necessity and reasonableness of the transaction

1. The company had the transaction with SC Carrier Co., Ltd., which is a business operator licensed to be an Ammonia carrier from the Department of Industrial Works by using of Ammonia transport vehicles is authorized and regularly inspected by the Land Transport Department and meets the standards law. As well as the drivers have the license required by law for the safety of life and property in transportation to act as an Ammonia carrier by truck from the place of delivery of the origin of the plant in Rayong, Pathum Thani and Surat Thani to the place of delivery of the goods as agreed by the parties. The prices and conditions are stated at market price and with normal commercial terms and the price of SC Carrier Co., Ltd. charges for similar goods to other customers which is the normal business and the purpose is not interchanged in benefits.
2. The Company had the transaction with SC Carrier Co., Ltd., with the objective to lease land and buildings on land at Bang Kung Sub-district, Amphoe Mueang Surat Thani, total area of 2,749.50 square meters included in the transaction with SC Management Co., Ltd. with the objective to lease land and buildings on land at Bueng Yitho Subdistrict, Thanyaburi District, Pathumthani Province, total area of 2,509 square meters to continue business from acquisition a partial of the business from C&A related to the distribution of Ammonia and Ammonium hydroxide products to sell to the end customers are fully integrated. The price and conditions are as market prices as transactions with third parties. This is normal business and the purpose is not interchanged in benefits.

3. The Company had the transaction with N holdings Co., Ltd. for the purpose of renting and servicing for head office building, 3rd floor, SC Group Building, 88, Bangnanua Sub-district, Bangna District, Bangkok, total area of 800 square meters for the purpose of office use. This is normal business. The prices and conditions are stated at market price and with normal commercial terms. This is normal business and the purpose is not interchanged in benefits.
4. The Company had the transaction with SC Carrier Co., Ltd., NP Marine Co., Ltd., SCG Logistics Co., Ltd., SC Offshore Services Co., Ltd., SCENA Offshore Co., Ltd., Thai International Dockyard Co., Ltd., SC Auto Logistics Co., Ltd., Chemicals and Aromatics (Thailand) Co., Ltd. and N holdings Co., Ltd. such as Service income, Revenue from Sale of property, Assets purchase, and Rental and services fee. The price and conditions are as market prices as transactions with third parties and the purpose is not interchanged in benefits.

Audit Committee opinion

The Audit Committee of the Company Consider and review related transactions or inter-transactions with persons who may have conflicts of interest or stakeholders regularly by reviewed quarterly to ensure that the transaction is in compliance with the regulations of the Stock Exchange of Thailand and the good practices of the company. The Audit Committee has the opinion that the Company has complied with the relevant laws and regulations on related transactions. There are no transactions that may lead to conflict of interest. The transactions that a company engages with a person who may have conflicts is a normal business transaction and is equivalent to a transaction with a third party. The related party transactions have the same terms and conditions of trade as those made with outsiders.

Policy or Trend of Future Connected Transactions

In the case of related transaction, the Company is aware of the duties to comply with the Securities and Exchange Act., The Notification of the Capital Market Supervisory Board and the SET Notification effective for the Company and the related transaction Company manual. Such transactions must not be transacted or inter-changed benefits of the Company or the Company shareholders. However, it must be the transaction that the Company takes into account the maximum benefit of the Company and all shareholders.

Management Discussion and Analysis

An overview of business operations and significant changes.

In 2018, ending on December 31, 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 held on November 21, 2018 resolved as follows:

Resolved to approve the Company's registered capital increase by Baht 81,587,479.50 from the existing registered capital of Baht 815,874,792 to the new registered capital of Baht 897,462,271.50 by issuing 108,783,306 newly issued ordinary shares at the par value of Baht 0.75 per share to reserve for the exercise of right of the warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) and Resolved to approve the amendment to clause 4. Of the Company's memorandum of association regarding registered capital to be in accordance with the Company's registered capital increase.

The Company has registered capital increase, and amending the Memorandum of Association of Article 4. The Department of Business Development Ministry of Commerce Completed in December 6, 2018.

Warrants

At the Extraordinary General Meeting of the Shareholders No.1/2018 held on November 21, 2018, the Company's shareholders have the significant approved as following:

Approve the issuance of warrants to purchase ordinary shares of the Company No.1 (NFC-W1) of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10 ordinary shares to 1 unit, and also resolved to approve that the Board of Directors of the Company, the authorized directors of the Company and/or any other person authorized by the Board of Directors of the Company or the authorized directors of the Company shall be authorized to consider and perform any necessary actions related to and/or associated with the issuance of warrants to purchase ordinary shares of the Company No.1 (NFC-W1).

In 2017, ending on December 31, 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 held on 23 June 2017 resolved as follows:

- 1) Resolved to approve the change of par value and number of shares of the Company. The change of par value from Baht 0.50 per share to Baht 1.25 per share and change of the Company's share capital. Registered and paid-up ordinary shares 2,719,582,640 ordinary shares to be the registered and paid-up ordinary shares 1,087,833,056. The calculation is based on the existing ratio of 2.5 to be 1 new share. In the case where there is a fraction of shares remaining from the calculation of the par value of the shares, the share shall be rounded up to one share. Mr. Nattapop Ratanasuwan, major shareholders of the Company agree, that's a balancing act. The number of shares will be reduced to the number of shares held by the Company, rounded up to rounding up the shares.
- 2) The Meeting resolved to approve the reduction of the registered and paid-up capital of the Company of Baht 543,916,528 from the registered and paid-up capital Baht 1,359,791,320 to the registered and paid-up capital of Baht 815,874,792. The change will be made after the change of par value of the Company's shares to Baht 1.25. The number of registered and paid-up ordinary shares of the Company to be 1,087,833,056 shares completed by reducing the par value from Baht 1.25 per share to Baht 0.75 per share to compensate for the Company's deficit and the Company registered the change in par value with the Ministry of Commerce on June 28, 2017.

The Company registered the reduction of its registered and paid-up capital to the Ministry of Commerce on 6 September 2016.

Operating Results of the Company and its subsidiary

Annual operating results as of December 31, 2018, the Company and its subsidiaries were Baht 50.92 million, which allocated profit to portion of the Company's shareholders amounting to Baht 51.40 million, decreasing Baht 163.29 million or equivalent 76.06% comparing with the comprehensive income – portion of the Company's shareholders for last year of Baht 214.69 million. because of Revenue from sales and services of the Company and its subsidiary were Baht 1,179.99 million, increased to Baht 78.98 million, or equivalent to 7.17% from the year of 2017 divided to Revenue from sales of chemical products Baht 1,085.92 million, increased to Baht 95.25 million, or equivalent to 9.61% and Revenue from services Baht 94.07 million, decreased to Baht 16.27 million, or equivalent to 14.75% comparing with the last year. From the result of the year 2018, In 2017, the Company recognized Deferred Income Tax of Baht 97.79 million. Which higher than the year 2018 of Baht 86.94 million. Gross Profit decreased by Baht 48.80 million or 17.39%. Other Income decreased by Baht 12.59 million or 45.40%. Total expenses increased by Baht 12.99 million or 6.80%. Financial Cost increased by Baht 1.95 million or 221.59%. Portion of non-controlling interests in subsidiaries decreased by Baht 0.02 million.

Annual operating results as of December 31, 2017, the Company and its subsidiary were Baht 214.19 million, which allocated profit to portion of the Company's shareholders amounting to Baht 214.69 million, decreasing Baht 182.31 million or equivalent to 45.92% comparing with the comprehensive income - portion of the Company's shareholders for last year Baht 397.00million. because of Revenue from sales and services of the Company and its subsidiary were Baht 1,101.01 million, decreased to Baht 77.00 million, or equivalent to 7.52% from the year of 2016 divided to Revenue from sales of chemical products Baht 990.67 million, increased to Baht 123.17 million, or equivalent to 14.20% and Revenue from services Baht 110.34 million, decreased to Baht 46.17 million, or equivalent to 29.50% comparing with the last year. From the result of the year 2017, the Company had lower revenue from sales, but net profit from sales increased because the company can manage the cost much better. As a result, gross profit margin increased by Baht 47.08 million or equivalent to 30.43%, mainly due to the profit from sales of ammonia and ammonium hydroxide compared to 2016. However, the Company's service income decreased by Baht 29.02 million as compared to the previous year due to lower revenue from service.

Therefore, the significant changes of the Company and its subsidiary can be summarized as follows:

Revenues from sales and services

- In 2018, the Company and its subsidiaries had total revenues from sales and services of Baht 1,179.99 million, an increase of Baht 78.98 million or an increase of 7.17%, compared to the year 2017 with revenues from sales and services of Baht 1,101.01 million, revenue from sales of chemical products was Baht 1,085.92 million, increased by Baht 95.25 million or 9.61% due to. Sale of Sulfuric acid increased by Baht 105.44 million or 26.80% due to the sulfuric acid price increased because supply in the global market is scarce. Sales volume decreased by 43,307 tons or 12.43%. Sales of Ammonia decreased by Baht 8.96 million or 1.56% from sale volume decreased by 775 tons or 2.81%, while the average sale price per ton is slightly higher. Sales of Ammonium Hydroxide decreased by Baht 1.23 million or 5.42% due to lower average sale price per ton, while the higher sale volume of 217 Tons or 6.58%. Total service income was Baht 94.07 million, decreased by Baht 16.27 million or 14.75% compared to last year due to. Revenue from warehouse service

increased by Baht 17.73 million or 119.39% due to expansion of service area and number of customers increased. Revenue from Logistic & Liquid warehouse service decreased by Baht 0.30 million or 0.54% due to contract price adjustment with customer. Revenue from Port Service decreased by Baht 33.70 million or 78.79% due to the declining of company's terminal revenue.

- In 2017, the Company and its subsidiary had total revenues from sales and services of Baht 1,101.01 million, an increase of Baht 77.00 million or an increase of 7.52%, compared to the year 2016 with revenues from sales and services of Baht 1,024.01 million, resulting from the increase in sales of chemical products by Baht 123.17 million or increase of 14.20% due to the increase in the average selling price of sulfuric acid to Baht 140.16 million or increase of 55.35%. The volume of sulfuric acid sales increased 84,398 tons compared to 2016. The service revenue decreased by Baht 46.17 million or decrease of 29.50% when compared to the same period of last year. The company's revenue has been on the decline since the end of the second quarter of 2017.

Cost of sales and services

- In the year 2018, the Company and its subsidiary had cost of sales and services of Baht 948.10 million, an increase of Baht 127.78 million or an increase of 15.58% from the previous year. Cost of chemical products increased by Baht 134.30 million or 16.88% from the cost of chemical product increased according to the world market prices. As a result, the gross margin of chemical products decreased of Baht 39.09 million or 20.03% affecting to gross margin ratio dropped to 14.36% from the last year at 19.68% due the higher cost of chemical products in the world market trend. Cost of services decreased of Baht 6.52 million or 26.47% compared to last year due to the declining of company's terminal revenue, the gross margin of services decreased of Baht 9.75 million or 11.38%.
- In the year 2017, the Company and its subsidiary had cost of sales and services of Baht 820.32 million, an increase of Baht 65.75 million or an increase of 8.71% from the previous year. However, the gross profit margin of the company was Baht 280.69 million, an increase of Baht 11.25 million or increase of 4.17%, showing a gross profit margin of 25.49% compared to 26.31% in the year of 2016. Gross profit margin increased over the past year, as the result from the profitability of chemical products has increased, especially in the ammonia business. The cost of chemical products increased by Baht 82.90 million or increase of 11.63% due to higher sales volume of chemical products such as Sulfuric Acid and Ammonia. Considering the gross profit margin of sales of chemical products in the same period. The rate of increase was 19.68% compared to 17.83% of the year 2016. Cost of services decreased by Baht 17.14 million or decrease of 41.03% compared to the previous year, due to lower service income. The gross profit margin of service rate still increased from 77.68% in the previous year to 73.31% in 2016.

Other income

- In the year 2018, the Company and its subsidiary had other income of Baht 15.14 million, showing a decrease of Baht 12.59 million or a decrease of 45.40% from the same period of last year. Resulting from Net Gypsum Revenues decreased of Baht 8.34 million. Gain on Sales of Fixed Assets decreased of Baht 3.09 million. Reversal of doubtful debts decreased of Baht 4.69 million. Interest from Saving Accounts increased of Baht 2.54 million. Gain from exchange rate increased of Baht 0.98 million. Insurance claim compensation increased of Baht 0.11 million. Provision for outdated inventory increased of Baht 0.24 million. Other miscellaneous income decreased of Baht 0.34 million.

- In the year 2017, the Company and its subsidiary had other income of Baht 27.23 million, showing a decrease of Baht 266.07 million or a decrease of 90.71% from the same period of last year. As in 2016, the Company reversed allowance for impairment of assets amounting to Baht 244.23 million. The reversal of allowance for doubtful accounts amounted to Baht 24.90 million and gain on debt restructuring was Baht 18.54 million.
- In the fourth quarter of 2017, the Company's revenue from sales of gypsum (Net of related expenses and reversals) of Baht 14.04 million. During the year 2017, the Company reversed allowance for doubtful accounts amounting to Baht 6.92 million and gain on sale of fixed assets amount to Baht 3.68 million

Total cost

- In the year 2018, the Company and its subsidiary had total expenses of Baht 204.13 million, an increase of Baht 12.99 million or increase of 6.80% from the previous year. Selling expenses increased of Baht 1.48 million or 3.15%, due to higher cost of transportation affected from oil price increased. Administrative expenses increased of Baht 11.51 million or 7.98% resulted from employee expenses from increasing in the number of employees in order to have a suitable management structure for the business operation.
- In the year 2017, the Company and its subsidiary had total expenses of Baht 191.14 million, an increase of Baht 30.47 million or increase of 18.96% from the previous year. The company can manage the sales and administrative expenses (excluding depreciation from underutilized assets) at a better rate than the same period last year, compared with the total revenue of 11.26% of total revenue, compared with 12.14% of the previous year. In addition, in the year 2017, the Company has allocated the depreciation from its underutilized assets. This is shown as part of administrative expenses to have a proper relationship with the property and use it properly.

Deferred income tax

- In the year 2018, the Company and its subsidiary had deferred income tax of Baht 10.85 million, thus, net profit for the year was Baht 50.92 million or equivalent to Baht 0.0472 per share.
- In the year 2017, the Company and its subsidiary had deferred income tax of Baht 97.79 million, thus, net profit for the year was Baht 214.19 million or equivalent to Baht 0.1974 per share

Profitability

- In the year 2018, the Company and its subsidiary had a gross profit margin of 19.65% the gross profit margin decreased from the previous year due to the profitability of the chemical products. Especially in the ammonia business.
- In the year 2017, the Company and its subsidiary had a gross profit margin of 25.49% but the gross profit margin increased from the previous year due to the profitability of the chemical products. Especially in the ammonia business.

Asset Management

- In the year 2018, the Company and its subsidiary had a Account receivable turnover ratio of 5.79 times and average collection period of 62 days, while the inventory Account receivable turnover ratio was 9.78 times and average selling period was 37 days, return on assets of 3.32%.

- In the year 2017, the Company and its subsidiary had a Account receivable turnover ratio of 5.42 times and average collection period of 66 days, while the inventory Account receivable turnover ratio was 8.13 times and average selling period was 44 days, return on assets of 10.74%.

Liquidity and adequacy of capital

- In the year 2018, the Company and its subsidiary had a liquidity ratio of 2.57 times, decreased by approximately 1.28 times compared to 2017, with an average collection period of 62 days, sales period of 37 days and repayment period of 40 Days, resulting in a 59 days cash cycle. In the year 2018, the Company had operating profit and net cash from operating activities of Baht 80.21 million. In addition, the Company and its subsidiary had a debt to equity ratio of 0.41 times, a increase of 0.20 times compared with 2017 and the interest coverage ratio is 33.17 times.
- In the year 2017, the Company and its subsidiary had a liquidity ratio of 3.85 times, increased by approximately 1.48 times compared to 2016, with an average collection period of 66 days, sales period of 44 days and repayment period of 24 Days, resulting in a 87 days cash cycle. In the year 2017, the Company had operating profit and net cash from operating activities of Baht 228.86 million. In addition, the Company and its subsidiary had a debt to equity ratio of 0.21 times, a decrease of 0.15 times compared with 2016 and the interest coverage ratio is 372.61 times.

Financial position of the Company and its subsidiary company

For the year ended December 31, 2018, the Company and its subsidiary had total assets of Baht 1,426.58 million, total liabilities of Baht 415.49 million and shareholders' equity of Baht 1,011.09 million or book value of Baht 0.93 per share, and as of December 31, 2017. The Company and its subsidiary had total assets of Baht 1,159.46 million, total liabilities of Baht 200.51 million, net shareholders' equity of Baht 958.95 million or a net worth of Baht 0.88 per share. Which has the following.

- In the year 2018, total assets increased of Baht 267.12 million or 23.04% from 2017. The increase in assets was classified as current assets of Baht 367.11 million or 64.36% contain with Cash and cash equivalents increased of Baht 275.84 million or 88.87% from the operating cash flow. Trade accounts receivable decreased of Baht 26.05 million or 14.67% from the decrease in trade receivables of Ammonia sales. Inventories increased of Baht 45.46 million or 62.81% from Ammonia of Baht 57.68 million. Other current asset increased of Baht 71.86 million or 644.48% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions. Property, plant and equipment (PPE) decreased of Baht 89.36 million or 18.15% due to the depreciation of building and building improvements, machinery and office supplies Land improvements and vehicles increased of Baht 106.30 million, Disposal of PPE during the year of Baht 4.36 million and Purchase of PPE during the year of Baht 21.30 million. During the year 2018, the Company invested in the new ERP system in order to integrate database management system and internal process for further improvement resulting Software Cost as Intangible assets of Baht 2.64 million increased of Baht 2.41 million. Other non-current asset decreased of Baht 23.57 million or 40.02% since the Company received the cash deposit as contract guarantee with IEAT by a replacement with Bank Guarantee instead.

- In the year 2017, total assets increased of Baht 0.13 million or 13.16% from 2016. The increase in assets was classified as current assets of Baht 209.30 million or 57.95% contain with Cash and cash equivalents increased of Baht 226.42 million or 269.71% from the operating cash flow. Trade accounts receivable increased of Baht 34.88 million or 24.62%, but the balance of inventories decreased of Baht 50.89 million or 41.28%. Non-current assets decreased of Baht 74.45 million or 11.22%. Fixed assets - net decreased of Baht 111.27 million or 18.43% due to sales and amortization during the year 2017. At the same time, the Company recognized assets, deferred Income Tax amounting to Baht 34.54 million.
- In the year 2018, the Company and its subsidiary had total liabilities of Baht 415.49 million, divided into current liabilities of Baht 364.95 million and non-current liabilities of Baht 50.54 million, which increased of Baht 214.98 million or 107.22%, compared to 2017. During the year 2018, the Company started to use trade credit facilities from banks resulting an increase in short-term loan from banks of Baht 216.46 million. Trade accounts payable and other current account payable increased of Baht 1.77 million or 1.21% this was mainly due to Trade accounts payable decreased of Baht 10.76 million while other current account payable increased of Baht 12.53 million from increase from customer's advance payment for goods increased of Baht 9.67 million, other accrued expenses increased of Baht 4.42 million, while liability payable to IEAT decreased of Baht 1.56 million.
- In the year 2017, the Company and its subsidiary had total liabilities of Baht 200.51 million, divided into current liabilities of Baht 147.98 million and non-current liabilities of Baht 52.53 million, which decreased of Baht 73.35 million or 26.78%, compared to 2016. Accounts payable and other current liabilities decreased of Baht 6.07 million or 3.98%, deferred tax liabilities decreased of Baht 63.25 million.
- In the year 2018, the Company and its subsidiary had shareholders' equity of Baht 1,012.31 million, increased by Baht 52.63 million or 5.48% compared to 2017 due to the Company's operating results of Baht 51.40 million. At present, the Company has a paid-up capital of Baht 815.88 million or ordinary shares 1,087.83 million shares at par value 0.75 Baht.
- In the year 2017, the Company and its subsidiary had shareholders' equity of Baht 959.69 million, increased by Baht 208.71 million or 27.79% from the previous year which had shareholders' equity of Baht 750.98 million. In June 2017, the Company changed its par value and number of shares from the existing value of Baht 0.50 to Baht 1.25 per share resulting in a change in the number of shares decreased from 2,719.58 million shares to 1,087.83 million shares. In September 2017, the Company changed its par value from Baht 1.25 per share to Baht 0.75 per share, resulting in the registered and paid-up capital of Baht 815.87 million.

Factors which may impact the operations in future

Due to the Company has income from relying on a few of major customers which if the customer has changed the Business model or changing technology in the production process may affect the amount of product use and Company sales amount, and the policies to stimulate the economy of the government may affect consumer's consumption.

The Environmental factors due to the Company operates business activities that may cause health and environmental hazards which may cause an accident or mistake in operation, may affect to shareholders, business development plans of the Company, including the image of the Company in short-term and long-term significantly.

Significant Financial Information

Financial Statement

Auditors

The auditors of NFC Public Company Limited for the year 2016 are Miss Kanyanat Sriratchatchaval Certified Public Accountant No. 6549, respectively, from Grant Thornton Co., Ltd. and the year 2017 – 2018, Mr. Jadesada Hungsapruet, Certified Public Accountant No. 3759, from Karin Audit Company Limited.

Summary of Auditor's Report

■ Accounting Period 1 January - 31 December 2018

The auditor has expressed his opinion on the consolidated financial statements of NFC Public Company Limited and its subsidiary as at 31 December 2018, the consolidated and the separate statements of comprehensive income, the consolidated and the separate statements of changes in shareholders' equity, Consolidated and separate statements of cash flows for the year then ended, Notes to the consolidated, the consolidated and the separate operating results, the financial statements are prepared in accordance with Thai Financial Reporting Standards.

The key audit matters included revaluation of plant and equipment, including those assets acquired in a business combination, at fair value which is determined by an independent appraiser amount of Baht 402.98 million, representing 28% of total assets of the Group.

■ Accounting Period 1 January - 31 December 2017

The auditor has expressed his opinion on the consolidated financial statements of NFC Public Company Limited and its subsidiary as at 31 December 2017, the consolidated and the separate statements of comprehensive income, the consolidated and the separate statements of changes in shareholders' equity, Consolidated and separate statements of cash flows for the year then ended, Notes to the consolidated, the consolidated and the separate operating results, the financial statements are prepared in accordance with Thai Financial Reporting Standards.

The key audit matters included revaluation of plant and equipment, including those assets acquired in a business combination, at fair value which is determined by an independent appraiser amount of Baht 492.57 million, representing 42% of total assets of the Group.

The Company recorded a deferred tax asset for the period ended December 31, 2017 because the Company has sufficient future taxable profit that will be available to utilize tax losses when computing tax in the future.

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2016		December 31, 2017		December 31, 2018	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	83,948	8.19	112,418	9.70	288,083	20.19
Temporary investments in available - for - sale	0.00	0.00	197,947	17.07	298,132	20.90
Trade and other current receivables	141,666	13.83	176,543	15.23	150,492	10.55
Inventories	123,279	12.03	72,385	6.24	117,835	8.26
Other current assets	12,254	1.20	11,152	0.96	83,012	5.82
Total Current Assets	361,147	35.25	570,445	49.20	937,554	65.72
NON - CURRENT ASSETS						
Investment in subsidiary	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term investments	3,352	0.33	3,007	0.26	2,679	0.19
Property, plant and equipment	603,836	58.93	492,339	42.46	402,980	28.25
Intangible assets	0.00	0.00	227	0.02	2,643	0.18
Deferred tax asset	0.00	0.00	34,544	2.98	45,397	3.18
Other non - current assets	56,278	5.49	58,898	5.08	35,328	2.48
Total Non - Current Assets	663,466	64.75	589,015	50.80	489,027	34.28
TOTAL ASSETS	1,024,613	100.00	1,159,460	100.00	1,426,581	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary of financial position	For year ended		For year ended		For year ended	
	December 31, 2016		December 31, 2017		December 31, 2018	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Bank overdraft and short-term loan from financial institution	0.00	0.00	0.00	0.00	216,460	15.17
Trade and other current payables	152,203	14.85	146,129	12.60	147,901	10.37
Current provisions for employee benefit	0.00	0.00	1,853	0.16	588	0.04
Other current liabilities	263	0.03	0.00	0.00	0.00	0.00
Total Current Liabilities	152,466	14.88	147,982	12.76	364,949	25.58
NON - CURRENT LIABILITIES						
Deferred tax liabilities	63,247	6.17	38,232	3.29	35,793	2.51
Non - current provisions for employee benefit	9,023	0.88	10,628	0.92	11,326	0.79
Other non - current provisions	49,130	4.80	3,670	0.32	3,420	0.24
Total Non - Current Liabilities	121,400	11.85	52,530	4.53	50,539	3.54
TOTAL LIABILITIES	273,866	26.73	200,512	17.29	415,488	29.12
SHAREHOLDERS' EQUITY						
Share capital - ordinary share						
Authorized share capital	1,359,791	132.71	815,875	70.37	897,462	62.91
Issued and paid share capital	1,359,791	132.71	815,875	70.37	815,875	57.19
Surplus (Deficit) from business combination under the common control	(255,264)	(24.91)	(255,264)	(22.02)	(255,264)	(17.89)
Retained earnings						
Legal reserve	0.00	0.00	6,700	0.58	9,350	0.66
Unappropriated	(601,731)	(58.73)	199,783	17.23	292,379	20.50
Other components of shareholder's equity	248,189	24.22	192,592	16.61	149,969	10.50
Total equity attributable to owners of the company	750,985	73.29	959,686	82.77	1,012,309	70.96
Non-controlling interests of subsidiary	(238)	(0.02)	(738)	(0.06)	(1,216)	(0.08)
TOTAL SHAREHOLDERS' EQUITY	750,747	73.27	958,948	82.71	1,011,093	70.88
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,024,613	100.00	1,159,460	100.00	1,426,581	100.00

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary Operating Results	For year ended		For year ended		For year ended	
	December 31, 2016		December 31, 2017		December 31, 2018	
	(Thousand Baht)	%	(Thousand Baht)	%	(Thousand Baht)	%
REVENUES						
Revenue from sales of chemical products	867,497	84.72	990,664	89.98	1,085,919	92.03
Revenue from services	156,510	15.28	110,343	10.02	94,074	7.97
Total Revenues from Sales and Services	1,024,007	100.00	1,101,007	100.00	1,179,993	100.00
COSTS OF SALES AND SERVICES						
Cost of chemical products sold	712,792	69.61	795,687	72.27	929,993	78.82
Cost of services	41,777	4.08	24,634	2.24	18,111	1.53
Total Costs of Sales and Services	754,569	73.69	820,321	74.51	948,104	80.35
Gross profit	269,438	26.31	280,686	25.49	231,889	19.65
Other income	293,301	28.64	27,732	2.52	15,138	1.28
Profit Before Expenses	562,739	54.95	308,418	28.01	247,027	20.93
Selling expenses	48,993	4.78	46,960	4.26	48,435	4.10
Administrative expenses	111,677	10.91	144,186	13.10	155,695	13.19
Financial costs	5,116	0.50	879	0.08	2,831	0.24
Total expenses	165,786	16.19	192,025	17.44	206,961	17.53
Profit (Loss) Before income Tax expense	396,953	38.76	116,393	10.57	40,066	3.40
Income (Expense) Tax	6,289	0.62	97,793	8.88	10,852	0.92
NET PROFIT (LOSS) FOR THE YEAR	403,242	39.38	214,186	19.45	50,918	4.32

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Summary Statement of Cash Flows	Ended December 31		
	2016	2017	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Net Cash provided from (Used in) Operating Activities	59,684	228,856	80,213
Net Cash provided from (Used in) Investing Activities	(9,052)	(199,507)	(118,560)
Net Cash provided from (Used in) Financing Activities	0.00	(879)	214,012
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	50,632	28,470	175,665
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,316	83,948	112,418
CASH AND CASH EQUIVALENTS AT END OF PERIOD	83,948	112,418	288,083

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY

Statement of Cash Flows	Ended December 31		
	2016	2017	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Cash Flows from Operating Activities			
Profit (Loss) before income Tax expense	396,953	116,393	40,066
Portion of the Company before business combination under common control	(9,809)	0	0
Profit (Loss) Before income Tax expense - Net	387,144	116,393	40,066
Adjustments to reconcile profit (Loss) to net cash provided form (used in)			
Adjustment on financial costs	153	879	2,831
Adjustment on Trade and other receivable (Increase) Decrease	(19,196)	(42,269)	25,139
Adjustment on Inventories (Increase) Decrease	8,908	49,515	(44,779)
Adjustment on Other assets (Increase) Decrease	(18,291)	(1,518)	(48,291)
Adjustment on Trade and other payable Increase (Decrease)	(67,751)	(5,347)	1,892
Adjustment on Other Liabilities Increase (Decrease)	(23,220)	(2,759)	(250)
Depreciation Depletion and Amortization charge	70,885	109,606	108,368
Adjustment on Impairment loss (Reverse)	(241,206)	345	(703)
Adjustment on Provisions liabilities (Reverse)	403	(3,429)	(874)
Adjustment on Unrealized (Gain) loss on exchange rate	(781)	(726)	(122)
Adjustment on Doubtful debt (Reverse)	(18,373)	7,392	1,042
Adjustment on loss from inventories devaluation (Reversal)	(503)	1,379	(671)
Adjustment on loss from Write-off pier lease right	0	0	0
Adjustment on loss (gain) on disposal of non-current assets	(56)	(2,604)	693
Adjustment on loss (gain) from debt restructuring	0	0	0
Reversal of Accrued compensation expense and debts under joint operating agreement	0	0	0
Adjustment other on cash from investment or borrowings	107	(1,591)	(4,128)
Adjustment other to reconcile gain (Loss) on disposed of unused assets	0	3,590	0
Adjustment other to reconcile gain (Loss) debt forgiveness from legal claim	(18,539)	0	0

Net Cash provided from (Used in) Operating Activities	59,684	228,856	80,213
Cash Flows from Investing Activities			
Proceeds from disposal of Equity Instruments or debt Instruments from other parties	0	50,786	0
Cash paid for equity Instruments or debt Instruments from other parties	0	(252,561)	(98,957)
Cash paid for acquisitions of property, plan and equipment	(9,304)	(22,760)	(21,301)
Proceeds from disposal of property, plan and equipment	57	23,436	725
Cash paid for purchase of intangible assets	0	0	(511)
Other Proceeds (cash paid) from Operating Activities-Provision for employee benefit	0	0	(2,513)
Proceeds from Interest received	195	1,592	3,997
Net Cash provided from (Used in) Investing Activities	(9,052)	(199,507)	(118,560)
Cash Flows from Financing Activities			
Proceeds from the issuance of the share capital	0	0	1
Proceeds from loans	0	0	216,460
Cash paid for interest	0	(879)	(2,449)
Debt repayment under rehabilitation plan	0	0	0
Net Cash provided from (Used in) Financing Activities	0	(879)	214,012
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	50,632	28,470	175,665
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,316	83,948	112,418
CASH AND CASH EQUIVALENTS AT END OF PERIOD	83,948	112,418	288,083

Financial Ratios**NFC PUBLIC COMPANY LIMITED AND SUBSIDIARY**

For the Year Ended December 31			
	2016	2017	2018
(LIQUIDITY RATIOS)			
■ Current Ratio (Times)	2.37	3.85	2.57
■ Quick ratio (times)	1.48	3.29	2.02
■ Cash Ratio (Times)	0.27	1.52	0.31
■ Account Receivable Turnover (Times)	6.71	5.42	5.79
■ Average collection period (days)	53.64	66.44	62.17
■ Inventory turnover (times)	5.59	8.13	9.78
■ Receivable conversion period (days)	64.39	44.26	36.82
■ Account Payable Turnover (Times)	14.47	15.15	8.98
■ Payable convention period (days)	24.88	23.76	40.10
■ Cash Cycle (Days)	93.15	86.94	58.88
(PROFITABILITY RATIOS)			
■ Gross Profit Margin (%)	26.31%	25.49%	19.65%
■ Operating Profit Margin (%)	11.07%	17.19%	3.57%
■ Cash to Profit Ratio (%)	52.65%	120.91%	190.54%
■ Net Profit Margin (%)	38.77%	19.50%	4.36%
■ Return on Equity (%)	91.33%	25.10%	5.21%
(EFFICIENCY RATIOS)			
■ Return on Assets (%)	53.75%	10.74%	3.32%
■ Return on Fixed Assets (%)	126.50%	41.39%	33.78%
■ Total Assets Turnover (Time)	1.37	1.01	0.91
(FINANCIAL POLICY RATIOS)			
■ Debt to Equity Ratio (Time)	0.36	0.21	0.41
■ Interest Coverage Ratio (Time)	432.20	372.61	33.17
■ Obligation coverage Ratio (cash basis) (Time)	6.31	9.68	3.32
■ Dividend Payout Ratio (%)	0.00	0.00	0.00

Summary of financial position and operating Performance of subsidiary

(Unit: Million Baht)

Item	Rayong Bulk Terminal Co., Ltd.			NFCT Co. Ltd. *	NFCW Co. Ltd.*
	2561	2560	2559	2561	2561
Total Assets	57.41	59.37	61.56	4.59	0.99
Total Liabilities	64.67	63.77	62.99	3.60	0.01
Total Shareholders' Equity	(7.26)	(4.40)	(1.43)	0.99	0.98
Net Income	0.42	0.70	0.18	0.01	0.00
Net Profit	(2.85)	(2.97)	(5.72)	(0.01)	(0.02)
Book value per share (Baht)	(0.10)	(0.06)	(0.02)	99.00	98.00

Remark* NFCT Co., Ltd. And NFCW Co., Ltd. Register company August 2,2018

Others

Investors can study the information of the company that issued additional securities from the annual registration statement (form 56-1) of the Company as shown in www.set.or.th.

Auditor's Report and Financial Statement for the year ended on December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of NFC Public Company Limited

Opinion

I have audited the financial statements of NFC Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at December 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of NFC Public Company Limited and its subsidiaries as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revaluation of plant and equipment

Risk

As discussed in Note 13 to the financial statements, The Group values its plant and equipment, including those assets acquired in a business combination, at fair value which is determined by an independent appraiser. The valuation process requires judgement and significant estimates to be made by management. As at December 31, 2018, Plant and Equipment of The Group the amount of 402.98 million Baht represents 28 percent of total assets of the Group.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- Evaluating the competence, independence and objectivity of the appraiser and verified their qualification.
- Discussing with the appraiser the rationale for the approach used to measure the fair value of plant and equipment.
- Assessing the appropriateness of the assumption used and data used in the valuation.
- Comparing the results derived from the appraisal with external sources of data.
- To Assess of asset condition during attendance fixed asset count.
- Reviewed accounting records by company to ensure that accounting records of asset are correct.

Deferred Tax Assets

Risk

As discussed in Note 15 to the financial statements, the Company recorded a deferred tax asset during the year 2018 because the Company has sufficient future taxable profit that will be available to utilize tax losses when computing tax in the future.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- Evaluated the Company management's judgment regarding sufficiency of future taxable profit that will be available to utilize tax losses. Evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection.
- Tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors.
- Enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation, whether.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruerk



Mr. Jadesada Hungsapruerk
Certified Public Accountant (Thailand)
Registration No. 3759

Karin Audit Company Limited
Bangkok, Thailand.
February 27, 2019

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	288,082,749	112,418,231	286,092,398	112,414,677
Temporary investments in available - for - sale investments	7	298,131,990	197,947,096	298,131,990	197,947,096
Trade and other current receivables	8,9	150,491,860	176,542,799	143,384,527	169,575,208
Inventories	10	117,835,324	72,384,669	117,835,324	72,384,669
Other current assets	11	83,012,153	11,151,737	71,953,596	178,000
Total Current Assets		937,554,076	570,444,532	917,397,835	552,499,650
NON - CURRENT ASSETS					
Investment in subsidiaries	12	-	-	1,999,400	-
Other long-term investments		2,678,537	3,007,081	2,678,537	3,007,081
Property, plant and equipment	13	402,980,348	492,338,679	399,557,290	492,338,679
Intangible assets	14	2,642,699	227,012	2,642,699	227,012
Deferred tax asset	15	45,396,669	34,544,363	45,396,669	34,544,363
Other non - current assets		35,328,443	58,897,683	11,675,141	35,244,381
Total Non - Current Assets		489,026,696	589,014,818	463,949,736	565,361,516
TOTAL ASSETS		1,426,580,772	1,159,459,350	1,381,347,571	1,117,861,166

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loan from financial institution	16	216,459,853	-	216,459,853	-
Trade and other current payables	9,17	147,900,716	146,130,567	172,495,657	176,392,376
Current provisions for employee benefits	18	587,688	1,852,703	587,688	1,852,703
Total Current Liabilities		364,948,257	147,983,270	389,543,198	178,245,079
NON - CURRENT LIABILITIES					
Non - current provisions for employee benefits	18	11,326,295	10,628,228	11,326,295	10,628,228
Other non - current provisions		35,793,060	38,231,521	35,793,060	38,231,521
Other non - current liabilities		3,420,000	3,670,000	3,420,000	3,670,000
Total Non - Current Liabilities		50,539,355	52,529,749	50,539,355	52,529,749
TOTAL LIABILITIES		415,487,612	200,513,019	440,082,553	230,774,828

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED		SEPARATE	
	Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - ordinary share					
- Authorized share capital					
1,196,616,362 shares of Baht 0.75 each					
(In 2017 : Authorized share capital					
1,087,833,056 shares of Baht 0.75 each)	19	897,462,271	815,874,792	897,462,271	815,874,792
Issued and paid share capital					
- Authorized share capital 1,087,833,056 shares					
of Baht 0.75 each	19	815,874,792	815,874,792	815,874,792	815,874,792
Surplus (Deficit) from business combination under					
the common control		(255,263,602)	(255,263,602)	(255,263,602)	(255,263,602)
Retained earnings					
Legal reserve		9,350,000	6,700,000	9,350,000	6,700,000
Unappropriated		292,378,678	199,781,543	221,334,700	127,183,096
Other components of shareholder's equity		149,969,128	192,592,052	149,969,128	192,592,052
Total equity attributable to owners of the company		1,012,308,996	959,684,785	941,265,018	887,086,338
Non-controlling interests of subsidiaries		(1,215,836)	(738,454)	-	-
TOTAL SHAREHOLDERS' EQUITY		1,011,093,160	958,946,331	941,265,018	887,086,338
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,426,580,772	1,159,459,350	1,381,347,571	1,117,861,166

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31

(Unit : Baht)					
		CONSOLIDATED		SEPARATE	
	Notes	2018	2017	2018	2017
REVENUES					
Revenue from sales of chemical products		1,085,919,053	990,664,315	1,085,919,053	990,664,315
Revenue from services		94,074,310	110,342,986	96,694,310	112,962,986
Total Revenues from Sales and Services	9,26	1,179,993,363	1,101,007,301	1,182,613,363	1,103,627,301
COSTS OF SALES AND SERVICES					
Cost of chemical products sold		929,993,265	795,687,450	929,993,265	795,687,450
Cost of services		18,110,842	24,633,719	18,525,572	25,224,656
Total Costs of Sales and Services	9,26	948,104,107	820,321,169	948,518,837	820,912,106
Gross profit		231,889,256	280,686,132	234,094,526	282,715,195
Other income	9,26	15,137,951	27,731,661	14,258,598	26,579,677
Profit Before Expenses		247,027,207	308,417,793	248,353,124	309,294,872
Selling expenses	26	48,434,897	46,959,311	48,434,897	46,959,311
Administrative expenses	26	155,695,053	144,185,960	154,989,179	143,366,178
Financial costs	26	2,831,337	879,257	2,830,677	647,172
Total expenses		206,961,287	192,024,528	206,254,753	190,972,661
Profit (Loss) Before income Tax expense		40,065,920	116,393,265	42,098,371	118,322,211
Tax income		10,852,306	97,793,361	10,852,306	97,793,361
NET PROFIT (LOSS) FOR THE YEAR		50,918,226	214,186,626	52,950,677	216,115,572

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31

		(Unit : Baht)			
		CONSOLIDATED		SEPARATE	
	Notes	2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR					
Items that will be reclassified subsequently to profit or loss					
Unrealized Gain (Loss) on available-for-sale investments		1,228,003	(3,827,839)	1,228,003	(3,827,839)
Items that will not be reclassified subsequently to profit or loss					
current provisions for employee benefits		-	(49,609,457)	-	(49,609,457)
Surplus on assets revaluation					
gains (loss) Actuarial		-	(2,157,840)	-	(2,157,840)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		52,146,229	158,591,490	54,178,680	160,520,436
ALLOCATION OF INCOME (LOSS)					
Portion of the Company's Shareholders		51,396,208	214,686,860	52,950,677	216,115,572
Portion of non-controlling interests in subsidiaries		(477,982)	(500,234)	-	-
		50,918,226	214,186,626	52,950,677	216,115,572
ALLOCATION OF COMPREHENSIVE INCOME (LOSS)					
Portion of the Company's shareholders		52,624,211	159,091,724	54,178,680	160,520,436
Portion of non-controlling interests in subsidiaries		(477,982)	(500,234)	-	-
		52,146,229	158,591,490	54,178,680	160,520,436
Basic Earnings (Loss) per Share					
Profit (Loss) (Baht per share)	20	0.0472	0.1974	0.0487	0.1987
Weight average number of common shares (Shares)		1,087,833,056	1,087,833,056	1,087,833,056	1,087,833,056

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31

(Unit : Baht)

	Equity attributable to the Company's shareholders							
	Paid-up share capital	Surplus (Deficit) from business combination under common control	Other components of equity					Total
			Legal reserve	Retained earnings	Available-for-sale investments	Surplus on assets Revaluation	Gains (losses) on remeasurements of defined benefits	Total other components of partners' equity
								Total shareholders' equity of the Company
								Non controlling interests of Subsidiaries
CONSOLIDATED								
Balance as at January 1, 2017	1,359,791,320	(255,263,602)	-	(601,731,302)	-	252,988,794	(4,801,606)	248,187,188
Increase (Decrease) ordinary share	(543,916,528)	-	-	543,916,528	-	-	-	-
Total comprehensive income (Loss) for the year	-	-	-	214,686,860	(3,827,839)	-	(2,157,840)	(5,985,679)
Transfer to retained earnings (Loss)	-	-	-	49,609,457	-	(49,609,457)	-	(49,609,457)
Other - Legal reserve	-	-	6,700,000	(6,700,000)	-	-	-	-
Balance as at December 31, 2017	815,874,792	(255,263,602)	6,700,000	199,781,543	(3,827,839)	203,379,337	(6,959,446)	192,592,052
Increase (Decrease) ordinary share	-	-	-	-	-	-	-	-
Total comprehensive income (Loss) for the year	-	-	-	51,396,208	1,228,003	-	-	1,228,003
Transfer to retained earnings (Loss)	-	-	-	43,850,927	-	(43,850,927)	-	(43,850,927)
Other - Legal reserve	-	-	2,650,000	(2,650,000)	-	-	-	-
Balance as at December 31, 2018	815,874,792	(255,263,602)	9,350,000	292,378,678	(2,599,836)	159,528,410	(6,959,446)	149,969,128
								1,012,308,996
								(1,215,836)
								1,011,093,160

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31

(Unit : Baht)

	Paid-up share capital	Surplus (Deficit) from business combination under common control	Legal reserve	Retained earnings	Other components of equity				Total
					Available-for-sale investments	Surplus on assets revaluation	Gains (losses) on remeasurements of defined benefits	Total other components shareholders' equity	
SEPARATE									
Balance as at January 1, 2017	1,359,791,320	(255,263,602)	-	(675,738,461)	-	252,988,794	(4,801,606)	248,187,188	676,956,445
Increase (Decrease) ordinary share	(543,916,528)	-	-	543,916,528	-	-	-	-	-
Total comprehensive income (Loss) for the year	-	-	-	216,115,572	(3,827,839)	-	(2,157,840)	(5,985,679)	210,129,893
Transfer to retained earnings (Loss)	-	-	-	49,609,457	-	(49,609,457)	-	(49,609,457)	-
Other - Legal reserve	-	-	6,700,000	(6,700,000)	-	-	-	-	-
Balance as at December 31, 2017	815,874,792	(255,263,602)	6,700,000	127,183,096	(3,827,839)	203,379,337	(6,959,446)	192,592,052	887,086,338
Total comprehensive income (Loss) for the year	-	-	-	52,950,677	1,228,003	-	-	1,228,003	54,178,680
Transfer to retained earnings (Loss)	-	-	-	43,850,927	-	(43,850,927)	-	(43,850,927)	-
Other - Legal reserve	-	-	2,650,000	(2,650,000)	-	-	-	-	-
Balance as at December 31, 2018	815,874,792	(255,263,602)	9,350,000	221,334,700	(2,599,836)	159,528,410	(6,959,446)	149,969,128	941,265,018

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	2018	2017	2018	2017
Cash Flows from Operating Activities				
Profit (Loss) before income Tax expense	40,065,920	116,393,265	42,098,371	118,322,211
Adjustments to reconcile profit (Loss) to net cash provided from (used in)				
Adjustment on financial costs	2,831,337	879,257	2,830,677	647,172
Adjustment on Trade receivable (Increase) Decrease	42,308,911	(44,702,773)	41,453,936	(44,000,819)
Adjustment on Trade other receivable (Increase) Decrease	(17,169,348)	2,433,794	(17,029,605)	2,624,472
Adjustment on Inventories (Increase) Decrease	(44,779,427)	49,515,057	(44,779,427)	49,515,057
Adjustment on Other assets (Increase) Decrease	(48,291,176)	(1,517,758)	(48,206,358)	(1,460,173)
Adjustment on Trade payable Increase (Decrease)	(7,789,312)	22,537,089	(11,389,487)	22,518,991
Adjustment on Trade other payable Increase (Decrease)	9,681,748	(27,884,307)	7,602,166	(29,616,945)
Adjustment on Other liabilities Increase (Decrease)	(250,000)	(2,759,078)	(250,000)	(2,759,078)
Depreciation Depletion and Amortisation charge	108,368,468	109,605,693	108,368,468	109,605,693
Adjustment on Impairment loss (Reverse)	(702,765)	344,595	(702,765)	344,595
Adjustment on Provisions liabilities (Reverse)	(874,627)	(3,428,671)	(874,627)	(3,428,671)
Adjustment on Unrealized (Gain) loss on exchange rate	(122,288)	(725,587)	(109,398)	(725,587)
Adjustment on Bad debt and allowance for doubtful accounts (Reverse)	1,042,369	7,391,822	1,897,345	6,295,028
Adjustment on loss from inventories devaluation (Reverse)	(671,228)	1,379,448	(671,228)	1,379,448
Adjustment on loss (Gain) on disposal of non current assets	692,869	(2,603,688)	692,869	(2,603,688)
Adjustment other on cash from investment or borrowings	(4,128,196)	(1,591,911)	(4,118,958)	(1,585,708)
Adjustment other to reconcile gain (Loss) debt forgiveness from legal claim	-	3,590,092	-	3,590,092
Net Cash provided from (Used in) Operating	80,213,255	228,856,339	76,811,979	228,662,090
Net Cash provided from (Used in) Operating Activities	80,213,255	228,856,339	76,811,979	228,662,090
Cash Flows from Investing Activities				
Proceeds from disposal of Equity Instruments or debt Instruments				
from other parties	-	50,785,959	-	50,785,959
Cash paid for investment in Subsidiaries Increase	-	-	(1,999,400)	-
Cash paid for debt Instruments from other parties	(98,956,891)	(252,560,894)	(98,956,891)	(252,560,894)
Cash paid for acquisitions of property, plant and equipment	(21,301,001)	(22,759,742)	(17,877,943)	(22,759,742)
Cash paid for purchase of intangible assets	(511,559)	-	(511,559)	-
Other Proceeds (cash paid) from Operating Activities - Provision for employee benefit	(2,512,800)	-	(2,512,800)	-
Proceeds from disposal of property, plant and equipment	725,176	23,436,118	725,176	23,436,118
Proceeds from Interest received	3,997,204	1,591,911	3,987,965	1,585,708
Net Cash provided from (Used in) Investing Activities	(118,559,871)	(199,506,648)	(117,145,452)	(199,512,851)

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	2018	2017	2018	2017
Cash Flows from Financing Activities				
Proceeds from the issuance of the share capital	600	-	-	-
Proceeds from loans	216,459,853	-	216,459,853	-
Cash paid for interest	(2,449,319)	(879,257)	(2,448,659)	(647,172)
Net Cash provided from (Used in) Financing Activities	214,011,134	(879,257)	214,011,194	(647,172)
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	175,664,518	28,470,434	173,677,721	28,502,067
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (NOTE 6)	112,418,231	83,947,797	112,414,677	83,912,610
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 6)	288,082,749	112,418,231	286,092,398	112,414,677

Supplement cash flows information

1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2018

1. GENERAL INFORMATION

The Company registered its incorporation in accordance with the Thai Civil and Commercial Code as a limited company in the year 1982. The Company changed its status to a public company on October 13, 1995. The major shareholder of the Company is Mr. Nuttaphob Ratanasuwanthawee.

The principle business of the Company is the sale of chemical products and other chemical related services. In addition, the Company provides pier and warehouse services. Its factory, warehouse and offices are located at:

Factory and	:	No. 2, I-2 Road, Map Ta Phut Industrial Estate, Tambol Map Ta Phut, Muang District, Rayong,
Warehouse		Thailand. Currently not in fertilizer manufacturing operations, but still run production of ammonium hydroxide.
	:	No. 9/25 Moo 4, Bueng Yitho District, Amphur Thanyaburi, Pathum Thani, Thailand.
	:	No. 105/10 Moo 2, Surat – Pak Nam Road., Bangkung District, Amphur Muang, Surat Thani, Thailand.
Office	:	88 SC Group Building 3rd Floor, The Park Land Road (Bangna-Trad Km.5), Bangna Nuea Sub -District, Bangna District, Bangkok, Thailand. (Old “88 SC Group Building 4th Floor, The Park Land Road, Bangna Sub-District, Bangna District, Bangkok”)

The Company registered the change of the Company’s name from “NFC Fertilizer Public Company Limited” to “NFC Public Company Limited” with the Ministry of Commerce on June 28, 2017.

The Company has 83.25% investment in a subsidiary, (Rayong Bulk Terminal Co., Ltd.), whose business objective is to provide wharf frontage services and warehouse services. However, the operations of the subsidiary have ceased as a result of the termination of the joint operating agreement with Industrial Estate Authority of Thailand (“IEAT”) which was terminated by the Central Bankruptcy Court.

The Company has 99.97% investment in “NFCT Co., Ltd” and “NFCW Co., Ltd” which both conducting liquid warehouse services and warehouse and yard services business respectively.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

Status of the subsidiary

In 2011, the Central Bankruptcy Court placed Rayong Bulk Terminal Co., Ltd. into receivership resulting in the subsidiary suspending its operations. During 2015, the Central Bankruptcy Court dismissed the subsidiary’s appeal against the receivership and the Agreement for Joint Development of Construction of the Pier Area between the subsidiary and IEAT was terminated.

Subsequently, the Company and subsidiary have withdrawn the various claims and disputes against IEAT, and all parties have agreed in principle to commence the operation of the pier area to the subsidiary to earn income. In addition, the subsidiary has proposed a debt repayment schedule at the Creditors' meeting on October 7, 2015, which is still under their consideration. The Creditors' meeting on April 29, 2019

3. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

3.1 Basis of financial statement preparation

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543 and Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. They are officially prepared in Thai. The translation of these financial statements to other language must conform to the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

3.2 New financial reporting standards

3.2.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. The above revised accounting standards and revised financial reporting standards have no significant impact to the Company.

3.2.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarized below:

● TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

3.2.3 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3.3 Principles of consolidation

These consolidated financial statements include the financial statements of NFC Public Company Limited and its subsidiaries which are under its control with more than 50 percent voting rights as follows:

Company's Name	Nature of business	Percentage of holding (%)	
		December 31, 2018	December 31, 2017
Rayong Bulk Terminal Co., Ltd.	Provide wharf frontage services and warehouse services	83.25	83.25
NFCT Co., Ltd.	Liquid warehouse services business	99.97	-
NFCW Co., Ltd.	Warehouse and yard services business.	99.97	-

Significant transactions with subsidiaries have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

3.4 The percentage of subsidiary's assets and revenues included in the consolidated financial statements as at December 31, 2018 and 2017 are summarized below:

The total assets of subsidiaries as at December 31, 2018 and 2017 and total revenues of subsidiaries For the years ended December 31, 2018 and 2017, as included in the consolidated financial statements presented in term of percentages are as follows:

	Percentage of subsidiaries's total assets		Percentage of subsidiaries's total revenues	
	to consolidated total assets		to consolidated total revenues	
	December 31, 2018	December 31, 2017	For the years ended December 31,	
			2018	2017
Rayong Bulk Terminal Co., Ltd.	4.16	5.31	0.04	0.06
NFCT Co., Ltd.	0.33	-	-	-
NFCW Co., Ltd.	0.07	-	-	-

3.5 Significant transactions with subsidiaries have been eliminated in the consolidated financial statements.

3.6 The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expenditure recognition

The Company recognizes revenues on sales in the statements of profit or loss and other comprehensive income, when the significant risks and rewards of ownership have been transferred to buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Service income is recognized principally based on services rendered.

Rental income is recognized under the term of the agreements.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Cost of service is recognized principally based on services rendered.

Other expenses are recognized based on an accrual basis during the year.

4.2 Cash and cash equivalents

Cash and cash equivalents represent cash on hand, deposits with financial institutions with maturity of less than three months, short-term highly liquid investments with original maturities of three months or less, without restriction of usage or obligation.

Restricted deposits with bank are presented under non - current assets in the statement of financial position.

4.3 Other investments

Investments other than investments in subsidiaries and associates are classified into the following two categories: (a) available-for-sale investments; and (b) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Trading investments are investments that are held with the purpose to be sold within one year, such investments are valued at fair value. Changes in the fair value of securities are recorded as gains or losses in the statement of comprehensive income.

(2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(3) Investments in non-marketable equity securities are classified as general investments.

Investment are initially recognized at capital Price, which is equal to the fair value of consideration paid plus transaction cost.

The fair value of available-for-sale investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealized gains and losses of available-for-sale investments are recognized in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is greater than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. The Company and subsidiaries provided allowances for doubtful accounts for the estimated losses that may incur in the collection of receivables. The allowances are generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt, on a specific account basis.

4.5 Related companies

Related companies comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also included associated companies and individuals which directly or indirectly own a voting interest in the Company and subsidiary that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and directing the Company's operations.

4.6 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory less all attribute discounts and allowances. Net realizable value is estimated selling price in the ordinary course of business less necessary costs to make inventories ready for sales. The Company set up provision for slow – moving and defective inventories, where necessary, from the consideration of market situation and the aged inventories.

4.7 Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized as if they had been included in the Group consolidated financial statements from initiation using the accounting policies of the Group. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognized directly in equity.

4.8 Investments

Investment in subsidiaries

Investment in subsidiaries in the separate financial statements are stated at cost net of impairment losses (if any).

Other investment

Equity securities which are not marketable are stated at cost net of impairment losses (if any).

4.9 Property, plant and equipment

The Company values its property, plant and equipment, as follows:

- a) Building and factory, berth, office improvement, machinery and equipment, furniture, fixtures and office equipment, experimental instrument and vehicles - at appraised value determined by an independent appraiser
- b) Other fixed assets - at cost

The subsidiaries value its property, plant and equipment at cost.

Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use. Buildings and equipment are presented in the statement of financial position at cost less accumulated depreciation and allowance for loss on impairment (if any). The Company arranges for re-appraisal of assets by independent appraiser once every three to five years. The Company records the differences incurred from revaluation as follows:

- When an asset value increased as a result of a revaluation, the increase amount is recognized in other comprehensive income and credited to a "Revaluation surplus of assets". However, a revaluation increase is recognized as reversal of impairment to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense in statements of profit or loss and other comprehensive income.
- When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense in statement of profit or loss and other comprehensive income. However, a revaluation decrease is charged directly against any related "Revaluation surplus of assets" to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

Upon the disposal of the revalued plant and equipment, the relevant portion of the revaluation surplus realized in respect of the previous valuation is released from the plant and equipment valuation surplus directly to retained earnings (deficit).

The Company and subsidiaries depreciate its land improvements, plant and equipment by the straight - line method, over the estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimated useful lives of the assets are as follows:

	Years
Land improvement	25
Building and factory	5 - 25
Pier	10 - 20
Office improvement	5 - 10
Machinery and equipment	5 - 20
Furniture, fixtures and office equipment	5 - 6
Experimental instrument	5 - 20
Vehicles	5

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as an expense when incurred.

4.10 Intangible assets

On the date of acquisition, intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated (if any) impairment losses.

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

A summary of the intangible assets with finite useful lives is as follows:

Computer software	5	years
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Amortization is included in the calculation of performance.

4.11 Right to use pier

The subsidiary depreciates its acquisition cost of right to use pier by the straight-line method over the joint operating agreement period and writes off upon the termination of the agreement.

4.12 Assets not used in operations

Assets not used in operations are presented at carrying amount at the date when the assets are retired from active use, less allowance for impairment.

4.13 Long - term leases - where the Company and subsidiaries are the lessee

Leases of equipment where the Company and subsidiary assume substantially all the benefits and risks of ownership are classified as leases. Financial leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments net of financial charges are recognized as liabilities under financial lease agreements. The financial

expense is charged to statement of profit or loss and other comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss and other comprehensive income on a straight-line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to lessor by way of penalty is recognized as an expense in the period in which termination takes place.

4.14 Long - term leases - where the Company and subsidiaries are the lessor

Assets leased out under operating leases are recorded as assets under “equipment” in the statement of financial position. The Company calculates depreciation of these assets over their expected useful lives on a basis consistent with other similar assets. Rental income is recognized on a straight - line basis over the lease period.

4.15 Impairment of assets

Property and equipment and other non - current assets are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount of asset is lower than its carrying amount. An impairment loss is recognized as an expense in the statements of profit or loss and other comprehensive income, for asset carried at cost, or treated as a deduction of revaluation increment in the case that the asset is carried at revalue amount to the extent that the impairment loss does not exceed the revaluation increment formerly accounted for on the same asset. A reversal of impairment loss is recognized as income or treated as a revaluation increment when there is an indication that the impairment loss recognized for the asset no longer exists or had decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4.16 Foreign currency translation

The Company and subsidiaries translated foreign currency transactions into Thai Baht for bookkeeping purposes at the exchange rates prevailing at the dates of the transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the closing date are translated into Baht at the exchange rates at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized as gain or loss in the statements of profit or loss and other comprehensive income.

4.17 Employee benefits

Current employment benefits

Salaries, wages, bonuses and contribution to the social security are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plan

The Company and subsidiaries and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and the Company and its subsidiaries. The fund’s assets are held in a separate trustee fund. The Company’s and its subsidiaries’s contributions are recognised as expenses incurred.

Defined benefit plan

The Company and subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under the labour law. The Company and its subsidiary set up provision for the obligation under the defined benefit plan based on the amounts determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses arising from post-employment benefits are recognised immediately in other comprehensive income and transferred to the retained earnings.

The defined benefits liability comprises the present value of the defined benefit obligation, fair value of plan assets and actuarial gains (losses).

4.18 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax not recognized in statement of profit or loss and other comprehensive income or directly in equity.

Current income tax

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

Deferred income tax

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

4.19 Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings per share are determined by dividing the net income (loss) for the years by the weighted average number of common shares paid up during the year.

Diluted earnings (loss) per share

The diluted earnings loss per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares are warrants for existing shareholder. The convertible share is assumed to have been converted into ordinary shares. For the warrant, a calculation is made to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. (Determine from average price of ordinary shares of the Company shares in these year.) The number of shares

calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

4.20 Financial instruments

The Company and its subsidiaries have no policy to speculate in or be engaged in the trading of any financial derivative instruments.

Financial instruments carried in the statement of financial position include cash and cash equivalents, trade accounts receivable, trade accounts payable and loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.21 Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.22 Use of accounting estimates

When preparing the financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

4.23 Provisions for liabilities and expenses, and contingent assets

The Company and subsidiaries recognize provisions for liabilities and expenses in the financial statements when the Company and subsidiaries have present legal or constructive obligations as a result of past events with probable outflow of resources to settle the obligation, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION, JUDGMENTS AND CAPITAL RISK MANAGEMENT

5.1 Critical accounting estimates, assumption and judgments

5.1.1 Impairment of receivables

The Company and subsidiaries set up allowance for doubtful accounts to reflect impairment of trade accounts receivable relating to estimated losses that may result from non-collection of customer accounts. The allowance is based on consideration of historical collection experience couple with a review of outstanding receivables at the statements of financial position date.

5.1.2 Allowance for decline value and defective inventories

The Company maintains an allowance for decline value and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnovers and deterioration of each categories.

5.1.3 Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

5.1.4 Plant and equipment

Management regularly determines the estimated useful lives and residual values of the Company and its subsidiaries’s plant and equipment and intangible assets, and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in use.

5.1.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that

are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1: Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2: Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3: Use of unobservable inputs such as estimates of future cash flows

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

5.1.6 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred to the Company and its subsidiary, taking into consideration terms and conditions of the arrangement.

5.1.7 Impairment of assets

The Company and its subsidiaries treat assets as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

5.1.8 Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

5.1.9 Litigation

The Company and its subsidiaries have the lawsuit disputes. Management use judgement to assess the results of litigations. However, actual results could differ from the estimates.

5.2 Capital risk management

The Company's objectives in the management of capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

6. CASH AND CASH EQUIVALENTS

The outstanding balances as at December 31, 2018 and 2017 are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Cash on hand	119,925	143,684	115,508	140,131
Cash deposit with financial institutions	287,962,824	112,274,547	285,976,890	112,274,546
Total	288,082,749	112,418,231	286,092,398	112,414,677

Cash at bank - saving accounts bear interest at the floating rate of depository banks.

7. TEMPORARY INVESTMENTS IN AVAILABLE - FOR - SALE INVESTMENTS

	CONSOLIDATED F/S		SEPARATE F/S	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Fixed deposits due within 12 months	-	1,043,109	-	1,043,109
Available-for-sale fixed income fund	298,131,990	196,903,987	298,131,990	196,903,987
Total	298,131,990	197,947,096	298,131,990	197,947,096

Fixed deposits with interest rate of 1.375 % per year.

Available - for - sale fixed income fund uses historical yield estimates 1-year average is 1.22 % per year.

Government Bond with yield of 2.15 % per year.

The fair value of temporary investments available for sales - equity as at December 31, 2018 the fair value of investments available for sale. The trading price on the market with liquidity for the asset, which is the first level (Note 5).

8. TRADE AND OTHER CURRENT RECEIVABLES

Balances of trade and other receivables as at December 31, 2018 and 2017 are as follows:

(Unit: Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade receivables				
Related companies	1,802,164	2,575,659	26,306,913	26,225,432
Others	127,826,444	169,361,859	123,242,327	164,777,742
Total	129,628,608	171,937,518	149,549,240	191,003,174
<u>Less</u> Allowance for doubtful accounts	(40,115,956)	(40,395,956)	(60,036,588)	(59,461,612)
Trade receivable - net	89,512,652	131,541,562	89,512,652	131,541,562
Other current receivables				
Other receivables - Related companies	-	-	380	-
Other receivables	62,301,577	45,001,237	55,193,864	38,033,646
<u>Less</u> Allowance for doubtful accounts	(1,322,369)	-	(1,322,369)	-
Trade receivables and other current receivables - Net	150,491,860	176,542,799	143,384,527	169,575,208

Aging analysis of trade receivable and are as follows:

(Unit: Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Not yet due	84,866,539	80,332,858	85,529,939	81,003,985
Over due :				
Not over 3 months	4,072,249	51,108,007	4,115,899	51,108,703
3 months to 6 months	-	-	55,290	206,155
6 months to 12 months	573,864	605,390	1,337,626	1,577,629
Over 12 months	40,115,956	39,891,263	58,510,486	57,106,702
Total	129,628,608	171,937,518	149,549,240	191,003,174
<u>Less</u> Allowance for doubtful accounts	(40,115,956)	(40,395,956)	(60,036,588)	(59,461,612)
Net	89,512,652	131,541,562	89,512,652	131,541,562

During the year, the movements in allowance for doubtful accounts are as follows:

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Beginning balance	(40,395,956)	(47,787,778)	(59,461,612)	(65,756,640)
Increase	(1,322,369)	(214,379)	(2,177,345)	(1,259,269)
Bad Debt	-	76,400	-	76,400
Decrease	280,000	7,529,801	280,000	7,477,897
Ending balance	(41,438,325)	(40,395,956)	(61,358,957)	(59,461,612)

During the year 2018, decreasing in allowance for declining in value of Baht 0.28 million. (Separate: Baht 0.28 million) because they were received from account receivable.

During the year 2017, decreasing in allowance for declining in value of Baht 7.61 million. (Separate: Baht 7.55 million) because they were received from account receivable and write - off the bad debt from debt compromise.

9. RELATED PARTIES TRANSACTIONS

The Company has significant transactions with its below related parties. These transactions are negotiated based on agreed upon bases which might be different from the bases used for transactions with unrelated parties. The related parties include the following:

Company's Name	Type of Business	Relationship
Rayong Bulk Terminal Co., Ltd.	Provide wharf frontage services and warehouse services	Subsidiary company and co-directors/ co-management team
NFCT Co., Ltd.	Liquid warehouse services business	Subsidiary company and co-directors/ co-management team
NFCW Co., Ltd.	Warehouse and Yard services business.	Subsidiary company and co-directors/ co-management team
SC Management Co., Ltd.	Water carriage	Co-shareholders and directors/ co-management team
SC Carrier Co., Ltd.	Land carriage	Directors and co-management team
Chemicals and Aromatics (Thailand) Co., Ltd.	Distribution of chemicals	Directors and co-management team
Strategic Port Link Co., Ltd.	Land carriage	Co-shareholders and directors/ co-management team
SCG Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/ co-management team

Company's Name	Type of Business	Relationship
SC Offshore Services Co., Ltd	Offshore marine services	Co-shareholders and directors/ co-management team
NP Marine Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors/ co-management team
SCENA Offshore Co., Ltd.	Offshore marine services	Co-shareholders and directors/ co-management team
Thai International Dockyard Co., Ltd.	Operated shipyards, repair and maintenance for all types of boat engines.	Co-shareholders and directors/ co-management team
N Holding Co., Ltd.	Provide office space rental service and facilities to use the office space.	Co-shareholders and directors/ co-management team
PKR Logistics Co., Ltd.	Land carriage	Co-shareholders and directors
Necotrans Siam Co., Ltd.	Logistics services	Co-shareholders and directors
SC Auto Logistics Co., Ltd.	Land and water carriage	Co-shareholders and directors
SC Corporation Co., Ltd.	Provide liquid petroleum warehouse services	Co-shareholders and directors
NP Marine Co., Ltd.	Provide wharf frontage services, warehouse services and water carriage	Co-shareholders
Begistics Public Company Limited*	Provide wharf frontage services and warehouse services	The Company's shareholders
Inter Spec Global Co., Ltd.	Import and export products	The Company's shareholders

*On February 21, 2018, Bangpakong Terminal Public Company Limited has changed name to Begistics Public Company Limited.

The pricing policies for particular types of transactions are explained further below:

Type of Transaction	Pricing Policies
Revenue from sale of goods	Market price
Revenue from the rendering of services	Market price
Purchase	Market price
Rental expense and services fee	Market price

Significant balances with related parties for the year ended December 31, 2018 and 2017 are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	For the year ended December 31,			
	2018	2017	2018	2017
<u>Revenues from services and other income</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	2,620,000	2,620,000
SC Management Co., Ltd.	7,419,559	10,777,801	7,419,559	10,731,226
NP Marine Co., Ltd.	3,820,416	3,837,914	3,820,416	3,837,914
SCG Logistics Co., Ltd.	606,115	946,860	606,115	946,860
SC Offshore Services Co., Ltd.	20,935	3,830,916	20,935	3,830,916
SC Carrier Co., Ltd.	1,043,052	1,107,402	1,043,052	1,107,402
SCENA Offshore Co., Ltd.	1,936	1,631,173	1,936	1,631,173
SC Auto Logistics Co., Ltd.	36,828	-	36,828	-
Total	12,948,841	22,132,066	15,568,841	24,705,491
<u>Services fees</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	414,731	590,937
SC Carrier Co., Ltd.	60,094,878	54,294,170	60,094,878	54,294,170
SC Management Co., Ltd.	2,290,923	1,633,145	2,290,923	1,401,060
NP Marine Co., Ltd.	448,040	84,250	448,040	84,250
SC Offshore Services Co., Ltd.	31,300	-	31,300	-
N Holding Co., Ltd.	2,188,297	-	2,188,297	-
Thai International Dockyard Co., Ltd.	-	2,040,000	-	2,040,000
Total	65,053,438	58,051,565	65,468,169	58,410,417
(Unit: Baht)				
	CONSOLIDATED F/S		SEPARATE F/S	
	For the year ended December 31,			
	2018	2017	2018	2017
<u>Purchase of Assets</u>				
Chemicals and Aromatics (Thailand) Co., Ltd.	75,900	-	75,900	-
<u>Key management personnel compensation</u>				
Current employee benefits	36,763,208	37,668,350	36,763,208	37,668,350
Post-employment benefits	1,386,730	1,012,306	1,386,730	1,012,306
Total	38,149,938	38,680,656	38,149,938	38,680,656

Balances with related parties as at December 31, 2018 and 2017 are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
<u>Trade and other receivables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	24,504,749	23,649,773
SC Management Co., Ltd.	867,600	1,463,188	867,600	1,463,188
NP Marine Co., Ltd.	681,307	681,307	681,307	681,307
SCG Logistics Co., Ltd.	63,404	207,666	63,404	207,666
SC Carrier Co., Ltd.	189,853	223,498	189,853	223,498
NFCT Co., Ltd.	-	-	380	-
Total	1,802,164	2,575,659	26,307,293	26,225,432
<u>Less</u> Allowance for doubtful accounts	-	-	(24,504,749)	(23,649,773)
Net	1,802,164	2,575,659	1,802,544	2,575,659

The management had considered that the collection of account receivable – related company is very uncertain, therefore, had set up adequate provision for such receivable in the accounts.

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
<u>Deposit</u>				
SC Carrier Co., Ltd.	-	499,200	-	499,200
N Holding Co., Ltd.	960,000	-	960,000	-
Total	960,000	499,200	960,000	499,200
<u>Trade and other payables</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	56,382,880	56,384,297
SC Management Co., Ltd.	7,343,120	7,271,054	202,127	130,061
SC Carrier Co., Ltd.	8,392,731	10,106,539	8,199,211	9,913,019
Chemicals and Aromatics (Thailand) Co., Ltd.	4,790,611	4,709,398	81,213	-
NP Marine Co., Ltd.	76,168	17,933	76,168	17,933
N Holding Co., Ltd.	422,959	-	422,959	-
SC Offshore Services Co., Ltd.	29,211	-	29,211	-
Total	21,054,800	22,104,924	65,393,769	66,445,310

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
<u>Unearned revenue from service</u>				
Rayong Bulk Terminal Co., Ltd.	-	-	12,000,000	14,000,000
<u>Employee benefits obligation</u>				
Key management personnel	8,095,871	8,926,629	8,095,871	8,926,629

10. INVENTORIES

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	December 31, 2018	December 31, 2017
Finished goods - Chemical products	100,224,697	42,623,518
Supplies and others	107,163,791	106,304,973
Goods in transit	545,132	14,225,703
Total	207,933,620	163,154,194
<u>Less</u> Allowance for declined value of inventories	(4,729)	(4,729)
Allowance for defective inventories	(90,093,567)	(90,764,796)
Net	117,835,324	72,384,669

During the years, the movements of allowances for declined value and defective inventories are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	December 31, 2018	December 31, 2017
Beginning balance	(90,769,524)	(92,148,973)
Increase	(13,152)	(22,479)
Decrease	684,380	1,401,927
Ending balance	(90,098,296)	(90,769,525)

As at December 31, 2018 The Company has reverse allowance of inventory amounting of Baht 0.68 million because the Company's use of goods. (As at December 31, 2017 the Company reversal of allowance for declining in inventories value because the Company's use of goods was Baht 0.30 million, decreased from the sale of Baht 0.94 million and decreased from the loss of Baht 0.16 million).

11. OTHER CURRENT ASSETS

As at December 31, 2018 the Company has restricted deposit with financial institutions amounting to Baht 71.09 million.

As at December 31, 2018 and 2017 the subsidiary has restricted deposit with financial institutions amounting to Baht 5.48 million and 5.48 million, respectively, and with Legal Execution Department amounting to Baht 5.58 million and 5.50 million, respectively. The subsidiary is allowed to withdraw the restricted deposit with Legal Execution Department by the approval from the meeting of the creditors or the Official Receiver meeting.

12. INVESTMENT IN SUBSIDIARIES COMPANY

Investment in subsidiaries as at December 31, 2018 and 2017 are as follows:

	SEPARATE F/S							
	Percentage of		Baht					
	shareholding		Paid - up capital		At cost		Dividend income	
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
<u>Subsidiaries company</u>								
Rayong Bulk Terminal								
Co., Ltd.	83.25	83.25	764,000,000	764,000,000	636,000,000	636,000,000	-	-
NFCT Co., Ltd.	99.97	-	1,000,000	-	999,700	-	-	-
NFCW Co., Ltd.	99.97	-	1,000,000	-	999,700	-	-	-
<u>Less Impairment of</u>								
investment					(636,000,000)	(636,000,000)	-	-
Net					1,999,400	-	-	-

The Board of Directors approved for establishment of 2 subsidiaries company on July 6, 2018. The companies are NFCT Co., Ltd. and NFCW Co., Ltd, which both conducting liquid warehouse services and warehouse and yard services business respectively. By NFC Public Company Limited has share holder in both of 99.97 % and registered capital Bath 1,000,000.

The Extraordinary General Meeting of the Shareholders No.1/2018 held on November 21, 2018 resolved to approved the purchase of all ordinary shares of SC Carrier Co., Ltd. The Company is processing to provide the extension of the contract to purchase all shares in SC Carrier Co., Ltd. for 3 months, which will be completed by March 31, 2019, Minutes of the Board of Directors No. 1/2019 held on January 17, 2019.

Non-controlling interest

Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2018 and 2017, are as follows;

(Unit: Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(%)	(%)						
Rayong Bulk Terminal Co., Ltd.	16.75	16.75	(1,216,425)	(738,454)	(477,971)	(500,234)	-	-

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENT

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13. PROPERTY, PLANT AND EQUIPMENT

Consisted of :

CONSOLIDATED F/S													(Unit : Baht)
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles		Assets in progress		Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Spare part	
Assets - cost													
As at December 31, 2017	70,548,069	-	219,047,912	246,028,034	268,600,848	36,253,320	21,104,827	53,448,225	6,397,181	1,203,279	5,841,441	55,990,054	984,463,170
Purchase	-	-	-	-	4,190,095	-	819,159	-	3,355,140	-	12,936,607	-	21,301,001
Disposal	-	-	-	-	(143,232)	(49,250)	(113,967)	-	(517,026)	-	-	(1,289,134)	(2,112,609)
Transfer in (Transfer out)	-	-	(33,366,111)	(27,827,841)	59,908,003	82,476,947	(9,510,313)	(53,445,827)	(4,722,676)	(1,203,279)	(14,556,047)	-	(2,247,144)
As at December 31, 2018	70,548,069	-	185,681,801	218,200,193	332,555,714	118,681,017	12,299,706	2,398	4,512,619	-	4,222,001	54,700,900	1,001,404,418
Accumulated depreciation													
As at December 31, 2017	35,145,403	-	56,116,176	63,344,862	99,598,280	10,562,700	8,244,686	8,497,844	1,718,207	303,282	-	-	283,531,440
Depreciation for the year	1,575,211	-	30,480,845	37,603,632	19,441,492	17,180,049	1,033,053	400	710,770	-	-	-	108,025,452
Depreciation for disposal	-	-	-	-	(51,445)	(19,634)	(106,460)	-	(517,025)	-	-	-	(694,564)
Depreciation for transfer out	-	-	(11,001,211)	(6,956,956)	12,801,236	15,757,454	(801,142)	(8,497,217)	(998,882)	(303,282)	-	-	-
As at December 31, 2018	36,720,614	-	75,595,810	93,991,538	131,789,563	43,480,569	8,370,137	1,027	913,070	-	-	-	390,862,328
Allowance for impairment of assets													
As at December 31, 2017	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	49,484,063	208,593,051
Increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-	-	(1,031,309)	(1,031,309)
As at December 31, 2018	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	48,452,754	207,561,742
Net book value of assets													
As at December 31, 2018	5,486,557	-	110,085,991	124,208,655	70,032,085	75,200,448	3,898,607	1,371	3,596,487	-	4,222,001	6,248,146	402,980,348

NFC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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CONSOLIDATED F/S													(Unit : Baht)
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles		Assets in progress		Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation		Spare part	
Assets - cost													
As at December 31, 2016	70,548,069	-	225,752,406	250,180,516	1,097,470,799	39,203,249	37,921,042	53,448,225	7,257,734	1,203,279	3,739,922	56,834,858	1,843,560,099
Purchase	-	-	158,000	-	1,303,284	-	3,798,751	-	2,029,738	-	15,469,969	-	22,759,742
Disposal	-	-	(14,789,325)	(4,152,482)	(835,141,708)	(2,949,929)	(20,872,566)	-	(2,890,291)	-	-	(844,824)	(881,641,125)
Transfer in (Transfer out)	-	-	7,926,831	-	4,968,473	-	257,600	-	-	-	(13,368,450)	-	(215,546)
As at December 31, 2017	70,548,069	-	219,047,912	246,028,034	268,600,848	36,253,320	21,104,827	53,448,225	6,397,181	1,203,279	5,841,441	55,990,034	984,463,170
Accumulated depreciation													
As at December 31, 2016	33,543,717	-	25,124,317	21,460,152	422,502,647	3,879,808	26,683,270	4,024,928	1,400,345	101,094	-	-	538,720,278
Depreciation for the year	1,601,686	-	38,285,780	42,474,984	11,912,895	7,360,313	2,120,388	4,472,916	1,174,543	202,188	-	-	109,605,693
Depreciation for disposal	-	-	(7,293,921)	(590,274)	(334,817,262)	(677,421)	(20,558,972)	-	(856,681)	-	-	-	(364,794,531)
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2017	35,145,403	-	56,116,176	63,344,862	99,598,280	10,562,700	8,244,686	8,497,844	1,718,207	303,282	-	-	283,531,440
Allowance for impairment of assets													
As at December 31, 2016	28,340,898	-	-	-	622,415,849	-	299,817	-	14,439	-	-	50,159,923	701,230,926
Increase	-	-	-	-	-	-	-	-	-	-	-	(675,863)	(675,860)
Decrease	-	-	-	-	(491,681,783)	-	(268,855)	-	(11,377)	-	-	-	(491,962,015)
As at December 31, 2017	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	49,484,063	208,593,051
Net book value of assets													
As at December 31, 2017	7,061,768	-	162,931,736	182,683,172	38,268,502	25,690,620	12,829,179	44,950,381	4,675,912	899,997	5,841,441	6,505,971	492,338,679

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	SEPARATE F/S										(Unit : Baht)			
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles			Assets in progress	Spare part	Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation				
Assets - cost														
As at December 31, 2017	70,548,069	-	219,047,912	246,028,034	268,600,848	36,253,320	21,104,827	53,448,225	6,397,181	1,203,279	5,841,441	55,990,034	984,463,170	
Purchase	-	-	-	-	4,190,095	-	819,159	-	3,355,140	-	9,513,549	-	17,877,943	
Disposal	-	-	-	-	(143,232)	(49,250)	(113,967)	-	(517,026)	-	-	(1,289,134)	(2,112,609)	
Transfer in (Transfer out)	-	-	(33,366,111)	(27,827,841)	59,908,003	82,476,947	(9,510,313)	(53,445,827)	(4,722,676)	(1,203,279)	(14,556,047)	-	(2,247,144)	
As at December 31, 2018	70,548,069	-	185,681,801	218,200,193	332,555,714	118,681,017	12,299,706	2,398	4,512,619	-	798,943	54,700,900	997,981,360	
Accumulated depreciation														
As at December 31, 2017	35,145,403	-	56,116,176	63,344,862	99,598,280	10,562,700	8,244,686	8,497,844	1,718,207	303,282	-	-	283,531,440	
Depreciation for the year	1,575,211	-	30,480,845	37,603,632	19,441,492	17,180,049	1,033,053	400	710,770	-	-	-	108,025,452	
Depreciation for disposal	-	-	-	-	(51,445)	(19,634)	(106,460)	-	(517,025)	-	-	-	(694,564)	
Depreciation for transfer out	-	-	(11,001,211)	(6,956,956)	12,801,236	15,757,454	(801,142)	(8,497,217)	(998,882)	(303,282)	-	-	-	
As at December 31, 2018	36,720,614	-	75,595,810	93,991,538	131,789,563	43,480,569	8,370,137	1,027	913,070	-	-	-	390,862,328	
Allowance for impairment of assets														
As at December 31, 2017	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	49,484,063	208,593,051	
Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease	-	-	-	-	-	-	-	-	-	-	-	(1,031,309)	(1,031,309)	
As at December 31, 2018	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	48,452,754	207,561,742	
Net book value of assets														
As at December 31, 2018	5,486,557	-	110,085,991	124,208,655	70,032,085	75,200,448	3,898,607	1,371	3,596,487	-	798,943	6,248,146	399,557,290	

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	SEPARATE F/S										(Unit : Baht)			
	Land		Building and improvement		Machinery and equipment		Office equipment		Vehicles			Assets in progress	Spare part	Total
	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation	Cost	Revaluation				
Assets – cost														
As at December 31, 2016	70,548,069	-	225,752,406	250,180,516	1,097,470,799	39,203,249	37,921,042	53,448,225	7,257,734	1,203,279	3,739,922	56,834,858	1,843,560,099	
Purchase	-	-	158,000	-	1,303,284	-	3,798,751	-	2,029,738	-	15,469,969	-	22,759,742	
Disposal	-	-	(14,789,325)	(4,152,482)	(835,141,708)	(2,949,929)	(20,872,566)	-	(2,890,291)	-	-	(844,824)	(881,641,125)	
Transfer in (Transfer out)	-	-	7,926,831	-	4,968,473	-	257,600	-	-	-	(13,368,450)	-	(215,546)	
As at December 31, 2017	70,548,069	-	219,047,912	246,028,034	268,600,848	36,253,320	21,104,827	53,448,225	6,397,181	1,203,279	5,841,441	55,990,034	984,463,170	
Accumulated depreciation														
As at December 31, 2016	33,543,717	-	25,124,317	21,460,152	422,502,647	3,879,808	26,683,270	4,024,928	1,400,345	101,094	-	-	538,720,278	
Depreciation for the year	1,601,686	-	38,285,780	42,474,984	11,912,895	7,360,313	2,120,388	4,472,916	1,174,543	202,188	-	-	109,605,693	
Depreciation for disposal	-	-	(7,293,921)	(590,274)	(334,817,262)	(677,421)	(20,558,972)	-	(856,681)	-	-	-	(364,794,531)	
Depreciation for transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at December 31, 2017	35,145,403	-	56,116,176	63,344,862	99,598,280	10,562,700	8,244,686	8,497,844	1,718,207	303,282	-	-	283,531,440	
Allowance for impairment of assets														
As at December 31, 2016	28,340,898	-	-	-	622,415,849	-	299,817	-	14,439	-	-	50,159,922	701,230,926	
Increase	-	-	-	-	-	-	-	-	-	-	-	(675,860)	(675,860)	
Decrease	-	-	-	-	(491,681,783)	-	(268,855)	-	(11,377)	-	-	-	(491,962,015)	
As at December 31, 2017	28,340,898	-	-	-	130,734,066	-	30,962	-	3,062	-	-	49,484,062	208,593,051	
Net book value of assets														
As at December 31, 2017	7,061,768	-	162,931,736	182,683,172	38,268,502	25,690,620	12,829,179	44,950,381	4,675,912	899,997	5,841,441	6,505,971	492,338,679	

During the period 2018 and 2017, the Company sold its assets to unrelated parties book value amount of Baht 91.43 Thousand and Baht 20,832.33 Thousand respectively and related parties of Baht 0.05 Thousand and Baht 0.10 Thousand respectively and has loss on sale of assets to unrelated parties of Baht 1,333.66 Thousand and gain on sale of assets to unrelated parties of Baht 2,519.58 Thousand respectively gain on sale of assets to related parties of Baht 640.79 Thousand and Baht 84.11 Thousand respectively, and were recorded in the Statement of Profit or Loss and Other Comprehensive Income.

As at December 31, 2018 and 2017, some parts of Property, Plant and Equipment of the Company and its subsidiary are fully depreciated and are still being used in operation. Historical cost net of accumulated depreciation of such assets is approximately Baht 221,470 thousand and Baht 293,612 thousand respectively (For the Company, Baht 221,470 thousand and Baht 293,612 thousand respectively)

As at December 31, 2018 and 2017, the fair value of the land by the report of the appraisal assessed using the market approach. By selling price of comparable land nearby to improve. The fair value is in the second level of the hierarchy of fair value (Note 5).

As at December 31, 2018 and 2017, the fair value of the Building and Machinery by the report of the appraisal assessed using the Cost method. The fair value is in the second level of the hierarchy of fair value (Note 5).

14. INTANGIBLE ASSET

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S				
	January 1, 2018	Additions	Disposal	Transfer in / Transfer out	December 1, 2018
Computer software	314,305	511,559	(34,005)	2,247,144	3,039,003
Less: Accumulated Amortization	(87,293)	(343,016)	34,005	-	(396,304)
Net	227,012	168,543	-	2,247,144	2,642,699

15. DEFERRED INCOME TAX ASSET AND LIABILITY

Deferred income tax asset and liability are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	December 31, 2018	December 31, 2017
Deferred income tax asset	85,278,771	85,389,197
Deferred income tax liability	(39,882,102)	(50,844,834)
Deferred income tax asset (liability) - net	45,396,669	34,544,363

The movements in deferred income tax asset and liability are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S			
	Recognised as income (expense)			December 31, 2018
	January 1, 2018	Statement of income	Shareholders' equity	
Deferred income tax liability :				
Allowance for doubtful accounts - Account				
Receivables	23,523	65,077	-	88,600
Impairment of investments	402,784	65,709	-	468,493
Provisions for employee benefits	2,496,186	(230,927)	-	2,265,259
Allowance for impairment on Gypsum	7,646,304	(487,692)	-	7,158,612
Tax losses carried forwarded 5 years	74,820,400	477,407	-	75,297,807
Surplus on asset revaluation	(50,844,834)	10,962,732	-	(39,882,102)
Net	34,544,363	10,852,306	-	45,396,669

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S			
	Recognised as income (expense)			January 1, 2018
	January 1, 2018	Statement of income	Shareholders' equity	
Deferred income tax liability:				
Allowance for doubtful accounts - Account				
Receivables	-	23,523	-	23,523
Impairment of investments	-	402,784	-	402,784
Provisions for employee benefit	-	2,496,186	-	2,496,186
Allowance for impairment on Gypsum	-	7,646,304	-	7,646,304
Tax losses carried forwarded 5 years	-	74,820,400	-	74,820,400
Surplus on asset revaluation	(63,248,998)	12,404,164	-	(50,844,834)
Net	(63,248,998)	97,793,361	-	34,544,363

Income tax expenses for the years ended December 31, 2018 and 2017 are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	10,852,306	97,793,361
Income tax expense	10,852,306	97,793,361

Deferred tax assets have not been recognized in respect of the following items:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	December 31, 2018	December 31, 2017
Deductible temporary differences		
Impairment of defective inventories – supplies	18,019,659	18,152,959
Impairment of investment in subsidiary company	127,200,000	127,200,000
Depreciation expense and Impairment of assets	41,512,349	41,718,610
Balance of Tax losses carried forwarded 5 years	66,314,112	138,178,804
Total	253,046,120	325,250,373

The Company recorded deferred income tax assets for loss carry forward based on the forecasted utilization of such loss carry forward.

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16. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term borrowings from financial institutions as at December 31, 2018 and 2017 comprise the following:

Type	CONSOLIDATED F/S AND SEPARATE F/S					
	2018			2017		
	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	Foreign currency	Baht or equivalent
Bank overdrafts	THB	-	6.25	-	-	-
Trust receipts	USD	6,575,469	5.50	March-May 2019	-	-
Total		216,459,853				

Under the term of the agreements covering the Company's liabilities under trust receipts, raw materials have been released to the Company in the trust for the bank. The Company is accountable to the bank for the trusted raw materials or their sales proceeds. As at December 31, 2018 and 2017, undrawn borrowing facilities are as follows:

	CONSOLIDATED F/S AND SEPARATE F/S				The credit facilities guaranteed by:
	2018		2017		
	US Dollar	Baht	US Dollar	Baht	
Bank overdrafts	-	5,000,000	-	-	- All guaranteed by Mr. Nataphong Ratanasuwanthawee
Trust receipts	10,000,000	-	5,000,000	-	
Foreign currency forward contracts	10,000,000	-	5,000,000	-	

17. TRADE AND OTHER CURRENT PAYABLES

As at December 31, 2018, The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area was Baht 50.41 million. (December 31, 2017: Baht 51.98 million).

As at December 31, 2018, accrued compensation expense and debt under joint operating agreement of subsidiary are in the process of repayment negotiated with IEAT in the portion occurred before the receiving order was Baht 27.53 million. (December 31, 2017: Baht 27.53 million).

18. PROVISIONS FOR EMPLOYEE BENEFITS

- Employee benefits expense

Expenses recognised for employee benefits are analysed below:

(Unit : Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Salaries and wages	60,463,603	56,653,963
Social security costs	860,783	727,968
Pensions - defined benefit plans	2,367,879	2,075,499
Total	63,692,265	59,457,430

- Movements in employee benefits obligation for the years ended December 31, 2018 and 2017 are as follows :

(Unit : Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Defined benefit obligation as at January 1,	12,480,931	9,023,038
Current service cost	1,563,834	1,026,700
Interest expense	382,018	273,353

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Re-measurement - actuarial loss (gain) from :		
- changes in financial assumptions	-	1,882,877
- experience adjustment	-	274,963
- Debt decreased from payment	(2,512,800)	-
Defined benefit obligation as at December 31,	11,913,983	12,480,931
Wholly unfunded	11,913,983	12,480,931

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Provisions for employee benefits		
- changes in financial assumptions	587,688	1,852,703
- changes in financial assumptions	11,326,295	10,628,228
Provisions for employee benefits	11,913,983	12,480,931

Actuarial gains or losses occurred from the change in the salaries and wages and other factors for the computation of post-employee benefits are presented under shareholders' equity

- Principal actuarial assumptions at the reporting date for the years ended December 31, 2018 and 2017 are as follows:

	CONSOLIDATED F/S	
	December 31, 2018	December 31, 2017
Discount rates (% per annum)	2.72	2.72
Salary growth rate (% per annum)	4.25	4.25
Turnover rate (% per annum)	6	6
Retirement age (Years)	60	60
	SEPARATE F/S	
	December 31, 2018	December 31, 2017
Discount rates (% per annum)	2.72	2.72
Salary growth rate (% per annum)	4.25	4.25
Turnover rate (% per annum)	6	6
Retirement age (Years)	60	60

The present value of the defined benefit obligation was measured using the projected unit credit method.

- Defined benefit plan expenses

Amounts recognised in profit or loss related to the Company's and subsidiaries' defined benefit plans are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Current service cost	1,563,834	1,026,700
Net interest expense	382,018	273,353
Total expenses recognized in profit or loss	1,945,852	1,300,053

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognized in other comprehensive income related to the Company's and subsidiary's defined benefit plans are as follows:

(Unit: Baht)

	CONSOLIDATED F/S AND SEPARATE F/S	
	2018	2017
Actuarial loss (gain) from :		
- changes in financial assumptions	-	1,882,877
- experience adjustment	-	274,963
Total expense recognized in other comprehensive income	-	2,157,840

All expenses summarised above were included within items that will not be reclassified subsequently to profit or loss in the statement of profit or loss and other comprehensive income.

- The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2018 are summarized below:

(Unit: Baht)

	Change of the present value of the employee benefit obligations increase (decrease)			
	CONSOLIDATED F/S		SEPARATE F/S	
	Increase 0.50%	Decrease 0.50%	Increase 0.50%	Decrease 0.50%
Discount rate	(310,227)	327,457	(310,227)	327,457
Salary increase rate	371,900	(355,387)	371,900	(355,387)
Turnover rate	(320,861)	339,839	(320,861)	339,839

As at December 31, 2018, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

(Unit : Baht)

	CONSOLIDATED F/S	SEPARATE F/S
Within 1 year	770,809	770,809
Over 2 and up to 5 years	12,686,402	12,686,402
Over 6 and up to 10 years	3,695,563	3,695,563
Over 11 and up to 15 years	1,854,324	1,854,324
Total	19,007,098	19,007,098

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries will reflect the effect of the change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss, of the period in which the law is effective of Baht 0.33 million and Baht 0.33 million, respectively.

19. SHARE CAPITAL AND WARRANTS

19. (A) Share capital

At the Extraordinary General Meeting of the Shareholders No.1/2018 held on November 21, 2018, the Company's shareholders have the significant approved as following:

- (1) Resolved to approve the Company's registered capital increase by Baht 81,587,479.50 from the existing registered capital of Baht 815,874,792 to the new registered capital of Baht 897,462,271.50 by issuing 108,783,306 newly issued ordinary shares at the par value of Baht 0.75 per share to reserve for the exercise of right of the warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) and Resolved to approve the amendment to clause 4. of the Company's memorandum of association regarding registered capital to be in accordance with the Company's registered capital increase.

The Company has registered capital increase, and amending the Memorandum of Association of Article 4. the Department of Business Development Ministry of Commerce Completed in December 6, 2018.

At the Extraordinary General Meeting of the Shareholders No.1/2017 held on June 23, 2017, the Company's shareholders have the significant approved as following:

- (1) Resolved to approve the change to a par value and the total amount of shares in the Company. The par value is proposed to be changed from Baht 0.50 per share to Baht 1.25 per share and the total amount of shares in the Company will be changed from the registered and paid-up ordinary shares of 2,719,582,640 shares to 1,087,833,056 shares calculated by 2.5 of existing shares to 1 of new share. The remaining fraction of shares resulted from such change of par value will be rounded up to a whole share, where Mr. Nuttaphob Ratanasuwanthawee, a major shareholder of the Company agrees to be a balancer, i.e. shares to be received by him will be less the amount rounded up to other relevant shareholders.
- (2) Resolved to approve the reduction of the registered and paid-up capital of the Company in the amount of Baht 543,916,528 from the existing amount of Baht 1,359,791,320 to the new amount of Baht 815,874,792 This will be undertaken after the change to a par value and the total amount of shares in the Company is completed, at which the par value of the Company is Baht 1.25 per share and the total amount of registered and paid-up ordinary shares in the Company are 1,087,833,056 shares by reducing the par value from Baht 1.25 per share to Baht 0.75 per share to compensate for the retained losses of the Company.

The Company has registered capital increasing and changing of par value with the Ministry of Commerce on June 28, 2017.

The Company has registered the reduction of the registered and paid-up capital with the Ministry of Commerce on September 6, 2017.

19. (A) Warrants

At the Extraordinary General Meeting of the Shareholders No.1/2018 held on November 21, 2018, the Company's shareholders have the significant approved as following:

Approve the issuance of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1) of not exceeding 108,783,306 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) at the ratio of 10 ordinary shares to 1 unit, and also resolved to approve that the Board of Directors of the Company, the authorized directors of the Company and/or any other person authorized by the Board of Directors of the Company or the authorized directors of the Company shall be authorized to consider and perform any necessary actions related to and/or associated with the issuance of warrants to purchase ordinary shares of the Company No. 1 (NFC-W1).

Warrants**Warrants to purchase ordinary shares No.1 (NFC-W1)**

On December 14, 2018, the Company issued warrants to purchase the Company's ordinary shares offering to the existing shareholders. The details are as follows:

Warrant trading symbol	: NFC-W1
Secondary market	: SET
Trading date	: 08 January 2019
Number of listed warrants (Unit : Warrants)	: 108,781,159
Exercise ratio (Warrant : Common stock)	: 1 : 1
Exercise price (Baht per share)	: 6.50
Term of warrants	: 3 years from the issuance date of the Warrant (14 December 2018)
Warrant price (baht per unit)	: 0.00
First exercise date	: 28 June 2019
Last exercise date	: 13 December 2021

As at December 31, 2018, the outstanding balance of unexercised warrants to purchase ordinary share is 108,781,159 unit.

20. EARNING PER SHARE

Basic earnings per share are calculated by dividing profit for the year attributed to equity holders of the Company (Excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

(Unit : Baht)

	CONSOLIDATED		SEPARATE	
	For the year ended December 31,			
	2018	2017	2018	2017
Profit (loss) attributable to equity holders of the Company	51,396,208	214,686,860	52,950,677	216,115,572
Effect of dilutive potential ordinary shares	1,087,833,056	1,087,833,056	1,087,833,056	1,087,833,056
Basic earnings (loss) per shares (Baht)	0.0472	0.1974	0.0487	0.1987

Diluted earnings (loss) per share Weighted average number of ordinary shares in issue during the year is adjusted by the number of dilutive potential ordinary shares, assuming that the dilutive potential ordinary shares are exercised. Converted to ordinary shares. The Company has diluted ordinary shares, ie warrants to purchase ordinary shares. The Company calculates the equivalent of the discounted shares based on the fair value based on the par value of the share option price accompanying the warrants to purchase the ordinary shares. The calculation is based on the weighted average number of ordinary shares in issue during the period. The calculation is based on the weighted average number of ordinary shares in issue during the period. However, the Company does not calculate diluted earnings per share for the years ended December 31, 2017 because the fair value of ordinary shares is less than the exercise price.

21. STATUTORY RESERVE

The Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

22. PROVIDENT FUND

The Company and its subsidiaries and its employee have jointly established a provident funds in accordance with the Provident Fund Act B.E. 2530. Both the Company and its subsidiaries and its employee contributed to the fund monthly at the rates specified in the regulation of provident fund. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During the years 2018 and 2017, the Company and its subsidiaries contributed Baht 2.37 million and Baht 2.08 million, respectively. (Separate: Baht 2.37 million and 2.08 million, respectively).

23. EXPENSES BY NATURE

(Unit: Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2018	2017	2018	2017
Change in inventories and work in process	45,450,655	(50,894,504)	45,450,655	(50,894,504)
Purchases of goods	975,443,920	744,792,946	975,443,920	744,792,946
Depreciation and amortization	108,368,468	109,605,692	108,368,468	109,605,692
Salaries, wages and employee compensation	82,964,679	66,182,471	82,964,679	66,182,471
Professional fees	8,307,413	7,236,561	8,062,913	7,050,985
Compensation paid to IEAT	58,799,203	59,155,934	58,799,203	59,155,934
Allowance for doubtful accounts (Reverse)	1,042,369	7,391,822	1,897,345	6,295,028
Allowance for impairment Inventory (Reverse)	(671,228)	1,379,448	(671,228)	1,379,448
Allowance for impairment (Reverse)	(702,765)	344,595	(702,765)	344,595

24. FINANCIAL INSTRUMENTS

Financial instruments carried on the consolidated statement of financial position and the separate statement of financial position include cash and cash equivalents, restricted deposits, trade account receivables, other receivables, investment in subsidiary, other long-term investment, trade account payables, unearned revenue from sales and services, accrued compensation expense and debts under joint operating agreement and business rehabilitation plan, short-term loans and accrued interest from related companies. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies (Note 4).

The financial risks of the Company and its subsidiaries associate with these financial instruments. The management policies on these risks are described below:

Liquidity risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Company and subsidiaries within the normal terms of trade. To manage this risk, the Company and its subsidiaries periodically assess the financial viability of customers.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates, which may have a negative effect to current and future operations of the Company and subsidiaries. However, the Company and subsidiaries have no hedging agreement to protect against such risk.

Credit risk

Credit risk is the risk that a counter party is unable or unwilling to meet a commitment that it entered into with the Company and its subsidiaries. The risk is controlled by the application of credit approvals, limits and monitoring procedures.

The carrying amount of accounts receivable recorded in the statement of financial position and consolidated statement of financial position net of allowance for doubtful accounts, if any, represents the maximum exposure to credit risk.

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices, discounted cash flow models or net asset values as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents, restricted deposits, trade accounts receivable and other receivable - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investment in subsidiaries and other long-term investment, for which there is no quoted market prices - fair value cannot be properly calculated.

Trade accounts payable and unearned revenue from sales and services - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

25. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(Unit: Baht)

		CONSOLIDATED F/S AND SEPARATE F/S							
		Level 1		Level 2		Level 3		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
Financial assets measured at fair value									
Available-for-sale investments									
Equity instruments		298,131,990	196,903,987	-	-	-	-	298,131,990	196,903,987
Financial assets for which fair value are disclosed									
Property, Plant and equipment		-	-	559,141,000	559,141,000	-	-	559,141,000	559,141,000

26. SEGMENT REPORTING

The segment financial information of the Company and its subsidiaries company For the year ended December 31,2018 and 2017 are as follows:

(Unit: Baht)

	CONSOLIDATED					
	For the year ended December 31,					
	2018			2017		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Revenues from sales of chemical product - net	1,085,919,053	-	1,085,919,053	990,664,315	-	990,664,315
Revenues from the rendering of services	55,039,998	39,034,312	94,074,310	55,338,761	55,004,225	110,342,986
Cost of chemical product sold	(929,993,265)	-	(929,993,265)	(795,687,450)	-	(795,687,450)
Cost of services	(10,425,607)	(7,685,235)	(18,110,842)	(12,298,563)	(12,335,156)	(24,633,719)
Gross profit	202,540,179	31,349,077	231,889,256	238,017,063	42,669,069	280,686,132
Other income	7,159,762	102,612	7,262,374	6,632,679	187,597	6,820,276
Reversal of allowance for doubtful accounts	2,147,458	29,886	2,177,344	6,701,358	171,148	6,872,506
Gypsum revenues net of related expenses	5,698,233	-	5,698,233	14,038,879	-	14,038,879
Selling expenses	(47,770,082)	(664,815)	(48,434,897)	(45,789,868)	(1,169,443)	(46,959,311)
Administrative expenses	(78,041,259)	(2,132,553)	(80,173,812)	(74,789,628)	(1,910,077)	(76,699,705)
Loss on impairment of other long - term investment	(324,034)	(4,510)	(328,544)	(336,013)	(8,582)	(344,595)
Expenses from under utilized fixed assets	-	(75,185,431)	(75,185,431)	-	(67,133,914)	(67,133,914)
Expenses from temporary closed port	-	(7,266)	(7,266)	-	(7,746)	(7,746)
Profit (Loss) from operation before financial costs and income Tax	89,410,257	(46,513,000)	49,897,257	144,474,470	(27,201,948)	117,272,522
Financial costs	(2,792,474)	(38,863)	(2,831,337)	(857,361)	(21,896)	(879,257)
Tax income	10,703,348	148,958	10,852,306	95,357,982	2,435,379	97,793,361
Net profit (Loss) for the years	97,321,131	(46,402,905)	50,918,226	238,975,091	(24,788,465)	214,186,626
Property, plant and equipment - net	168,685,702	234,294,646	402,980,348	200,752,172	291,586,507	492,338,679
Other assets	979,790,881	43,809,543	1,023,600,424	625,522,487	41,598,184	664,120,671
Total assets	1,148,476,583	278,104,189	1,426,580,772	826,274,659	333,184,691	1,159,459,350

(Unit: Baht)

SEPARATE						
For the year ended December 31,						
	2018			2017		
	Chemical	Port Service and Other	Total	Chemical	Port Service and Other	Total
Revenues from sales of chemical product - net	1,085,919,053	-	1,085,919,053	990,664,315	-	990,664,315
Revenues from the rendering of services	55,039,998	41,654,312	96,694,310	55,338,761	57,624,225	112,962,986
Cost of chemical product sold	(929,993,265)	-	(929,993,265)	(795,687,450)	-	(795,687,450)
Cost of services	(10,425,607)	(8,099,965)	(18,525,572)	(12,298,563)	(12,926,093)	(25,224,656)
Gross profit	200,540,179	33,554,347	234,094,526	238,017,063	44,698,132	282,715,195
Other income	7,125,138	112,857	7,237,995	6,517,946	195,235	6,713,181
Reversal of allowance for doubtful accounts	1,302,305	20,065	1,322,370	5,672,399	155,218	5,827,617
Gypsum revenues net of related expenses	5,698,233	-	5,698,233	14,038,879	-	14,038,879
Selling expenses	(47,699,986)	(734,911)	(48,434,897)	(45,708,553)	(1,250,758)	(46,959,311)
Administrative expenses	(77,128,514)	(2,346,692)	(79,475,206)	(73,866,406)	(2,021,263)	(75,887,669)
Loss on impairment of other long - term investment	(323,558)	(4,985)	(328,543)	(335,417)	(9,178)	(344,595)
Expenses from under utilized fixed assets	-	(75,185,431)	(75,185,431)	-	(67,133,914)	(67,133,914)
Profit (Loss) from operation before financial costs and income Tax	89,513,798	(44,584,750)	44,929,048	144,335,911	(25,366,528)	118,969,383
Financial costs	(2,787,727)	(42,950)	(2,830,677)	(629,935)	(17,237)	(647,172)
Tax income	10,687,642	164,664	10,852,306	95,188,641	2,604,720	97,793,361
Net profit (Loss) for the years	97,413,713	(44,463,036)	52,950,677	238,894,617	(22,779,045)	216,115,572
Property, plant and equipment - net	168,685,702	230,871,588	399,557,290	200,752,172	291,586,507	492,338,679
Other assets	981,790,281	-	981,790,281	625,522,487	-	625,522,487
Total assets	1,150,475,983	230,871,588	1,381,347,571	826,274,659	291,586,507	1,117,861,166

Property, plant and equipment of each segment represent the segmental operating assets, while other assets principally represent cash and cash equivalents, trade account receivables, other receivables, inventories, other current assets, investments and other non-current assets.

Major Customer

Major customer for external revenue is Saksri Industry Co., Ltd. and IVIC (Thailand) Co.,Ltd.

* Formerly is Thai-MC Co., Ltd

27. LONG – TERM AGREEMENTS

- 27.1 The Company has land lease agreement for plant site with the Industrial Estate Authority of Thailand (“IEAT”) for a period of 30 years starting from September 18, 1992 to September 17, 2022, and pay for rental fee as follows:

	In Baht (Per year)
Year 1 - 10	22,295,480
Year 11 - 17	24,525,028
Year 18 - 20	20,428,593
Year 21 - 30	22,471,453

- 27.2 The Company has the Agreement for Joint Development of the Pier Area with IEAT and agreed to pay compensation expenses starting from April 30, 1996 as follows:

	In Baht (Per year)
Year 1 - 10	15,377,000
Year 11- 20	18,730,000
Year 21 - 30	23,165,000

- 27.3 From starting the operations, the Company has to pay for the shipping in and out of goods passing through the pier, at the rate of Baht 6.1 per ton based on actual quantity of goods passing through. The said rate will be increased by 4% per annum from the rate of previous year. From the year 2002, if the actual quantity of goods passing through is less than 700,000 tons per annum, The company will have to pay an amount equivalent to 700,000 tons per annum.

28. COMMITMENT

As at December 31, 2018,

- 28.1 The Company has committed to pay land rent and compensation to IEAT under the Land Lease Agreement and the Agreement for Joint Development of the Pier Area amounting to approximately Baht 321 million.

- 28.2 The Company has commitment related to the rental and service charges to the related companies with the rental operation agreement as follows:

Year	Baht
Due within one year	4,890,000
Due over 1 year but not over 5 years	3,840,000
Total	8,730,000

- 28.3 Forward foreign currency exchange contracts

As at December 31, 2018 and 2017 the settlement date on open forward contracts ranged between 6 months to 12 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts as follows:

(Unit : Baht)

	Consolidated F/S and Separate F/S					
	Foreign currency contract amount		Contract rate			
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Foreign currency						
USD	441,018	2,180,101	32.53 - 32.70	32.63 - 33.97	14,355,19	72,463,999

Fair value

The net fair value of forward foreign exchange contracts as at December 30, 2018 and 2017 is unfavorable forward foreign exchange contracts are liabilities amount Baht 51,443 and Baht 931,604 respectively.

28.4 Foreign currency exchange risk

As at December 31, 2018, and 2017 the Company has trust receipt and accounts in foreign currency which were not hedged by forward exchange contracts or similar hedging instrument are as follow:

	Currency	December 31, 2018	December 31, 2017
Trust receipt	US Dollar	6,575,469	-

28.5 Letters of Guarantee

(Unit : Baht)

	CONSOLIDATED		SEPARATE	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Letters of Guarantee				
- Electricity Guarantee and IEAT	10,610,000	-	10,610,000	-

29. LITIGATION

In 2016, the Company has been sued by the Company's former employees calling for payment of compensation Baht 8.49 million for the termination of employment agreements. The cases are still under the court consideration. However, the Company has not recorded compensation provision for this case because the management considers that the prosecution does not follow the legal process.

On January 22, 2018, The Court of Appeal for Specialized Cases has pronounced its judgement by considering the Company to win the case due to the appeal which challenge the discretion for the judge in matter of fact is barred by law. Therefore, The Court of Appeal for Specialized Cases reject to consider a case. The case shall be final.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of director on February 27, 2019.